

SOCIETÀ DI PROGETTO  
**BREBEMI SPA**

Financial Statements  
as at 31 December 2020



<b>Shareholders</b>	<b>Number of shares</b>	<b>Share capital</b>	<b>% of share capital</b>
Autostrade Lombarde S.p.A.	271,290,457	39,919,589	76.5605%
Aleatica SAU	45,030,078	6,626,043	12.7079 %
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%
Aleatica S.A.U.	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 Srl	16,500	2,428	0.0047%
A.B.M. Azienda Bergamasca Multiservizi srl	13,000	1,913	0.0037%
Grandi Lavori Fincosit S.pA	13,000	1,913	0.0037%
Itinera S.p.A.	100	15	0.0000%
<b>Impresa Pizzarotti &amp; C. S.p.A.</b>	<b>1</b>	<b>0</b>	<b>0,0000%</b>
<b>Total</b>	<b>354,347,771</b>	<b>52,141,227</b>	<b>100.0000%</b>



---

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

---

<b>BOARD OF DIRECTORS</b>	<i>Chairman</i> Bettoni Francesco
	<i>Board Members</i> Marchioro Riccardo Corigliano Rocco Magnoni Ruggero Hombrados Cuadrillero Francisco Roberto Moreno Cela Rafael Gago De Pedro Joaquin
	<i>General Manager</i> Allegrini Duilio

*The Board of Directors was appointed by the Shareholders' Meeting of 26 October 2020 and will remain in office until the approval of the 2022 financial statements.*

---

<b>BOARD OF STATUTORY AUDITORS</b>	<i>Chairman</i> Cervellini Quirino (*)
	<i>Standing auditors</i> Panteghini Paolo Rampino Pietro Paolo Riva Sara (**) Gnechi Flavio
	<i>Alternate Auditors</i> Cossu Leonardo Ravicini Luciana

*(\*) 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.*

---

<b>INDEPENDENT AUDITORS</b>	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.*



## DIRECTORS' REPORT AS AT 31 DECEMBER 2020

### INTRODUCTION

Dear Shareholders,

The 2020 Financial Statements, consisting of the Balance Sheet, Income Statement, Cash Flow Statement and Additional Note, as required by Art. 2423 of the Italian Civil Code and also accompanied by the Directors' Report, drawn up pursuant to Art. 2428 of the Italian Civil Code, are hereby submitted for your approval. 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.

Revenues from motorway operations show a significant decrease compared to 2019 (-20.9%) entirely attributable to the reduction in traffic volumes resulting from the Covid-19 pandemic.

The main operating indicators - Gross Operating Margin EUR 41.5 million and Operating Income EUR 29.3 million - decreased compared to the previous year, expressing the same trend as revenues from motorway operations. The negative income before tax reflects the recognition of amortization and depreciation for a total of EUR 12.3 million and financial expenses for a total of EUR 154.0 million. The result for the year shows a loss of EUR 95.7 million.

The following is the main information on the performance of your Company.

### ACQUISITION BY ALEATICA S.A.U.

On 26 October 2020, the acquisition by Aleatica S.A.U. of all the shareholdings of Intesa Sanpaolo in the parent company Autostrade Lombarde S.p.A. and in the affiliate Società di Progetto Brebemi S.p.A., was completed. Aleatica is a major infrastructure operator based in Madrid and wholly owned by IFM Global Infrastructure Fund, managed by IFM Investors.

As a result of the aforementioned transaction, Aleatica S.A.U. now holds, *inter alia*:

- (a) 260,905,020 ordinary shares in Autostrade Lombarde, representing 55.78% of its share capital;
- (b) 180,001 of the Company's ordinary shares, representing 0.05% of its share capital;
- (c) receivables arising from the shareholders' loan of 15 October 2019, entered into between Intesa Sanpaolo, as lender, and Brebemi, as debtor, the total amount of which is, as of 26 October 2020, EUR 22,449,220.78 as principal and EUR 7,864,532.70 as accrued and unpaid interest; and
- (d) 9.037,104 participative financial instruments issued by the Company on 15 January 2020.

In connection with the completion of the above acquisition, the majority of the Company's Directors resigned from office with effect from the Closing Date and the entire Board of Directors was dissolved. Therefore, the Ordinary Shareholders' Meeting, chaired by Francesco Bettoni, appointed the replacement members of the Company's Board of Directors. The current Board of Directors will remain in office until the approval of the Financial Statements as at 31 December 2022.

### COVID-19 HEALTH EMERGENCY

Following the Covid-19 health emergency, in early 2020 the Company took the necessary measures to prevent and contain contagions, in line with the directives of national and local health authorities. In particular:

- in March 2020, a specific protocol was adopted, setting out and disseminating the necessary corporate provisions to regulate people's access to company premises and the behaviour of workers therein;
- the "Committee for protocol application and verification", composed of the Manager of the Prevention and Protection Service, the Worker Safety Representative and the appointed manager, was set up to ensure compliance with all the provisions;
- the necessary measures were taken to protect health and safety in the workplace, such as: the distribution of appropriate Personal Protective Equipment, the intensification of

- sanitation activities in the workplace, the adoption of appropriate measures to ensure interpersonal distance during work activities;
- during the national lockdown, smart working was used where possible, ensuring adequate supervision of management activities.

The measures taken at national level in terms of mobility, in order to contain the spread of the Covid-19 epidemic, led to a 28.7% decrease in traffic volumes compared to the previous year, distributed between light vehicles (-36.2%) and heavy vehicles (-9.1%). In particular, after the growth in traffic recorded in January and February 2020, the most significant reduction in traffic was recorded in April 2020 during which an overall 77.8% decrease was recorded, distributed between light vehicles (-89.8%) and heavy vehicles (-45.4%).

The partial easing of restrictions and the consequent reopening of several production sites led to a partial recovery in traffic volumes from the end of April, which increased in August and September.

The drop in traffic volumes was reflected in "Revenues from motorway operations", which fell by 20.9% compared to the previous year. In percentage terms, the reduction in revenues is less than the reduction in traffic volumes, as it is partially offset by the tariff increase as from 1 January 2020 and the different composition of vehicles (traffic of heavy vehicles declined less significantly than that of light vehicles).

## **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 31 December 2020 compared with the corresponding data of the previous financial year can be summarized as follows:

	<b>31/12/2020</b>	<b>31/12/2019</b>	<b>Variations</b>
Revenues from motorway operations	70,237,930	88,753,950	(18,516,020)
Other revenues	2,536,753	3,226,395	(689,642)
Operating costs (*)	(31,227,274)	(32,146,199)	918,925
<b>Gross operating margin (EBITDA)</b>	<b>41,547,409</b>	<b>57.1%</b>	<b>59,834,146</b>
57.1%		65.1%	<b>(18,286,737)</b>
Amortisation, depreciation, provisions and reserves used	(12,275,110)	(11,157,178)	(1,117,932)
<b>Operating income (EBIT)</b>	<b>29,272,299</b>	<b>40.2%</b>	<b>48,676,968</b>
40.2%		52.9%	<b>(19,404,669)</b>
Financial income	380,485	424,396	(43,911)
Bank financial charges	(80,653,916)	(80,212,504)	(441,412)
Financial charges shareholders loans	(27,614,583)	(10,990,057)	(16,624,526)
Release CFH reserve	(44,011,459)	(8,543,869)	(35,467,590)
Other financial charges	(304,579)	(525,415)	220,836
Value adjustments derivative instrum.	(1,805,994)	(11,274,212)	9,468,218
<b>Balance of financial management</b>	<b>(154,010,046)</b>	<b>(111,121,661)</b>	<b>(42,888,385)</b>
<b>Income before tax</b>	<b>(124,737,747)</b>	<b>(62,444,693)</b>	<b>(62,293,054)</b>
Income Taxes	28,978,976	13,311,503	15,667,473
<b>Profit/(Loss) for the period</b>	<b>(95,758,771)</b>	<b>(49,133,190)</b>	<b>(46,625,581)</b>

(\*) Amounts after the surcharge payable to ANAS (EUR 2,965 thousand as at 31.12.2020, EUR 3,850 thousand as at 31.12.2019)

The item "Revenues from motorway operations" totalled EUR 70.2 million (EUR 88.7 million in 2019) and is broken down as follows:

	<b>31/12/2020</b>	<b>31/12/2019</b>	<b>Variations</b>
Net toll revenues	75,412,972	95,294,455	(19,881,483)
Surcharge payable to ANAS	(2,965,285)	(3,850,725)	885,440
Discounts and other adjustments	(2,209,757)	(2,689,780)	480,023
<b>Total motorway sector revenues</b>	<b>70,237,930</b>	<b>88,753,950</b>	<b>(18,516,020)</b>

The reduction in "net toll revenues", net of the amount of the surcharge payable to ANAS - equal to EUR 19.0 million - is attributable for EUR 22.5 million to the reduction in traffic volumes due to the Covid-19 pandemic and for EUR 3.5 million to the recognition of the tariff adjustment as from 1 January 2020.

The trend in traffic volumes for 2020 is summarised in the following table:

(Million vehicles/km)	<b>31 December 2020</b>			<b>31 December 2019</b>			<b>Changes</b>		
	Light	Heavy	Total	Light	Heavy	Total	Light	Heavy	Totals
Month									
January	27.8	11.0	38.7	25.7	10.2	35.9	7.8%	7.6%	7.8%
February	26.3	11.2	37.5	26.2	10.3	36.5	0.4%	8.5%	2.7%
March	7.5	8.4	15.9	30.5	11.4	41.9	(75.3%)	(26.7%)	(62.1%)
April	3.1	6.0	9.1	29.9	11.0	40.9	(89.8%)	(45.4%)	(77.8%)
May	11.4	9.3	20.7	31.0	12.4	43.3	(63.3%)	(24.6%)	(52.2%)
June	20.7	10.7	31.5	32.8	11.9	44.7	(36.8%)	(9.7%)	(29.6%)
July	26.5	12.3	38.8	33.6	13.3	46.9	(21.1%)	(7.2%)	(17.1%)
August	20.4	8.5	28.9	22.0	8.4	30.5	(7.6%)	0.7%	(5.3%)
September	26.7	12.0	38.8	30.6	12.0	42.6	(12.6%)	0.3%	(9.0%)
October	24.7	12.5	37.2	33.1	13.5	46.6	(25.5%)	(7.5%)	(20.3%)
November	13.8	11.5	25.3	30.5	12.1	42.6	(54.7%)	(5.2%)	(40.6%)
December	17.5	11.3	28.8	29.0	10.8	39.8	(39.7%)	4.8%	(27.6%)
<b>Total</b>	<b>226.3</b>	<b>124.8</b>	<b>351.1</b>	<b>354.9</b>	<b>137.3</b>	<b>492.2</b>	<b>(36.2%)</b>	<b>(9.1%)</b>	<b>(28.7%)</b>

"Other revenues", amounting to EUR 2.5 million, refer to royalties received from service areas, the recovery of collection charges, exceptional transit charges and non-payments. These revenues, which are closely related to motorway operations, are affected by the reduction in traffic volumes described above. This item also includes income received from the service contract in place with the parent company Autostrade Lombarde and the chargeback of costs to the General Contractor and Argentea Gestioni.

"Operating costs", amounting to EUR 31.1 million, include EUR 25.4 million in service costs, EUR 0.2 million in costs for use of third party assets, EUR 2.3 million in other charges and EUR 3.2 million in costs of personnel.

The amount of service costs is mainly attributable to costs related to the operation and maintenance of non-compensated revertible assets. Specifically, the consideration paid in 2020 to the contractor under the management and maintenance contract, the affiliate Argentea Gestioni S.c.p.A., amounts to EUR 20.8 million.

The amount of other operating expenses includes EUR 1.7 million (EUR 2.2 million in 2019) in concession and sub-concession fees to be paid to the Grantor under the Concession Agreement.

"Amortisation, depreciation, provisions and reserves used", amounting to EUR 12.3 million, refers entirely to the amortization and depreciation of fixed assets. As of 31 December 2020, the amortization and depreciation charge related to non-compensated revertible assets amounted to EUR 12.2 million (EUR 11.0 million in 2019) and reflects the provisions of the Economic and

Financial Plan attached to Addendum no. 3 to the Concession Agreement, also taking into account the terminal value.

Financial management shows a negative balance of EUR 154.0 million (EUR 111.1 as at 31 December 2019). Financial charges accrued and paid during the year amounted to EUR 49.5 million (EUR 78.2 as at 31 December 2019) while financial charges accrued but not paid amounted to EUR 104.8 million (EUR 33.3 as at 31 December 2019). Details of financial charges are provided below:

	<b>31/12/2020</b>	<b>31/12/2019</b>	<b>Variations</b>
Financial income	380,485	424,396	(43,911)
Financial charges paid during the period	(49,543,920)	(78,225,958)	28,682,038
<i>Bank financial charges and bonds</i>	(45,236,400)	(49,050,467)	3,814,067
<i>Swap spreads</i>	(4,307,520)	(29,175,491)	24,867,971
Financial charges accrued but not paid	(104,846,611)	(33,320,099)	(71,526,512)
<i>A3 financial charges</i>	(21,781,644)	0	(21,781,644)
<i>Junior financial charges</i>	(5,539,678)	0	(5,539,678)
<i>Financial charges shareholders loans</i>	(27,614,583)	(10,990,057)	(16,624,526)
<i>Financial charges bank bonds</i>	(1,402,529)	(1,398,697)	(3,832)
<i>Release CFH reserve</i>	(44,011,459)	(8,543,869)	(35,467,590)
<i>Value adjustments derivative instrum.</i>	(1,805,994)	(11,274,212)	9,468,218
<i>Other financial charges</i>	(2,690,724)	(1,113,264)	(1,577,460)
<b>Balance of financial management</b>	<b>(154,010,046)</b>	<b>(111,121,661)</b>	<b>(42,888,385)</b>

Financial charges to shareholders of EUR 27,614,583 (EUR 10,990,057 as of 31 December 19) include interest accrued on outstanding subordinated shareholder loans. Compared to last year, the interest rate on loans relating to principal totalling EUR 149,293,608, out of a total of EUR 205,675,183, increased from 1% to 13.42%, as established by the contractual provisions in force.

"Income taxes" of EUR 28.9 million include EUR 0.8 million in current tax expenses and EUR 29.8 million in deferred tax assets calculated on the tax loss and ACE (Aid to Economic Growth) benefit.

The key figures of the Company's assets and liabilities and its financial position as at 31 December 2020 compared with the corresponding data of the previous financial year can be summarized as follows:

	<b>31/12/2020</b>	<b>31/12/2019</b>	<b>Variations</b>
Intangible fixed assets	10,179	4,500	5,679
Tangible fixed assets	1,041,756	1,168,533	(126,777)
Assets deriving from concession right	1,617,627,343	1,627,662,823	(10,035,480)
Financial fixed assets	44,046,823	44,910,498	(863,675)
Working capital	370,051,870	338,466,187	31,585,683
<b>Invested Capital</b>	<b>2,032,777,971</b>	<b>2,012,212,541</b>	<b>20,565,430</b>
Employees severance indemnity	936,009	836,712	99,297
<b>Invested capital after deducting provisions</b>	<b>2,031,841,962</b>	<b>2,011,375,829</b>	<b>20,466,133</b>
Share Capital	52,141,227	51,141,227	1,000,000
Share premium reserve	21,230,078	0	21,230,078
Other reserves	80,000,000	25,012,040	54,987,960
Cash flow hedges reserve	(307,179,029)	(331,995,086)	24,816,057
Profit (loss) carried forward	(24,121,150)	0	(24,121,150)
Profit (loss) for the period	(95,758,771)	(49,133,190)	(46,625,581)
<b>Shareholders' Equity</b>	<b>(273,687,645)</b>	<b>(304,975,009)</b>	<b>31,287,364</b>
Net financial indebtedness	2,305,529,607	2,316,350,838	(10,821,230)
<b>Own capital and loan capital</b>	<b>2,031,841,962</b>	<b>2,011,375,829</b>	<b>20,466,134</b>

The change in "Assets deriving from concession right" is attributable to: (i) the reduction for the portion of financial amortization accrued in the year equal to EUR 12.1 million; (ii) the increase in costs attributable to the expropriations paid.

The change in the item "Working capital" compared to last year is attributable: (i) on the assets side, to the increase in prepaid taxes for the tax losses accrued in the year (EUR 29.8 million) and to the collection of the 2020 portion of the public contribution provided for by Addendum No. 3; (ii) on the liabilities side, to the reduction in payables to the General Contractor for the conversion of the expropriation debt into share capital and to the payment of part of the security withholdings.

"Net financial indebtedness" as at 31 December 2020 is broken down as follows:

	<b>31/12/2020</b>	<b>31/12/2019</b>	<b>Variations</b>
Cash and cash equivalents	124,194,310	130,121,885	(5,927,575)
Receivables from interconnected companies	16,872,795	24,119,046	(7,246,251)
Current payables to bondholders	(23,292,205)	(10,274,367)	(13,017,838)
Current bank payables	(7,306,600)	(5,740,900)	(1,565,700)
Payables to interconnected companies	(391,607)	(701,303)	309,696
<b>Net current available funds</b>	<b>110,076,693</b>	<b>137,524,361</b>	<b>(27,447,668)</b>
Payables to banks	(288,608,577)	(295,319,411)	6,710,833
Payables to bondholders	(1,636,323,058)	(1,628,827,157)	(7,495,901)
Derivative financial instruments	(158,840,425)	(146,911,504)	(11,928,921)
EPC Banks	(57,982,714)	(56,580,184)	(1,402,530)
Payables to shareholders for loans	(273,161,846)	(325,402,122)	52,240,276
Payables to other lenders	(689,680)	(834,821)	145,141
<b>Non-current financial indebtedness</b>	<b>(2,415,606,300)</b>	<b>(2,453,875,199)</b>	<b>38,268,898</b>
<b>Net financial indebtedness</b>	<b>(2,305,529,607)</b>	<b>(2,316,350,838)</b>	<b>10,821,230</b>

The item "Cash and cash equivalents" as at 31 December 2020 includes, among other things:

- the amounts deposited in the "Debt Service Reserve" account, constituted for the amount of EUR 48.6 million, and in the "Maintenance Reserve" account, constituted for the amount of EUR 25.1 million. These sums, deposited in accordance with the "Common Terms Agreement" of 15 October 2019, may be used by the Company exclusively to fulfil its obligations to pay the debt service or maintenance costs where the company does not have the relevant resources arising from operations;
- EUR 23.0 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.

The changes in "Payables to bondholders" are as follows: (i) the repayment of principal for the instalments falling due in 2020 (EUR 8.6 million) except for the instalment pertaining to December 2020 on the junior loan, which was added to the principal falling due in 2021 (EUR 1.7 million); (ii) the capitalisation of interest accrued on the A3 line (EUR 21.8 million) and on the junior line (EUR 5.5 million); (iii) the release of Transaction Costs for the period (EUR 1.8 million).

The change in "Bank payables" is attributable: (i) for EUR 5.7 million, to the repayment of the instalments due in 2020 on the Senior Loan; (ii) for EUR 1.4 million, to interest accrued and not paid on the loan deriving from the agreement with the Banks that have issued the Performance Bond; (iii) for EUR 0.6 million, to the release of the Transaction Costs of the period.

"Payables to shareholders for loans", together with "Payables to other lenders", include interest accrued and not paid in the period for EUR 27.6 million and the conversion of part of the principal and interest accrued into "Participative Financial Instruments" in January 2020 for a total of EUR 80 million.

The provision for "Derivative financial instruments liabilities" includes the negative fair value of derivative financial instruments outstanding at the end of the year entered into by the Company to prevent the risk arising from changes in interest rates.

## **GOING CONCERN PRINCIPLE**

The Financial Statements as at 31 December 2020 have been drawn up on a going concern basis, supported by the Economic and Financial Plan attached to 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.

As is known, the Company operates in the motorway regulated sector, for which the current Agreement provides that, if certain events occur, contractual mechanisms for rebalancing the economic and financial situation are implemented by revising the multi-year plan. The Company has therefore started discussions with the Grantor, CAL S.p.A. (Concessioni Autostradali Lombarde or CAL), about the possible measures to make up for the impact of the health emergency on traffic flows to be included in the next revision of the Economic and Financial Plan, since the current regulatory period expires in 2021.

With reference to the financial situation following the Covid-19 health emergency, the measures available to the Company were implemented in order to safeguard its financial solidity and cash availability also through the negotiation, with the financial parties, of the temporary suspension of the verification of certain financial ratios.

The financial statements for the year ended 31 December 2020 show losses carried forward of EUR 24,121,150 and a loss for the year of EUR 95,758,771. The available reserves that can be used to cover accumulated losses amount to a total of EUR 101,230,078, thus exceeding the limit

established by Art. 2446 of the Italian Civil Code by EUR 18,649,843. Shareholders' equity as of 31 December 2020 was negative for EUR 273,687,645. In this respect, it should be noted that, pursuant to applicable regulations, the reserve for expected cash flow hedges is not considered in the calculation of shareholders' equity for the purposes of Arts. 2412, 2433, 2442, 2446 and 2447 of the Italian Civil Code.

It should also be noted that under the terms of the commitments undertaken with its lenders, the Company is required to maintain a level of shareholders' equity no lower than EUR 100,000,000 (net of the reserve for expected cash flow hedges).

In a meeting held on 15 March 2021, the Board of Directors thus decided to issue 68,000,000 participative financial instruments, also establishing that any instruments not subscribed by shareholders would be released through the offsetting of receivables due from the Company to parties who undertook commitments in the respective Subordinated Shareholder Loans.

## **OPERATIONS ON THE COMPANY'S CAPITAL**

The Shareholders' Meeting of 15 January 2020 also approved a capital increase, excluding pre-emption rights pursuant to Art. 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 were 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 were all 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 (General Contractor) 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.

It should be noted that on 4 December 2020 Aleatica S.A.U. and Impresa Pizzarotti & C. S.p.A. signed an agreement for Aleatica to acquire the shareholdings of Impresa Pizzarotti in the Company, in the parent company Autostrade Lombarde S.p.A. and in the affiliate Argentea Gestioni S.c.p.A..

In particular, based on this agreement, Aleatica will acquire a 12.66% stake in Brebemi as well as a 13.26% stake in Argentea and a 6.41% stake in Autostrade Lombarde. The transaction also envisages Aleatica taking over all the economic interests held by Impresa Pizzarotti.

Closing of the transaction, which is subject to a number of conditions precedent, including completion of the statutory pre-emption procedures of the parent company Autostrade Lombarde SpA and the affiliate Argentea Gestioni S.c.p.A, is expected by the end of April.

On 23 December 2020, UBI Banca signed an agreement with Aleatica S.A.U. for the purchase and sale of 2,831,351 shares equal to 0.6% of the share capital of the parent company Autostrade Lombarde S.p.A. The aforementioned agreement will also regulate Aleatica's takeover of the relations of UBI Banca in the subsidiary Brebemi (Participative Financial Instruments and Shareholders' Loan).

## **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) EUR 15,000,000 Class A1 Senior Secured Amortizing Floating Rate Notes due 2038, (ii) the EUR

934,000,000 Class A2 Senior Secured Amortizing 3.375 per cent. Fixed Rate Notes due 2038, (iii) the EUR 1,205,000,000 Class A3 Senior Secured Zero Coupon Notes due 2042 and (iv) the EUR 172,000,000 Subordinated Secured Extendable Floating Rate Notes due 2029 (the "Noteholders"), as well as to 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 to the hedge counterparties in respect of the above financial indebtedness.

The Company, by means of such STID Proposal, asked the relevant Qualifying Secured Creditors:

- i. to consent to a covenant holiday of the testing of certain financial ratios, namely the BLCR, the Historic DSCR and the Projected DSCR ratios, running 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. to approve the permission to dispose on a non-recourse basis (pro soluto), to one or more financial institutions, of the 2029 instalment payment of EUR 20 million due to the Company by Concessioni Autostradali Lombarde S.p.A. (the "Assignor"), in relation to public grants, for a total of EUR 260 million, allocated to the Company pursuant to Law No. 199 of 23 December 2014.

The agreement was approved by investors 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.

Based on the provisions included in the "Note Trust Deed" signed on 22 October 2019, the Company, following the publication of the financial ratios as at 30 June 2020, notified the fulfilment of the "Restricted Payment Condition" for the Junior Notes. The interest and principal due at 31 December 2020, amounting to EUR 5,539,678 and EUR 1,676,408, respectively, were not repaid.

## **RELATIONS WITH THE GRANTING AUTHORITY**

On 19 September 2016, Decree no. 309 was issued by the Minister of Infrastructure and Transport, in agreement with the Minister of Economy and Finance, approving Addendum No. 3 to the Agreement signed with the grantor CAL S.p.A. on 19 July 2016. The Decree, and consequently Addendum No. 3, became fully effective on 13 October 2016 following its registration with the Court of Auditors and its ensuing publication in the Official Journal.

The Plan incorporates, by way of measures aimed at restoring the economic and financial balance of the concession:

- the recognition of the extension of the duration of the concession for a further 6 years expiring on 22 January 2040 rather than in December 2033;
- the recognition of a public contribution for plants amounting to a total of EUR 320 million, necessary to guarantee the conditions for the Economic and Financial Plan balance and to be paid between 2016 and 2029.

The contribution is expected:

- for a total amount of EUR 260 million, to be disbursed in annual instalments of EUR 20 million from 2017 to 2031, by Art. 1, paragraph 299 of Law 190 of 23 December 2014 (2015 Stability Law);
- for a total amount of EUR 60 million, to be disbursed over the 2015-2017 three-year period.

A total of EUR 120 million has been collected to date.

A prerequisite for the Economic and Financial Plan balance is also the construction of the A35-A4 interconnection, changing the final project approved by CIPE, in order to ensure the connection to the East with the motorway network in operation, to make up for the failure to build the Ospitaletto-Montichiari motorway link, which is the subject of another concession.

The total amount of the investment, net of the discount, as provided for in Addendum No. 3, amounts to EUR 1,737,197,002 compared to the previous amount of EUR 1,611,300,247 provided for in Addendum No. 2.

With reference to public grants for plants, it should be noted that in 2016 a first tranche of EUR 40 million of regional grants was disbursed pursuant to Lombardy Region Decree no. 12781 of 30 December 2014. In the course of 2017, the last instalment of the regional public contribution of EUR 20 million and the first instalment of the state public contributions provided for in the 2015 Stability Law were paid, for a total of EUR 19.5 million compared to the EUR 20 million due. Subsequently, the Company regularly collected the annual instalments due thereto up to 2020. In January 2021, the company requested the disbursement of the 2021 tranche of EUR 20 million.

## **UPDATING OF THE ECONOMIC AND FINANCIAL PLAN**

In the course of 2021, the regulatory concession period (October 2016 to October 2021) will expire.

Pending the formal commencement of the updating and rebalancing procedure, as governed by Art. 11.7 of the Concession Agreement, the company has started, also with the support of external advisors, all the preparatory and functional activities for the imminent negotiations with the Grantor of the proposal to rebalance the economic and financial plan.

## **TOLL CHARGES**

On 31 December 2019, the Interministerial Decree that set the tariff increase from 1 January 2020 at 3.79%, was issued. As provided for in the Economic and Financial Plan attached to Addendum No. 3 to the Concession Agreement, the tariff increase for the 2019 financial year results from the following revision formula:

$$\Delta T = \Delta P - X + K = 0.8\% - (-2.990\%) + 0.000\% = 3.79\%$$

where

$\Delta T$  is the annual percentage variation of the tariff

$\Delta P$  is the planned inflation rate

X is the annual tariff adjustment percentage factor determined at the beginning of each regulatory period and remaining constant throughout it.

K is the annual percentage change in the tariff determined each year so as to allow remuneration for the investments made in the year preceding the year of application.

The Company, with a communication dated 8 October 2020, requested from the Grantor CAL SpA the tariff adjustment for 2021 in the amount of 3.49% determined according to the following revision formula:

$$\Delta T = \Delta P - X + K = 0.5\% - (-2.99\%) + 0.000\% = 3.49\%$$

On 31 December 2020, the Interministerial Decree that set the tariff increase from 1 January 2021 at 3.49%, was issued.

## MOTORWAY OPERATION

The breakdown for 2020 between the different toll collection methods is shown below:

<b>Methods of payment</b>	<b>2020</b>	<b>2019</b>
Telepass	84.4%	81.9%
Cash	8.0%	9.7%
Bank cards	6.3%	7.2%
Prepaid Viacard	0.4%	0.4%
Other	1.0%	0.8%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

The above figures show the percentage decrease in cash payments and the constant development and use of automated and/or deferred payment systems and - in particular - of dynamic transit systems (Telepass).

Annexes 5 and 6 hereto describe the trend in monthly paying traffic broken down by vehicle class.

### Accidents

In 2020, the overall accident rate was 33.7% (30.8% in the previous year) and the fatality rate was 0.00 (0.81 in the previous year), calculated per 100 million km travelled.

Below is a summary of the road accidents recorded in 2020 along the motorway section under concession.

	<b>2020</b>	<b>2019</b>
Total accidents	119	152
Accidents with damages	102	109
Accidents with injuries	17	43
No. of injured	25	54
Fatal accidents	0	4
No. of deaths	0	4

## OPERATION AND MAINTENANCE OF THE MOTORWAY SECTION

On 25 March 2013, the Company, as Principal, and Argentea Gestioni S.c.p.A., as Contractor, signed the O&M Contract, with a duration of 19.5 years, for the maintenance and management of the motorway section and, in particular: ordinary and extraordinary maintenance, construction of civil and/or plant engineering works, toll collection services, toll management, roads/safety, structure design, structure inspection services. The total consideration, with the exception of extraordinary maintenance, is EUR 360,419,123 divided into annual payments for the entire duration of the contract (June 2014 - December 2033).

On 13 November 2017, following the entry into operation of the new motorway section relating to the interconnection between the A35 and the A4, the activities covered by the O&M contract with Argentea Gestioni S.c.p.A. were reviewed and integrated, in order to adapt them to the new road network under concession, with particular reference to the activities relating to the management of the new section, ordinary maintenance and the motorway police service.

On 5 March 2018, Addendum No. 1 to the contract was signed, which establishes, for the period from 1 January 2018 to 31 December 2033, an additional consideration of EUR 28,976,014 for additional activities for the operation and maintenance of the interconnection between the A35 and the A4.

### Maintenance work

The most significant ordinary maintenance works mainly concerned the maintenance and operation of the motorway systems, the mowing of embankments and slopes, the repair of road markings and the restoration of road assets damaged in accidents. The main interventions are described below, broken down by maintenance category.

**Road surface**

It includes constant monitoring of the conditions of the road surface, high performance testing to assess condition indices and localised remediation when necessary.

In 2020, work was carried out to resurface damaged sections over a distance of around 8 km, mostly along the slow lane and in some points in the overtaking lane; the area for the new snow centre near the Chiari area was also paved.

**Purpose-built constructions**

The activity includes all quarterly and annual inspections of purpose-built constructions according to the legislation in force, surveillance and maintenance of joints and support equipment.

In 2020, support 1 of pile 17 of the Adda viaduct in the Milan direction was replaced, three elastomeric isolators of the Muzza viaduct were re-centred, and a protective layer of Mapelastic was applied to the abutments of two overpasses after cleaning them.

**Tunnels**

It includes surveillance of line and junction tunnels, cleaning of walls and the road surface.

**Motorway infrastructure**

It includes all maintenance activities on embankments, platform accessories, noise barriers, cleaning of banks, embankments and lay-bys, and everything required for the operation of first rainwater treatment plants.

**Safety/Security**

It includes the repair of road markings, the repair or replacement of safety barriers damaged as a result of accidents, the surveillance and repair of the fence network and emergency works following exceptional events.

As part of the continuous improvement of the motorway's safety performance, specific additional protections (in reinforced concrete) for metal structures such as variable message signs and large overhead signs were built in 2020 to mitigate collateral damage caused by the possible derailment of heavy vehicles combined with the breaking down and overcoming of the safety barriers present to protect these structures.

**Toll collection**

It includes all maintenance and operation activities with regard to tolling facilities, including emergency response.

**Green areas and Cleaning**

It includes the mowing of embankments and slopes, the cleaning of station buildings and the disposal of waste both from ordinary infrastructure management and maintenance and from waste left by third parties along the motorway.

**Winter operations**

It includes all the costs necessary to keep the motorway operational during the winter season, including a weather forecasting service dedicated to the stretch of motorway concerned, preventive measures in the event of forecasts of negative temperatures, stocks and de-icing agents, the recruitment and availability of operational teams in the event of snowfall, and the maintenance of snow-clearing blades and spreaders.

**Buildings**

It includes activities for the ordinary running of the maintenance centre in Fara Olivana, including the overhaul and repair of equipment.

**Miscellaneous supplies**

It includes activities for the maintenance and operation of electromechanical and special systems serving the motorway, charges arising from the Agreement with the Traffic Police, the cleaning and maintenance of barracks, the activities necessary to ensure compliance with the Consolidated Law on Health and Safety in the Workplace (Legislative Decree 81/2008 as amended).

In 2020, with regard to the maintenance of motorway facilities, activities continued as schedules in the specific annual intervention plan.

## **ERS (ELECTRIC ROAD SYSTEM) TECHNOLOGY**

As part of its commitment to reducing environmental pollution, combating climate change, decarbonisation and reducing CO<sub>2</sub> emissions, Brebemi has played an active role in researching innovative and efficient technologies aimed at electrifying the motorway network.

On 15 October 2019, a specific agreement was signed between CAL (Concessioni Autostradali Lombarde), Politecnico di Milano and Brebemi in order to launch an experimental project for the electrification of a pilot section. The first phase of this study involved comparing different technical solutions for electrification.

After in-depth studies and analyses carried out by Politecnico di Milano, the best solution was found to be the WPT (Wireless Power Transfer) system, i.e. electrical induction by means of coils positioned under the road surface to allow for the dynamic recharging of vehicles in transit.

Having completed the first phase, Brebemi is now working on the next stages of implementing a pilot project and analysing results with the involvement of important technological partners and the automotive sector.

## **IMPLEMENTATION OF EUROPEAN LEGISLATION ON THE EUROPEAN ELECTRONIC TOLL SERVICE (EETS) AND THE INTEROPERABLE HEAVY VEHICLE ELECTRONIC TOLL SERVICE (SIT-MP from the Italian SERVIZIO INTEROPERABILE TELEPEDAGGIO MEZZI PESANTI)**

The "European Electronic Toll Service" (EETS) will ensure the interoperability of electronic toll services across the entire motorway network in the European Union. EETS will allow road users to easily pay tolls across the EU on the basis of a single subscription contract with one service provider and one on-board unit. By reducing cash toll operations at toll booths and eliminating inconvenient procedures for occasional users, EETS will facilitate traffic conditions for road users as it will improve traffic flows and reduce traffic congestion.

As part of the application of the EETS European Electronic Toll legislation (Directive 2004/52/EC of the European Parliament and of the Council of 29 April 2004 on the interoperability of electronic road toll systems in the Community) and that on ETS-HV (Interoperable Heavy Vehicles Electronic Toll Service), conformity and proper operation tests were carried out in 2020 with regard to the service providers DKV and Axxès, which proved positive; following this verification, the regular service verification phases began.

Conformity and proper operation tests are currently underway with regard to the new Service Providers Alphaevolution and Telepass.

## **USER TARIFF REDUCTIONS**

With the aim of promoting awareness and use of the infrastructure, the initiative aimed at offering a commercial discount on motorway section tariffs continued, extending and remodelling, by way of promotions, the benefits reserved to commuters by the Agreement signed between the Ministry of Infrastructure and Transport, Aiscat and motorway concession holders, also to all types of Telepass users.

The promotional initiative called "Best Price", launched in 2016 in collaboration with the A58 Tangenziale Esterna, was extended to the end of 2021 and provides all Telepass Family or Business users who have signed up for the initiative with a 20% discount on tolls on the A35 Brebemi and A58 Tangenziale Esterna, regardless of the entrance or exit tollbooths as long as they belong to the A35-A58 motorway concession holders.

Compared to the initiatives introduced for commuters by the Ministry of Infrastructure-AISCAT Memorandum of Understanding, the discount granted by the A35 Brebemi and A58 Tangenziale Esterna to motorists is more advantageous and is not tied to the number of journeys made or the distance limits that characterise the AISCAT - MIT Memorandum of Understanding.

In June 2020, a new tariff concession called "A35-A58 Green Vehicle Discounts" was also introduced. The new initiative, proposed in collaboration with the A58 Tangenziale Esterna, is designed exclusively for Telepass Family or Business customers who own Green Vehicles, this meaning all Full Electric vehicles and Heavy Vehicles fuelled by Liquefied Natural Gas (LNG).

The initiative consists of a 30% discount, offered to users who have signed up for the initiative, on motorway tolls on the A35 Brebemi and the A58 Tangenziale Esterna, regardless of the entrance or exit tollbooths as long as they belong to the A35-A58 concession holders.

Between 2016 and 2020, 65,655 users for a total of 230,238 Telepass devices took advantage of the tariff concessions, with an overall increase in 2020, compared to 2019, of 8,689 users and 44,550 Telepass devices.

## **TECHNICAL AND ADMINISTRATIVE FINAL TESTS**

Between 2019 and the beginning of 2020, Works Management and the Concession Holder produced to the Grantor and to the Test Commissions all the documentation for which they were responsible (final account of the works and corresponding accompanying report by WM; report by Works Management (WM) on the reservations put forward by the executor; report by the Concession Holder) for the purposes of the definitive conclusion of the technical-administrative test operations pursuant to Art. 217 et seq. of Presidential Decree 207/2010, valid within the framework of the concession relationship between CAL and Brebemi and the underlying relationships between Brebemi and its General Contractors (GC) and relating to all the works carried out (Motorway and A35-A4 Interconnection Modification).

To date, the test certificates for Commission no. 1 have been issued (i.e: CAL - Brebemi Test Certificate issued on 23/07/2020 and conditionally signed by Brebemi on 12/08/2020; Brebemi - Consorzio BBM Test Certificate issued on 23/07/2020 and conditionally signed by Consorzio BBM on 07/08/2020) as well as those for Commission no. 2 (i.e: CAL - Brebemi Test Certificate issued on 30/09/2020 and conditionally signed by Brebemi on 20/10/2020; Brebemi - Consorzio BBM Test Certificate issued on 30/09/2020 and conditionally signed by Consorzio BBM on 09/10/2020).

On the other hand, the issuing of the Test Certificates for Commission no. 3 is still pending (i.e.: CAL - Brebemi Test Certificate for Connected Works and Interconnection Modification; Brebemi-GC Test Certificates of Commission no. 3, and in particular: Brebemi - Consorzio BBM certificate relating to Connected Works and Brebemi - Interconnessione Scarl certificate for Interconnection Modification).

All the test certificates shall become final as of the date of their approval by the Contracting Authority (and therefore by CAL in respect of the concession relationship and by Brebemi in respect of the relationships with the GCs) pursuant to Art. 234(2) of Presidential Decree 207/2010.

As part of the testing operations, in December 2020 the Grantor and Brebemi also sought to reach an amicable settlement of the reservations made by the GCs pursuant to the aforesaid Art. 234(2), and in February 2021 the Grantor agreed to the draft of an amicable and settlement agreement, which was approved by the Company's Board of Directors on 25 February and which is pending signature. Similar agreements have already been negotiated or are in the process of being negotiated with the GCs (Consorzio BBM and Interconnessione Scarl) and are expected to be finalised by the time the CAL - Brebemi Agreement is signed.

Following the conclusion of the settlement agreement and the final resolution of all the issues involved in the settlement, the Grantor expects all the test certificates, including the certificate being issued by Test Commission no. 3, to be approved by July 2021.

## **EXPROPRIATIONS AND ACQUISITIONS OF LAND AND BUILDINGS**

On 13 October 2016, Decree no. 309, issued by the Ministry of Infrastructure and Transport, in agreement with the Ministry of Economy and Finance, became effective, approving Addendum No. 3 relating to the economic and financial rebalancing of the concession.

Charges for the direct acquisition of land or buildings were increased, following the rebalancing procedure, by an amount of EUR 117,411,565 in consideration of: (i) the effects of the Memorandum of Understanding signed with the Lombardy Region, Confagricoltura, Coldiretti, Cia, Unione Regionale Proprietà Fondiarie and the increase in average agricultural values in the provinces concerned (approximately 21% from 2009 to 2014), (ii) the effects of the Constitutional Court's decision no. 181 of 7 June 2011, (iii) the agreement with RFI concerning the expropriation of the areas between motorway and railroad, (iv) the expropriation of mitigation areas. The new

maximum expenditure limits amount to a total of EUR 357,411,565.

Subsequently, with the Modification relating to the construction of the Interconnection of the A35 to the A4, the new overall Economic Expenditure Framework became equal to EUR 364,065,650, of which EUR 357,411,565 for the works necessary for the construction of the Motorway (whose Final Project was approved by CIPE Resolution no. 42/2009), and EUR 6,654,085.34 for the works necessary for the construction of the said Modification (whose Final Project was approved by CIPE Resolution no. 19/2016).

By means of a further Resolution (no. 18/2016 of 1 May 2016), CIPE also provided for the extension by two years, i.e. until 21 July 2018, of the declaration of public utility of the works connected to the Motorway, in order to allow for completion of the expropriation activities. The extension became effective on 13 October 2016 following the registration of the resolution by the Court of Auditors.

In compliance with the terms of Public Utility deriving from the aforementioned CIPE Resolutions, Brebemi has thus issued all the final provisions for the acquisition/assignment of the areas necessary for Work execution, while the activities instrumental to the transfer of the expropriated property, as well as those related to the final payment of the indemnities to the persons entitled thereto (including legal expenses and taxes), remain to be completed.

As of 31 December 2020, Brebemi had committed a total cost of EUR 339.9 million to carry out expropriation activities (of which EUR 335.2 million for the works under CIPE Resolution no. 42/2009 and EUR 4.7 million for the works under CIPE Resolution no. 19/2016).

## **LEGAL ACTIVITIES AND LITIGATION**

A total of thirty-seven 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 concerning the estimates of indemnities to be provided to the owner companies, seven of which initiated by Brebemi and thirteen by the companies owning the expropriated properties;
- one relating to the payment of registration tax on the final expropriation deeds. This is an appeal before the Regional Tax Commission brought by Brebemi against the determination of the Brescia Provincial Tax Commission, which set the rate for payment of registration tax on the value of expropriated areas at 12%. This case arose from nine notices of liquidation served on Brebemi by the Brescia Tax Revenue Office, which were challenged by the Company before the aforementioned Provincial Commission on the assumption that the tax rate to be applied to all procedures, and on the basis of which the taxes relating to the nine notices had already been paid, was to be calculated at 9% of the value of the expropriated areas rather than 12% as deemed by the Tax Revenue Office. In light of a very recent Order of the Court of Cassation of 24 November 2020, whereby, in acceptance of another previous petition made by Brebemi, the aforementioned rate was definitively set at 9%, it seems reasonable to assume that the appeal currently pending before the Regional Tax Commission may also be accepted.

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 thirteen 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. The proceedings, suspended and not resumed, are on the way to formal termination;

- 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 appeals lodged with the Lazio Regional Administrative Court by Autostrade per l'Italia : (i) the first relating to the request for annulment of Resolution No X/4026 of the Lombardy Regional Council of 11 September 2015 and the preliminary and related decisions concerning the final project for the A35-A4 Interconnection Modification; (ii) the second concerning the annulment of CIPE Resolutions 60/2015, 18/2016 and 19/2016, concerning a) approval of Addendum No. 3 to the CAL-Brebemi Concession Agreement; b) extension of the Public Utility of the works connected with construction of the Motorway; c) approval of the Final Project for the A35-A4 Interconnection Modification. In both cases, the relief sought cannot be determined in economic terms and no provision has therefore been made;
- a petition filed by Legambiente with 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 of damage resulting from flooding that occurred during construction works on the Motorway. Pursuant to Art. 28 of the Contract of Award to a General Contractor, Consorzio BBM holds 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 no. 298 of 07.08.17, implementing Italian Legislative Decree no. 35/11, setting out the criteria for the payment of the tariff for road infrastructure classification and inspection activities (implementing Directive 2008/96/EC on road infrastructure safety management). Brebemi, pending the filing of the appeal, paid the tariffs calculated pursuant to article 6, paragraph 1, of the aforementioned Italian Ministerial Decree for the years 2017 and 2018. The payment was made, in fact, with the express reservation of reimbursement and does not constitute acquiescence to the obligations imposed. No provision has been made;
- a petition filed by Brebemi before 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 Art. 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;
- an appeal brought by CAL before the Council of State to challenge the ruling by the Milan Regional Administrative Court (No. 675/2020) upholding the petition filed by Brebemi against CAL's silence on its requests relating to approval of the reservations as well as the extension of the deadline for completion of the so-called "Connected Works" (indeterminable relief sought);
- a petition filed by Brebemi before the Court of Brescia to challenge the EUR 1 million penalty imposed by CAL for allegedly failing to meet the deadline for completion of the works. The appeal was filed by Brebemi in order to declare the illegitimacy of CAL's provision, since the penalty hypothesis described in the concession Agreement concerns the "Motorway link" (duly completed) and not the complementary and related works such as those under Lot 0B (the late completion of which led CAL to lodge a complaint). The parties are in the process of reaching an amicable settlement of the dispute;
- an appeal brought by Società Autostrade per l'Italia (ASPI) against injunction no. 12275/2020 issued by the Court of Milan upholding the petition made by Brebemi to obtain a financial advance on the motorway tolls collected by a licensee for transits on sections owned by another licensee. The Agreement that regulates these payments

- between interconnected licensees establishes 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 and commensurate to the collections made in the same period of the previous year. The dispute arose because of ASPI's arbitrary reduction of this financial advance. No provision is envisaged;
- 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'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.

## **FINANCIAL MANAGEMENT**

### **Bond issues**

Following the resolution approved by the Company's extraordinary shareholders' meeting on 3 October 2019, a multi-tranche secured bond was issued on 22 October 2019 for a total principal amount of EUR 1,679 million. 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 EUR 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 Bonds were issued in accordance with, and subject to, the provisions of Art. 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.

In addition, as part of the transaction, the Company signed an amortizing loan agreement for a total maximum 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 Banca IMI S.p.A.

In order to complete the entire transaction, the following guarantees were granted in favour of the bondholders and new lenders:

- pledge on approximately 94% of the Company's share capital;
- assignment as security of the Company's claims arising from the Concession Agreement;
- assignment as security of the Company's claims arising from the so-called Project contracts (including the EPC Contract with Consorzio B.B.M., the O&M Contract with Società Argentea Gestioni S.c.p.A., the Project Insurance and the contracts signed with the managers of the Service Areas);
- general lien on the assets and claims of the Company pursuant to Art. 186 of the Public Contracts Code; and
- pledge on the Company's current accounts relating to the project.

The proceeds of the operation made it possible to fully refinance the debt incurred in 2013, during the motorway construction phase, as well as to pay off the associated derivative contracts.

The new financial structure led to an improvement in the financial ratios and covenants compared to the previous debt thanks to better market conditions and the presence of the Class A3 zero-coupon tranche and the Subordinated Secured tranche (the so-called Junior tranche). This also resulted in an investment grade rating on the senior tranches.

As part of the refinancing operation described above, the interest rate swap (IRS) contracts in place at the end of the previous year were extinguished early. New derivatives were entered into to hedge the interest rate risk exposure generated by the Company's new debt structure. The extinction of the previous derivatives was financed for 70% of Fair Value with the 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 reserve 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), will 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.

Following the bond issue, in order to ensure transparency towards the market, Società di Progetto Brebemi adopted an Internal Dealing Procedure which regulates the disclosure and behavioural obligations of relevant persons, i.e. those who, pursuant to the Market Abuse Regulation ("MAR") and corresponding implementing regulations, perform administrative functions, management or control functions in Brebemi, or Brebemi managers who, although not members of the aforementioned bodies, have regular access to inside information and have the power to take management decisions that may affect the future development and prospects of Brebemi, as well as persons closely associated with them, relevant shareholders and persons connected to them.

The Procedure also regulates the cases in which the carrying out of transactions during certain periods of time is prohibited or restricted.

The Procedure - prepared in accordance with the provisions of the aforementioned European legislation on market abuse in force since 3 July 2016 (and in particular Regulation (EU) No. 596/2014 "MAR", Delegated Regulation (EU) 2016/522 and Implementing Regulation (EU) 2016/523) - covers transactions, as identified by the legislation, where an overall amount of EUR 20,000 or more is reached within a calendar year. The threshold of EUR 20,000 is calculated by adding together, without any set-off, all the transactions concluded during a calendar year. In any case, once this threshold is exceeded, all transactions (even those of a lower amount) must be reported.

The Company has also adopted a specific Procedure on Inside Information which regulates the process of identification, management and processing of Relevant and Inside Information as well as the processes and practices to be observed for the communication, both internally and externally, of Inside Information.

## CREDIT RATING

In March 2020, Fitch Ratings announced that it had placed the class A1, A2 and A3 senior secured debt of Società di Progetto Brebemi S.p.A. under the rating watch negative; the same company also lowered the corresponding rating to BB+ (from BBB-). The decision reflects the expectation that the risk profile and metrics of Class A1 and A2 debt will be adversely affected by the sharp reduction in traffic resulting from the Covid-19 pandemic, thereby lengthening the ramp-up time. Class A3 (zero coupon) debt may be affected accordingly.

On 12 August 2020, Fitch Ratings announced that it had removed the "Rating Watch Negative" on the A1, A2 and A3 senior secured debt and confirmed the BB+ rating with a Stable Outlook.

On 18 June 2020, DBRS Ratings announced that it had placed both the issuer rating of Società di Progetto Brebemi S.p.A. and the rating of its class A1, A2 and A3 senior secured debt "Under Review with Negative Implications".

The issuer rating and the rating on the senior secured debt were confirmed at "BBB (LOW)".

DBRS Ratings points out that the "Under Review with Negative Implications" status reflects the difficulties and uncertainties generally faced by public-private partnership projects based on traffic volumes, such as toll roads, as a result of the Coronavirus outbreak (Covid-19) as well as the potential impacts of such conditions on Brebemi's credit profile.

## OTHER SPECIFIC INFORMATION REQUIRED BY CURRENT LEGISLATION

### **Administrative liability of the company**

With regard to the Company's administrative liability, its organisational, management and control tools are constantly updated in order to comply with the provisions of Legislative Decree 231/01. The current Organisational Model was updated and approved by the Board of Directors at its meeting on 9 February 2021.

Following the changes in the law that led to the introduction of new types of offences and the introduction of new procedures at corporate level, the Organisational Model was updated, identifying the activities at risk within which the new types of offences may be committed, and updating internal procedures in order to prevent inappropriate behaviour. The Supervisory Board also set up and carried out, for the 2020 financial year, the verification and control activities for which it is responsible.

### **Staff**

With reference to the information on staff, the following table shows the breakdown of staff for the 2020 financial year compared to the previous year and the average number of staff members:

Staff composition	31/12/2020	31/12/2019	Variation	2020 Average
Executives	4	4	0	4
Managers	6	6	0	6
Employees	21	20	1	21
<b>Total</b>	<b>31</b>	<b>30</b>	<b>1</b>	<b>31</b>

### **Information on Environment and Corporate Certifications**

With regard to information concerning the environment, it should be noted that the Company carries out its activities in full compliance with environmental and workplace hygiene provisions. The risk assessment document (DVR from the Italian *Documento di Valutazione dei Rischi*), provided for in Legislative Decree no. 81/2008, has been drawn up in accordance with Art. 17(1) letter a) and Arts. 28 and 29 of the same Legislative Decree. 81/2008 and was updated (revision no.6) on 31 March 2020. The document, accompanied by specific hazard identification and risk assessment sheets, is duly signed by the Employer and, for acknowledgement, by the Company Manager of the Protection and Prevention Service, the Competent Doctor and the Worker Safety Representative.

The Company has had a quality certification since 10 February 2009 (assessment of conformity to the UNI EN ISO 9001:2000 standard), with the first renewal on 27 May 2013 (assessment of conformity to the UNI EN ISO 9001:2008 standard) and subsequent renewals on 24 April 2017 and 21 May 2019, valid until 26 May 2022. The last surveillance audit by TÜV (Certifying Body) was held on 3 April 2020 and a conformity assessment to the UNI EN ISO 9001:2015 standard was issued. The subject of this certification remained "Design and management of the Brescia Milan Motorway under Concession", after the revision granted by the Certifying Body in 2018 following completion of the construction of the work.

### **Internal Audit**

It should be noted that the Company, through its parent company Autostrade Lombarde, which operates as a service provider, has implemented an internal audit system operated by an external consultant who, on an annual basis, carries out the audit plan approved by the Board of Directors and implements the procedures provided for therein, certifying the correct application of all procedures.

### **Research and development activities**

No research and development costs were incurred in the course 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.		
Argentea Gestioni S.c.p.A.	Supply of services	330,000
Argentea Gestioni S.c.p.A.	Chargeback costs for services	435,257
Argentea Gestioni S.c.p.A.	Secondment of staff	40,096
<i>Services supplied by Group companies to Società di Progetto Brebemi S.p.A.</i>		
Autostrade Lombarde S.p.A.		
Autostrade Lombarde S.p.A.	Shareholders' loans	204,315,838
Autostrade Lombarde S.p.A.	Financial charges	21,192,163
Autostrade Lombarde S.p.A.	Supply of services	22,067
Argentea Gestioni S.c.p.A.	O&M contract fee	20,761,724
Argentea Gestioni S.c.p.A.	Costs for motorway management services	790,630

The costs equal to EUR 20,761,724 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.

The main transactions in place with Aleatica S.A.U. are listed below:

Counterparty	Type of transaction	Amount
Aleatica S.A.U.	Shareholders' loans	30,808,048
Aleatica S.A.U.	Financial charges for shareholders loans	2,777,708
Aleatica S.A.U.	Participative financial instruments	9,037,104

**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.

**Risk management**

With respect to the main factors of uncertainty at the date of preparation of these financial statements relating to the health emergency linked to the Covid-19 pandemic, reference should be made to the specific paragraph "Covid-19 health emergency".

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 31 December 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 additional note.

*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 contractual mechanisms for economic-financial rebalancing, along with the generation of cash flows, 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 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.

### *Cyber risks*

The rapid technological evolution of the sector and the increasing organisational and technological complexity of the Company's activities expose the latter to the potential risk of cyber attacks.

In this regard, Brebemi has adopted a cyber risk management model based on international standards and including procedural, training, risk assessment and periodic review aspects, which has led to the adoption of the best technological solutions and the selection of the best partners to strengthen the protection of the company perimeter. In addition, a periodic infrastructure vulnerability plan is followed with the support of specialist technicians, aimed at identifying possible improvements in corporate IT security.

A Disaster Recovery plan is in place, which is part of the Business Continuity process, which specifies at a technical level the precautions to be taken and the activities to be carried out to secure corporate data and functions from attacks or disastrous events.

### *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.

The main impacts related to the "Covid-19" health emergency are discussed in the specific paragraph included in the Directors' Report as at 31 December 2020.

### **Internal Dealing and Inside Information Procedures**

Following the bond issue, Società di Progetto Brebemi became subject to the new European legislation on market abuse - in force since 3 July 2016 and articulated in Directive no. 2014/57/EU (Market Abuse Directive II - MAD II) and EU Regulation no. 596/2014 (Market Abuse Regulation - MAR) - and the corresponding implementing rules.

In order to comply with its transparency commitments towards the market, the Company has adopted an Internal Dealing Procedure that regulates the disclosure and behavioural obligations of the so-called Relevant Persons, defined by the Company as those who perform administrative, control or management functions - i.e. managers who have regular access to privileged information concerning Brebemi and hold the power to take management decisions that may affect its future development and prospects - as well as of Persons Closely Associated with them, relevant shareholders and persons connected to them.

The Procedure regulates, in particular, the disclosure obligations which the Required Persons (Relevant Persons and Persons Closely Associated) have towards the competent authority and the Company in relation to transactions carried out by them and concerning financial instruments issued by the Company itself, as well as derivatives and other financial instruments linked to them. Prohibitions or restrictions on the carrying out of such transactions during certain periods of time are also regulated, as is the process for obtaining specific exemptions.

All transactions are considered relevant for the purposes of disclosure obligations after reaching a total amount equal to Euro 20,000 in the calendar year, a value which includes all transactions carried out in the period by a Relevant Person, without any set-off, also taking into account any transactions carried out by Persons Closely Associated, it being understood that, once this threshold is exceeded, the total amount of all transactions carried out must be reported.

Also in compliance with the new European legislation on market abuse, the Company has adopted a Procedure on Inside Information which regulates the process of identification, management and processing of Relevant and Inside Information as well as the processes and practices to be observed for the communication, both internally and externally, of Inside Information.

### **Fiscal aspects**

Lastly, it should be noted that in 2020 the Group continued to participate in the "National Tax Consolidation", pursuant to articles 117 to 129 of the Consolidated Income Tax Law, with the parent company Autostrade Lombarde S.p.A.

During the year, the Company benefited from the provisions of Art. 24 of the Relaunch Decree, which provides for the cancellation of the IRAP tax due on the balance for the 2019 period and on the first instalment for 2020.

#### **Alternative performance measures**

In its periodic financial reporting, Società di Progetto Brebemi S.p.A. 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.

#### **MANAGEMENT OUTLOOK**

At the time of writing, the Covid-19 outbreak is still an ongoing pandemic.

With reference to the trend of traffic volumes, there has been a substantial recovery from the second half of 2020, mainly driven by good performance related to heavy vehicles, which in December already showed an increase of 4.8% compared to December 2019.

Light vehicles seem to be recovering more slowly, as they are suffering more from the traffic restrictions currently in force until 6 April 2021, although it cannot be ruled out that these measures may be further extended in the light of the ongoing epidemic.

Given the extraordinary nature of the situation due to the events resulting from the Covid19 epidemic and the considerable uncertainty regarding the economic/financial outlook, reliable forecasts for the 2021 financial year cannot be made. However, it is believed that the lesser severity of the restrictive measures currently adopted compared to those in place in March-June 2020, together with the launch of the vaccination campaign, might allow for an increase in traffic volumes and toll revenues in 2021 compared to 2020.

With reference to financial management, the company is carefully monitoring the evolution of the situation and is ready to take further initiatives also in relation to compliance with the financial covenants whose temporary suspension has already been authorised until the test date of 30 June 2021.

In 2021, the Company will be mainly engaged in the process of updating the Concession Economic and Financial Plan as well as in launching the second phase of the pilot project for electrifying the infrastructure (ERS).

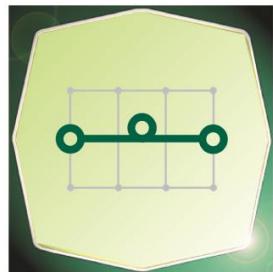
Lastly, the process of integration within the Aleatica group and the redefinition of the corporate identity will be of particular importance.

Brescia, 15 March 2021

for the Board of Directors

The Chairman

Francesco Bettoni



**SOCIETÀ DI PROGETTO  
BREBEMI SPA**

Financial Statements  
as at 31 December 2020

Balance sheet  
Income Statement  
Cash flow statement



**BALANCE SHEET - ASSETS**

<b>Amounts in euro</b>	<b>31/12/2020</b>	<b>31/12/2019</b>
<b>B Non-current assets</b>		
<b>I Intangible fixed assets</b>		
4) Concessions, licences, trademarks and similar rights	10.179	4.500
<b>Total</b>	<b>10.179</b>	<b>4.500</b>
<b>II Tangible fixed assets</b>		
1) Land and buildings	839.699	927.517
4) Other tangible assets	202.057	241.016
6) Fixed assets under construction and advances (assets deriving from concession right)	363.602	0
7) Assets deriving from concession right	1.617.263.741	1.627.662.823
<b>Total</b>	<b>1.618.669.099</b>	<b>1.628.831.356</b>
<b>III Financial fixed assets</b>		
2) Receivables: d - bis) from others - after one year	44.046.823	43.674.673
4) Derivative financial instruments assets	0	1.235.825
<b>Total</b>	<b>44.046.823</b>	<b>44.910.498</b>
<b>Total non-current assets</b>	<b>1.662.726.101</b>	<b>1.673.746.354</b>
<b>C Current assets</b>		
<b>II Account receivables</b>		
1) Trade receivables - within one year	358.112	537.403
4) Receivables from parent companies - within one year	100.650	146.400
- after one year	2.044.415	2.044.415
5) Receivables from companies subject to the control of the parent companies - within one year	216.817	544.532
5-bis) Tax receivables - within one year	2.184.649	623.934
5-ter) Deferred Tax - after one year	223.125.814	201.199.538
5 - quater) Other receivables - within one year	20.636.605	20.669.872
- after one year	147.273.409	164.364.195
6) Receivables from interconnected companies	16.872.795	24.119.046
<b>Total</b>	<b>412.813.266</b>	<b>414.249.335</b>
<b>IV Cash and cash equivalents</b>		
1) Bank accounts	123.474.879	129.016.888
3) Cash on hand	719.431	1.104.997
<b>Total</b>	<b>124.194.310</b>	<b>130.121.885</b>
<b>Total current assets</b>	<b>537.007.576</b>	<b>544.371.220</b>
<b>D Accrued expenses and deferred incomes</b>		
b) Prepaid expenses	2.297.171	3.167.412
<b>Total</b>	<b>2.297.171</b>	<b>3.167.412</b>
<b>TOTAL ASSETS</b>	<b>2.202.030.848</b>	<b>2.221.284.986</b>

**BALANCE SHEET - LIABILITIES**

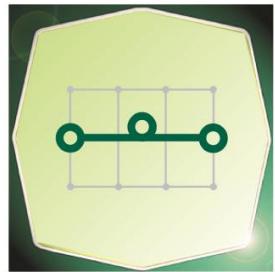
<b>Amounts in euro</b>	<b>31/12/2020</b>	<b>31/12/2019</b>
<b>A Shareholders' Equity</b>		
I Share Capital	52.141.227	51.141.227
II Share premium reserve	21.230.078	0
VI Other reserves, indicated separately	80.000.000	25.012.040
VII Cash flow hedge reserve	(307.179.029)	(331.995.086)
VIII Retained earnings (losses) carried forward	(24.121.150)	0
IX Net income (loss) for the year	(95.758.771)	(49.133.190)
<b>Total</b>	<b>(273.687.645)</b>	<b>(304.975.009)</b>
<b>B Provisions for risks and charges</b>		
3) Derivative financial instruments liabilities	158.840.425	146.911.504
<b>Total</b>	<b>158.840.425</b>	<b>146.911.504</b>
<b>C Employees severance indemnity</b>	<b>936.009</b>	<b>836.712</b>
<b>D Liabilities</b>		
1) Bonds issues		
- within one year	23.292.205	10.274.367
- after one year	1.636.323.058	1.628.827.157
3) Payables to shareholders for loans		
- after one year	273.161.846	325.402.122
4) Payables to banks		
- within one year	7.306.600	5.740.900
- after one year	346.591.291	351.899.595
5) Payables to other lenders		
- after one year	689.680	834.821
7) Trade payables		
- after one year	805.066	24.208.606
11) Payables to parent companies		
- within one year	0	3.290
11 - bis) Payables to companies subject to the control of the parent companies		
- within one year	9.801.845	7.123.991
- after one year	8.969.274	8.664.695
12) Tax payables:		
- within one year	436.035	3.133.406
13) Payables to social security institutions		
- within one year	193.924	191.911
14) Other payables:		
- within one year	2.808.680	6.137.101
- after one year	5.170.948	5.368.514
15) Payables to Interconnected Companies		
	391.607	701.303
<b>Total</b>	<b>2.315.942.059</b>	<b>2.378.511.779</b>
<b>TOTAL LIABILITIES</b>	<b>2.202.030.848</b>	<b>2.221.284.986</b>

**INCOME STATEMENT**

<b>Amounts in euro</b>	<b>2020</b>	<b>2019</b>
<b>A Value of Production</b>		
1) Revenues from sales and services	73.203.215	92.604.675
5) Other revenues and income	2.536.753	3.226.395
<b>Total</b>	<b>75.739.968</b>	<b>95.831.070</b>
<b>B Costs of Production</b>		
6) Costs of raw materials, consumables and goods for resale	(61.730)	(62.108)
7) Costs for services	(25.414.735)	(25.844.509)
8) Cost for the use of third party assets	(232.677)	(228.807)
9) Costs of personnel		
a) Wages and salaries	(2.334.289)	(2.316.117)
b) Social security contributions	(686.939)	(684.537)
c) Employees severance indemnity	(154.115)	(154.550)
e) Other personnel costs	(19.773)	(16.620)
<b>Total</b>	<b>(3.195.116)</b>	<b>(3.171.824)</b>
10) Amortization, depreciation and write-downs		
a) Amortisation of intangible fixed assets	(6.213)	(2.249)
b) Depreciation of tangible fixed assets		
- Depreciation of technical assets	(160.135)	(163.188)
- Depreciation of assets deriving from concession right	(12.108.762)	(10.991.741)
<b>Total</b>	<b>(12.275.110)</b>	<b>(11.157.178)</b>
14) Other operating expenses	(5.288.302)	(6.689.676)
<b>Total</b>	<b>(46.467.670)</b>	<b>(47.154.102)</b>
<b>Difference between value and costs of production</b>	<b>29.272.298</b>	<b>48.676.968</b>
<b>C Financial income and expenses</b>		
16) Other financial income		
d) Income other than above:		
- From others	380.485	424.396
<b>Total</b>	<b>380.485</b>	<b>424.396</b>
17) Interest and other financial expenses:		
c) To parent companies	(21.192.163)	(3.585.586)
e) To others	(131.392.373)	(96.685.905)
<b>Total</b>	<b>(152.584.536)</b>	<b>(100.271.491)</b>
17-bis) Foreign exchange gains and losses	0	(354)
<b>Total</b>	<b>(152.204.051)</b>	<b>(99.847.449)</b>
<b>D Adjustments to financial assets value</b>		
18) Revaluations:		
d) Of derivative financial instruments	3.245.554	4.144.427
19) Write-downs:		
d) Of derivative financial instruments	(5.051.548)	(15.418.639)
<b>Total</b>	<b>(1.805.994)</b>	<b>(11.274.212)</b>
<b>Income (loss) before income taxes</b>	<b>(124.737.747)</b>	<b>(62.444.693)</b>
20) Income taxes for the year		
a) Current taxes	(783.950)	(1.945.377)
b) Deferred/ prepaid taxes	29.762.926	15.256.880
<b>Total</b>	<b>28.978.976</b>	<b>13.311.503</b>
<b>21) Net earning (loss) for the year</b>	<b>(95.758.771)</b>	<b>(49.133.190)</b>

**CASH FLOW STATEMENT**

<b>Amounts in euro</b>	<b>31/12/2020</b>	<b>31/12/2019</b>
<b>A. Cash flows from operations</b>		
Net earning (loss) for the year	(95.758.771)	(49.133.190)
<i>Adjustments for non-monetary items that did not have a balancing entry in net working capital:</i>		
Depreciation and amortization:		
- intangible fixed assets	6.213	2.249
- tangible fixed assets	160.135	163.188
- Assets deriving from concession right	12.108.762	10.991.741
Net change in Employees severance indemnity	99.297	103.516
Provisions (utilisations) for other risks and charges	42.775.634	(301.198.348)
Write-downs (revaluations) of financial assets	1.805.994	11.274.566
<b>1. Cash flow before changes in NWC</b>	<b>(38.802.736)</b>	<b>(327.796.278)</b>
Changes in net working capital	2.356.502	12.027.606
<b>2. Cash flow after changes in NWC</b>	<b>(36.446.234)</b>	<b>(315.768.672)</b>
<i>Other adjustments:</i>		
Net change in deferred tax assets and liabilities	(29.762.926)	(15.256.880)
<b>Cash flow from operations (A)</b>	<b>(66.209.160)</b>	<b>(331.025.551)</b>
<b>B. Cash flows from investing activities</b>		
(Investments in intangible fixed assets)	(11.892)	(6.749)
(Investments in tangible fixed assets)	(33.359)	(59.538)
(Investments in Assets deriving from concession right)	(4.982.495)	(8.285.252)
(Investments in non-current financial assets)	863.675	(8.942.796)
Receipts of government grants	20.000.000	20.000.000
Increase/decrease of trade payables due to investments	(22.170.139)	(40.305.963)
<b>Cash flow from investing activities (B)</b>	<b>(6.334.210)</b>	<b>(37.600.298)</b>
<b>C. Cash flows from financing activities</b>		
<i>Loan capital:</i>		
Increase (decrease) in short-term financial payables	14.583.538	5.390.225
Increase (decrease) in medium/long-term financial payables	2.187.597	367.718.142
Disbursement/(Repayment) of loan to/from shareholders	(52.385.418)	10.913.720
<i>Own capital:</i>		
Capital increase and reserves	22.230.078	
Other changes in financial liabilities (PFI issue)	80.000.000	
<b>Cash flow from financing activities (C)</b>	<b>66.615.795</b>	<b>384.022.087</b>
Increase (decrease) in cash and cash equivalents (A+B+C)	(5.927.575)	15.396.238
<b>Opening cash and cash equivalents</b>	<b>130.121.885</b>	<b>114.725.647</b>
Bank accounts	129.016.888	113.668.091
Cash on hand	1.104.997	1.057.556
<b>Closing cash and cash equivalents</b>	<b>124.194.310</b>	<b>130.121.885</b>
Bank accounts	123.474.879	129.016.888
Cash on hand	719.431	1.104.997
<b>Additional information:</b>	<b>31/12/2020</b>	<b>31/12/2019</b>
Interest received/(paid) in the period	(48.842.952)	(74.084.343)
(Income taxes paid) in the period	(952.473)	(1.540.612)
Dividends received during the period	0	0



# Financial Statements as at 31 December 2020

Additional note

## INTRODUCTION

The Financial Statements for the year that ended on 31 December 2020 have 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 consist of the Balance Sheet, Income Statement, Cash Flow Statement and Additional Note.

The 2020 Financial Statements are consistent with the results of the accounting records and were 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 Art. 2423-bis(1) of the Italian Civil Code, and the valuation criteria laid down by Art. 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 Art. 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 Art. 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 Financial Statements, the second and third parts, including the information required by Arts. 2427 and 2427 bis of the Italian Civil Code, describe and comment on the main changes, compared to the previous year, in the Balance Sheet, Income Statement, Cash Flow Statement, the fourth part provides the other information required by the Italian Civil Code and the fifth part contains information on management and coordination activities as laid down in Art. 2497-bis of the Italian Civil Code.

## GOING CONCERN PRINCIPLE

The Financial Statements as at 31 December 2020 have been drawn up on a going concern basis, supported by the Economic and Financial Plan attached to 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.

As is known, the Company operates in the motorway regulated sector, for which the current Agreement provides that, if certain events occur, contractual mechanisms for rebalancing the economic and financial situation are implemented by revising the multi-year plan. The Company has therefore started discussion with the Grantor CAL about the possible measures to make up for the impact of the health emergency on traffic flows to be included in the next revision of the Economic and Financial Plan, since the current regulatory period expires in 2021.

With reference to the financial situation, the measures available to the Company were implemented in order to its safeguard financial solidity and cash availability also through the negotiation, with the financial parties, of the temporary suspension of the verification of certain financial ratios.

The financial statements for the year ended 31 December 2020 show losses carried forward of EUR 24,121,150 and a loss for the year of EUR 95,758,771. The available reserves that can be used to cover accumulated losses amount to a total of EUR 101,230,078, and thus there result losses carried

forward of EUR 18,649,843 in excess of the limit established by Art. 2446 of the Italian Civil Code. Shareholders' equity as of 31 December 2020 was negative for EUR 273,687,645. In this respect, it should be noted that, pursuant to applicable regulations, the reserve for expected cash flow hedges is not considered in the calculation of shareholders' equity for the purposes of Arts. 2412, 2433, 2442, 2446 and 2447 of the Italian Civil Code.

It should also be noted that under the terms of the commitments undertaken with its lenders, the Company is required to maintain a level of shareholders' equity no lower than EUR 100,000,000 (net of the reserve for expected cash flow hedges).

In a meeting held today, the Board of Directors thus decided to issue 68,000,000 participative financial instruments, also establishing that any instruments not subscribed by shareholders would be released through offsetting of receivables due from the Company to parties who undertook commitments in the respective Subordinated Shareholder Loans.

## **VALUATION CRITERIA**

The accounting standards and evaluation criteria applied in drawing up the Financial Statements as at 31 December 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 assets 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 year.

The item "Assets 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 in the period, 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.

Ordinary maintenance costs, which relate to recurring maintenance and repairs carried out to keep assets in good working order and thus ensure their original useful life, capacity and productivity, are recognised in the Income Statement in the period in which they are incurred.

Exceptional maintenance costs, these being expansions, modernisations, replacements and other improvements to an asset that result in a significant and measurable increase in the capacity, productivity or safety of the asset or an extension of its useful life, are capitalised to the extent of the asset's recoverable amount.

Depreciation of "Assets deriving from concession right" is recorded in the Financial Statements at different rates calculated on the overall investments and is consistent with the provisions of the Economic and Financial Plan attached to 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 Art. 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 a non-compensated revertible asset 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 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 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", the Company assesses at each reporting date whether there is any indication that a fixed asset may be impaired. If this indicator exists, the Company estimates the recoverable amount of the asset and records a write-down only if the latter is lower than the corresponding 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 Financial Statements for the year ended 31 December 2020, the Company carried out an internal analysis to quantify the recoverable amount of the assets recognised in the Financial Statements, with particular reference to assets deriving from concession right. 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.

The Economic and Financial Plan used 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 (impact of Covid-19 on traffic, fees, completion of the investment programme, etc.).

#### **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 Arts. 2412, 2433, 2442, 2446 and 2447 of the Italian Civil Code 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 this Additional Note, 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 1.

#### Tangible fixed assets

The total amount of this item, equal to EUR 1,618,669,099 (EUR 1,628,831,356 as at 31.12.19), includes EUR 1,617,627,343 (EUR 1,627,662,823 as at 31.12.19) in fixed assets related to assets deriving from concession right, and is net of the depreciation fund equal to EUR 71,269,443 (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 1,355,749, refers to the building used as the Company's headquarters.

The item "Other assets" mainly refers to technical equipment for the Company's premises, 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 2.

As part of the structuring of the Financing operation, the Company has established a special first-degree lien, pursuant to Art. 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>B II 6) Fixed assets under construction and advances (Assets deriving from concession right)</b>	<b>31/12/2020</b>	<b>31/12/2019</b>
Other assets deriving from concession right	363,603	0
<b>Fixed assets under construction and advances</b>	<b>363,603</b>	<b>0</b>
<b>B II 7) Assets deriving from concession right</b>	<b>31/12/2020</b>	<b>31/12/2019</b>
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	335,715,511	331,399,975
Sums available to the General Contractor	85,291,932	85,291,932
General expenses and other amounts available	91,950,064	91,882,748
Other capitalized costs	33,257,040	33,257,040
A35 - A4 Interconnection	53,430,720	53,194,679
Other assets deriving from concession right	291,429	291,429
Public capital grant	(307,273,409)	(304,364,195)
Financial amortization	(68,446,438)	(56,337,676)
<b>Total</b>	<b>1,617,263,740</b>	<b>1,627,662,823</b>

"Fixed assets under construction and advances" include costs incurred during the year in connection with the Electric Road System project.

For further details on the progress of expropriation activities, please refer to the relevant section of the Directors' Report.

The public contribution to plants, obtained for a total of EUR 320 million, was recognized in 2016 with the effectiveness of Addendum No. 3 to the Concession Agreement. As at 31 December 2020, a total of EUR 307,273,409 is recorded at amortized cost in order to take into account the time factor relating to the collection of the long-term portion (2021-2029). The effect of the discounting back of the long-term portion for a total of EUR 12,726,591 was deducted from the item Receivables for grants to be collected.

The item "Financial amortization and depreciation" of EUR 68,446,438 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 31 December 2020 refers to contributions made to the following entities:

<b>Beneficiary</b>	<b>Description of agreement</b>	<b>Amount agreed</b>	<b>Amount paid</b>
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
Others		1,465,430	1,144,394
<b>Total</b>		<b>12,938,271</b>	<b>11,117,735</b>

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 31 December 2020.

### Financial fixed assets

#### Other receivables

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 EUR 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.

With the amicable and settlement agreement defined in the early months of 2021 between Brebemi and CAL (approved by Brebemi's Board of Directors on 25 February 2021 and signed by the parties on 12 March 2021), CAL definitively recognised the higher eligible costs.

With a separate agreement defined in the early months of 2021 between Brebemi and Consorzio BBM (approved by Brebemi's Board of Directors on 25 February 2021 and signed by the parties on 12 March 2021), Brebemi therefore confirmed payment of the sum of EUR 44.5 million already paid in advance, with the effect of releasing the bank guarantee issued by BNP Paribas aimed at covering the risk of repayment of the amount paid as advance payment, at the same time obtaining from BBM the waiver of any claim, including that relating to the payment of the remaining amount of approximately EUR 1.8 million for work actually carried out but not yet paid.

### Derivative financial instruments assets

<b>Description</b>	<b>31/12/2020</b>	<b>31/12/2019</b>
Derivative financial instruments assets	0	1,235,825
<b>Total</b>	<b>0</b>	<b>1,235,825</b>

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 Art. 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	31/12/2020	31/12/2019
Service Contract Credit	100,650	146,400
Credit for participation in the tax consolidation	2,044,415	2,044,415
<b>Total</b>	<b>2,145,065</b>	<b>2,190,815</b>

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 216,817 (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	31/12/2020	31/12/2019
VAT credit	1,527,205	50,414
IRES credit	2,515	2,027
IRAP credit	654,928	571,494
<b>Total</b>	<b>2,184,648</b>	<b>623,934</b>

The VAT credit at 31 December 2020 is represented by the credit resulting from the VAT liquidation for the month of December, which includes the VAT deposit made on 23 December 2020 for a total of EUR 2 million.

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.

### Prepaid taxes

This item can be broken down as follows:

Description	31/12/2020	31/12/2019
Previous years' tax losses	91,388,676	76,427,474
Tax losses in the year	29,996,368	14,948,526
ACE	4,668,333	4,844,016
Other temporary differences	68,533	138,969
Fair value derivative instruments	97,003,904	104,840,553
<b>Total</b>	<b>223,125,814</b>	<b>201,199,538</b>

Changes in temporary differences that led to the recognition of deferred tax assets are provided in Attachment 7.

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 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:

<b>Description</b>	<b>31/12/2020</b>	<b>31/12/2019</b>
<b>Due in less than 1 year</b>	<b>20,636,605</b>	<b>20,669,872</b>
Security deposits	13,891	13,891
Public grant to be paid	20,000,000	20,000,000
Receivables for ANAS Surcharge	174,102	0
Other receivables due in less than 12 months	448,612	655,981
<b>Due in more than 1 year</b>	<b>147,273,409</b>	<b>164,364,195</b>
Public grant to be paid	147,273,409	164,364,195
<b>Total</b>	<b>167,910,014</b>	<b>185,034,067</b>

The public contribution to be collected refers to the provisions of the Economic and Financial Plan attached to 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. It is broken down as follows.

The short-term portion of EUR 20,000,000 refers to the year 2021 to be collected.

The long-term portion of EUR 147,273,409 refers to the years 2022 to 2029 for a total of EUR 160,000,000. The receivable is recorded at amortized 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 31 December 2020 is equal to EUR 12,726,591.

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 January 2021 as well as receivables from users for non-payment.

**Receivable from interconnected companies**

This item, equal to EUR 16,872,795 (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 31 December 2020.

**Cash and cash equivalents**

At 31 December 2020, this grouping was composed as follows:

Description	31/12/2020	31/12/2019
Bank accounts	123,474,879	129,016,888
Cash on hand	719,431	1,104,997
<b>Total</b>	<b>124,194,310</b>	<b>130,121,885</b>

The item "Cash and cash equivalents" as at 31 December 2020 includes, among other things:

- the amounts deposited in the "Debt Service Reserve" account, constituted for the amount of EUR 48.6 million, and in the "Maintenance Reserve" account, constituted for the amount of EUR 25.1 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 23.0 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.

**ACCRAULS AND DEFERRALS**

As at 31 December 2020 this grouping is composed as follows:

Description	31/12/2020	31/12/2019
Fees for guarantees	56,011	67,991
Insurance	12,142	12,408
Sundry	60,004	18,031
Prepayment service areas grant	924,531	980,694
Prepayment costs incurred for refinancing transaction	1,244,483	2,088,288
<b>Total</b>	<b>2,297,171</b>	<b>3,167,412</b>

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 2021 is equal to EUR 56,009, the quota beyond next year is EUR 868,522.

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 564,979 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 for EUR 679,503.

## 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 Art. 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.

#### **Share capital and share premium reserve**

The equity as of 31 December 2020 consists of 354,347,771 common shares, for a total of EUR 52,141,227.

The Shareholders' Meeting of 15 January 2020 also approved a capital increase, excluding pre-emption rights pursuant to Art. 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 were 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 were all 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 Art. 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.

The following table shows the breakdown of the subscription of Participative Financial Instruments:

<b>Owner</b>	<b>Number of Participative Financial Instruments</b>	<b>Overall value</b>
Autostrade Lombarde S.p.A.	59,595,739	59,595,739
Impresa Pizzarotti & C. S.p.A.	4,143,951	4,143,951
CCC Società Cooperativa	3,211,854	3,211,854
Mattioda Pierino & Figli S.p.A.	272,033	272,033
Autostrade Brescia Verona Vicenza Padova S.p.A.	1,818,843	1,818,843
C.M.B. Società Cooperativa	214,159	214,159
Mattioda Autostrade S.p.A.	1,502,676	1,502,676
Aleatica S.A.U.	9,037,104	9,037,104
Unione di Banche Italiane S.p.A.	177,010	177,010
Banco BPM S.p.A.	26,631	26,631
<b>Total</b>	<b>80,000,000</b>	<b>80,000,000</b>

#### **Reserve for expected cash flow hedges**

This item has a negative balance of EUR 307,179,029 (EUR 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 97,003,904 (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 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 in the course of 2019 (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 404,182,933 (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 395,952,512 (EUR 439,963,970 as at 31.12.2019), as well as the negative effective component, equal to EUR 8,230,421, 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.

<b>Reserve for expected cash flow hedges</b>	<b>31/12/2020</b>	<b>31/12/2019</b>
<b>Opening balance</b>	<b>(436,835,640)</b>	<b>(331,328,806)</b>
Increase (Decrease) due to changes in Fair Value	(12,438,421)	(143,226,194)
Increase (Decrease) for release to income statement of interest differentials accrued during the year	1,079,670	29,175,491
Increase (Decrease) for release to income statement of effectiveness accrued on terminated hedging relationships	44,011,459	8,543,869
<b>Gross closing balance</b>	<b>(404,182,932)</b>	<b>(436,835,640)</b>
Fiscal effect	97,003,903	104,840,554
<b>Net closing balance</b>	<b>(307,179,029)</b>	<b>(331,995,086)</b>

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

### PROVISIONS FOR RISKS AND CHARGES

As at 31 December 2020 this grouping is composed as follows:

<b>Description</b>	<b>31/12/2020</b>	<b>31/12/2019</b>
derivative financial instruments liabilities	158,840,425	146,911,504
<b>Total</b>	<b>158,840,425</b>	<b>146,911,504</b>

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 31 December 2020, this item amounted to EUR 936,009 (EUR 836,712 as at 31.12.19). Movements during the year were as follows:

<b>Balance as at 31 December 2019</b>	<b>836,712</b>
Allocation for the year	101,438
Advance payments	0
Utilisation for personnel in the year	0
11% withholding tax on TFR revaluation	(2,141)
<b>Balance as at 31 December 2020</b>	<b>936,009</b>

## PAYABLES

Pursuant to Art. 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 1,659,615,263 and is made up as follows:

Line	Nominal amount at issue	Interest Rate	Fixed rate / Spread	Disbursement date	Maturity	Outstanding debt 31/12/2020
A1 - Senior Amortizing	15,000,000	Euribor 6m	3.188%	22-Oct-19	31/12/2038	14,300,385
A2 - Senior Amortizing	934,000,000	Fixed	3.375%	22-Oct-19	31/12/2038	906,370,623
A3 - Senior Secured - Zero Coupon	557,965,333	Fixed	3.875%	22-Oct-19	22-Jan-42	571,474,557
Subordinated Extendable to 2042 - Junior	172,000,000	MAX[Euribor 6m;0%]	6.500%	22-Oct-19	31-Jan-29	167,469,698
<b>Total</b>	<b>1,678,965,333</b>					<b>1,659,615,263</b>

The Bonds were issued in accordance with, and subject to, the provisions of Art. 185 of Legislative Decree 50/2016 (the Public Contracts Code) and were admitted to listing on the Global Exchange Market ("GEM") operated by Euronext Dublin.

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 EUR 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	Initial Transaction Costs	Refunds	Accrued liability	Transaction Costs of the period	Outstanding debt 31/12/2020
A1 - Senior Amortizing - FRN	15,000,000	(610,664)	(127,345)	0	38,394	14,300,385
A2 - Senior Amortizing - Fixed	934,000,000	(21,071,459)	(7,929,292)	0	1,371,374	906,370,623
A3 - Senior Secured - Zero Coupon Subordinated Extendable - Junior	562,106,947	(12,570,973)	0	21,781,644	156,940	571,474,557
	167,287,480	(5,039,806)	(541,324)	5,539,678	223,670	167,469,698
<b>Total</b>	<b>1,678,394,427</b>	<b>(39,292,902)</b>	<b>(8,597,961)</b>	<b>27,321,322</b>	<b>1,790,378</b>	<b>1,659,615,263</b>

The total amount as at 31 December 2020, equal to EUR 1,659,615,263, 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 31/12/2020	Short Term (Within 12 Months)	Long Term (Over 12 Months)
A1 - Senior Amortizing - FRN	14,300,385	162,568	14,137,817
A2 - Senior Amortizing - Fixed	906,370,623	10,122,623	896,248,000
A3 - Senior Secured - Zero Coupon	571,474,557	0	571,474,557
Subordinated Extendable - Junior	167,469,698	13,007,014	154,462,684
<b>Total</b>	<b>1,659,615,263</b>	<b>23,292,205</b>	<b>1,636,323,058</b>

As of December 31, 2020, the short-term portion of the Junior line also includes interest and principal due at 31 December 2020, amounting to EUR 5,539,678 and EUR 1,676,408, respectively, which were not subject to repayment based on the provisions included in the Note Trust Deed.

#### Payables to shareholders for loans

As at 31 December 2020, this grouping refers to payables due after one year and is broken down as follows:

Description	Payable			Interests			Total
	Amount 31/12/19	Other movements 2020	Amount 31/12/2020	Amount 31/12/19	Accrued 2020	Other movements 2020	
Autostrade Lombarde S.p.A.	204,682,692	(50,319,896)	154,362,797	38,036,721	21,192,163	(9,275,843)	49,953,041 204,315,838
Impresa Pizzarotti & C. S.p.A.	13,650,380	(3,355,856)	10,294,524	3,346,850	1,273,772	(788,095)	3,832,527 14,127,051
CCC Soc. Coop.	10,399,938	(2,556,757)	7,843,181	2,772,247	970,460	(655,097)	3,087,611 10,930,792
Mattioda Pierino & Figli S.p.A.	1,067,801	(262,512)	805,289	39,649	111,339	(9,521)	141,467 946,756
Autostrada Brescia Verona Vicenza Padova S.p.A. C.m.b.	5,889,488	(1,447,892)	4,441,596	1,453,065	549,572	(370,951)	1,631,685 6,073,282
Cooperativa Braccianti e Muratori di Carpi	707,806	(174,010)	533,796	170,632	66,048	(40,149)	196,531 730,327
Mattioda Autostrade spa Aleatica S.A.U.	5,898,389	(1,450,080)	4,448,309	219,018	615,021	(52,596)	781,443 5,229,752
	29,767,321	(7,318,100)	22,449,221	7,300,123	2,777,708	(1,719,004)	8,358,827 30,808,048
<b>Total</b>	<b>272,063,815</b>	<b>(66,885,102)</b>	<b>205,178,714</b>	<b>53,338,306</b>	<b>27,556,083</b>	<b>(12,911,257)</b>	<b>67,983,133 273,161,846</b>

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 Arts. 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.

In January 2020 part of the receivables due from shareholders for a total of EUR 80,000,000 were 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.

On 26 October 2020, Aleatica S.A.U. became the owner of the receivables arising from the shareholders' loan of 15 October 2019, entered into between Intesa Sanpaolo, as lender, and Brebemi, as debtor, the total amount of which is, as of 26 October 2020, EUR 22,449,220.78 as principal and EUR 7,864,532.70 as accrued and unpaid interest.

#### **Payables to banks**

This item amounts to EUR 353,897,891 and is made up as follows:

Line	Nominal amount at issue	Interest Rate	Fixed rate / Spread	Outstanding debt 31/12/2020
Senior Amortizing – Loan	307,000,000	Euribor 6m	2.600%	295,915,177
EPC Banks	55,181,487	Fixed	2.500%	57,982,714
<b>Total</b>	<b>362,181,487</b>			<b>353,897,891</b>

Payables to banks	Outstanding debt 31/12/2019	Initial Transaction Costs	Refunds	Accrued liability	Transaction Costs of the period	Outstanding debt 31/12/2020
Senior Amortizing – Loan	307,000,000	(5,939,689)	(5,740,900)	0	595,766	295,915,177
EPC Banks	56,580,184	0	0	1,402,530	0	57,982,714
<b>Total</b>	<b>363,580,184</b>	<b>(5,939,689)</b>	<b>(5,740,900)</b>	<b>1,402,530</b>	<b>595,766</b>	<b>353,897,891</b>

As part of the overall refinancing transaction, the Company also 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 689,680 (EUR 834,821 as at 31.12.19), is broken down as follows:

Description	Payable			Interests			Total	
	Amount 31/12/19	Movements 2020	Amount 31/12/2020	Amount 31/12/19	Accrued 2020	Movements 2020	Amount 31/12/2020	
UBI Banca S.p.A.	583,036	(143,335)	439,701	143,007	54,405	(33,675)	163,737	603,438
Banco BPM S.p.A.	75,275	(18,506)	56,769	33,504	4,094	(8,125)	29,473	86,242
<b>Total</b>	<b>658,311</b>	<b>(161,841)</b>	<b>496,470</b>	<b>176,511</b>	<b>58,499</b>	<b>(41,800)</b>	<b>193,210</b>	<b>689,680</b>

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 EUR 203,641 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 805,066 (EUR 24,208,606 as at 31.12.19) comprises exclusively payables to suppliers related to ordinary activities. As at 31 December 2019, the amount referred for EUR 22.2 million to the payable to the General Contractor for expropriation activities.

The decrease is due to the offsetting of receivables due from the General Contractor for the subscription by the Shareholders Impresa Pizzarotti & C. S.p.A. and Consorzio Cooperative Costruzioni -- CCC Società Cooperativa of the capital increase resolved by the Shareholders' Meeting of 15 January 2020 for a total of EUR 22,230,078.00 and already described in the specific section of the Directors' Report.

#### Payables to parent companies

The item "Payables to parent companies" as of 31 December 2019 amounted to EUR 3,290 and related to payables for services provided by Autostrade Lombarde S.p.A.; the amount was entirely paid in 2020.

#### Payables to companies subject to the control of the parent companies

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

Description	31/12/2020	31/12/2019
<b>Due in less than 1 year</b>	<b>9,801,845</b>	<b>7,123,991</b>
O&M fee due in less than 12 months	9,467,105	6,877,792
Other payables to Argentea	334,740	246,200
<b>Due in more than 1 year</b>	<b>8,969,274</b>	<b>8,664,695</b>
O&M fee due in more than 12 months	8,969,274	8,664,695
<b>Total</b>	<b>18,771,119</b>	<b>15,788,687</b>

The amount due within 12 months for a total of EUR 9,467,105 (EUR 6,877,792 as at 31/12/19) mainly refers to as yet unpaid fees accrued for the O&M contract. The increase compared to the previous year is due to the extension of contractual payment terms from 60 to 90 days agreed in the context of relations with Argentea Gestioni S.c.p.A..

The amount beyond 12 months for a total of EUR 8,969,274 (EUR 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 2021 until 2025. The payable as at 31 December 2020 of EUR 9,500,000 was valued according to the amortized cost method, taking the time factor into account and entered as EUR 8,969,274 minus the discounting amount, equal to EUR 530,725.

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 Art. 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 90 days.

#### **Tax payables**

Tax payables amount to EUR 436,035 (EUR 3,133,406 as at 31.12.19) and are broken down as follows:

Description	31/12/2020	31/12/2019
Withholding tax payables	217,590	589,110
Current tax payables	218,445	303,533
VAT payables	0	2,240,763
<b>Total</b>	<b>436,035</b>	<b>3,133,406</b>

Following the issue of the "Decreto rilancio" (Decree-Law No. 34 of 19 May 2020) the Company benefited from the provisions of Art. 24 with regard to payment of the balance of IRAP due for 2019 and of the first instalment of the IRAP advance for 2020, for total EUR 800,000.

#### **Payables to social security institutions**

This item, amounting to EUR 193,924 (EUR 191,911 as at 31/12/19), relates to the payables as at 31/12/2020 to these institutions for the shares borne by the company.

#### **Other payables**

The item breaks down as follows:

Description	31/12/2020	31/12/2019
<b>Due in less than 1 year</b>	<b>2,808,680</b>	<b>6,137,101</b>
Payables to directors and statutory auditors	0	7,321
Payables to employees	302,434	293,656
Payables for concession fees and surcharges	1,816,273	2,466,496
Payables for withholding taxes general contractor	52,543	2,028,210
Payables for area between Motorway and Railroad	449,437	1,108,611
Other payables	187,995	232,806
<b>Due in more than 1 year</b>	<b>5,170,948</b>	<b>5,368,514</b>
Payables for withholding taxes general contractor	5,170,948	5,368,514
<b>Total</b>	<b>7,979,628</b>	<b>11,505,615</b>

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 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. In the course 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 391,607 (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 amount to EUR 73,203,215 and are broken down as follows:

Description	2020	2019
Net toll revenues	72,458,314	91,443,729
Surcharge payable to ANAS	2,965,285	3,850,725
Toll discounts	(2,364,558)	(2,783,449)
Other toll revenues	107,100	136,166
Other adjustments	37,074	(42,495)
<b>Total</b>	<b>73,203,215</b>	<b>92,604,675</b>

The reduction in "net toll revenues", net of the amount of the surcharge payable to ANAS - equal to EUR 19.0 million - is attributable for EUR 22.5 million to the reduction in traffic volumes due to the Covid-19 pandemic and for EUR 3.5 million to the recognition of the tariff adjustment as from 1 January 2020.

The decrease in the items "Surcharge payable to ANAS" and "Toll discounts" is closely related to the decrease in traffic on the motorway section.

#### Other revenues and income

This item breaks down as follows:

Description	2020	2019
Service contract with Autostrade Lombarde S.p.A.	330,000	255,000
Secondment of staff	40,096	112,298
Management Agreement Tangenziale Esterna S.p.A.	0	272,917
Recovery of costs Argentea Gestioni S.c.p.A.	435,257	455,699
Recovery of charges for exceptional transport procedure and non-payment of tolls	280,169	269,633
Recovery of collection charges	783,119	1,088,367
Service area royalties	151,280	357,850
Miscellaneous	516,834	414,631
<b>Total</b>	<b>2,536,755</b>	<b>3,226,395</b>

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 fee income on service areas, easement receivables, insurance reimbursements and costs for the management of the "Punto blu" service charged to Tangenziale Esterna S.p.A. for the relevant portion.

## COSTS OF PRODUCTION

### Costs of raw materials, ancillary goods, consumables and goods for resale

As at 31 December 2020, this item amounted to EUR 61,730 (EUR 62,108 as at 31/12/2019) and includes costs for fuel, stationery and consumables.

### Costs for services

This item breaks down as follows:

Description	2020	2019
<b>Costs for services relating to assets deriving from concession right (A)</b>	<b>22,138,267</b>	<b>21,834,159</b>
O&M agreement Argentea Gestioni S.c.p.A.	20,761,724	20,301,852
Other maintenance	0	75,783
Insurance	419,385	417,888
Utilities	703,046	771,418
Other operating expenses	254,111	267,217
<b>Other costs for services (B)</b>	<b>3,276,468</b>	<b>4,010,350</b>
Directors' fees	414,119	434,898
Statutory Auditors Fees	91,036	93,719
Other fees	11,700	6,800
Independent auditors' fees	21,400	22,838
Communication, advertising, events	242,381	554,717
Utilities	66,645	58,356
Travel, subsistence and entertainment costs	38,180	92,027
IT Services	137,002	114,888
Other operating expenses	327,834	240,029
Other personnel costs	130,795	109,832
Consultancy	1,133,585	1,588,751
Bank costs and guarantee fees	661,791	693,494
<b>Total (A) + (B)</b>	<b>25,414,735</b>	<b>25,844,509</b>

Costs for services for assets 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 and pursued in 2020 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 232,677 (EUR 228,807 as at 31/12/2019) and breaks down as follows:

Description	2020	2019
Car rentals	108,160	101,852
Photocopier rentals	20,467	23,091
Property rentals	104,049	103,864
<b>Total</b>	<b>232,677</b>	<b>228,807</b>

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	2020	2019
Wages and salaries	2,334,289	2,316,117
Social security contributions	686,939	684,537
Employees severance indemnity	154,115	154,550
Other costs	19,773	16,620
<b>Total</b>	<b>3,195,116</b>	<b>3,171,824</b>

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:

	31/12/2020	31/12/2019	Variation	2020 Average
Executives	4	4	0	4
Managers	6	6	0	6
Employees	21	20	1	21
<b>Totals</b>	<b>31</b>	<b>30</b>	<b>1</b>	<b>31</b>

**Amortization, depreciation and write-downs**

"Depreciation and amortization" amounted to EUR 12,275,110 (EUR 11,157,178 at 31/12/2019) and refer to the following categories:

Description	2020	2019
<b>Intangible fixed assets (A)</b>	<b>6,213</b>	<b>2,249</b>
Concessions, licences, trademarks and similar rights	6,213	2,249
<b>Tangible fixed assets (B)</b>	<b>160,135</b>	<b>163,188</b>
Land and buildings	87,818	87,818
Plants and machinery	0	5,273
Others	72,317	70,097
<b>Financial amortization (C)</b>	<b>12,108,762</b>	<b>10,991,741</b>
<b>Total (A+B+C)</b>	<b>12,275,110</b>	<b>11,157,178</b>

"Depreciation of assets deriving from concession right" for EUR 12,108,762 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:

<b>Description</b>	<b>2020</b>	<b>2019</b>
<b>Fees (A)</b>	<b>4,785,405</b>	<b>6,197,841</b>
Concession fee under Art. 1(1020) of Italian Law No. 296/06	1,746,185	2,194,650
Sub-concession fees	73,935	152,466
Fee under Art. 19(9-bis) Italian Decree Law 78/09	2,965,285	3,850,725
<b>Other charges (B)</b>	<b>502,897</b>	<b>491,835</b>
Various taxes and duties	62,915	67,426
Membership fees	187,036	179,049
Agreement fees payable	70,471	71,696
Losses for non-payment of tolls	136,043	115,600
Other costs	32,226	35,335
Donations, gifts and offers	14,206	22,729
<b>Total (A+B)</b>	<b>5,288,302</b>	<b>6,689,676</b>

The item "Concession fee under Art. 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:

<b>Description</b>	<b>2020</b>	<b>2019</b>
Other interest income	6,456	55,701
Interest income on bank deposits	1,879	1,478
Interest income amortized cost	372,150	367,217
<b>Total</b>	<b>380,485</b>	<b>424,396</b>

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

**Interest and other financial expenses**

This item breaks down as follows:

<b>Description</b>	<b>2020</b>	<b>2019</b>
<b>Due to parent companies</b>		
Interest expense shareholders' loan	21,192,163	3,585,586
<b>Due to credit institutions</b>		
Loan fees	700,958	897,202
Interest expense loans	73,259,284	49,551,962
Interest rate swap differentials	4,307,520	29,175,491
<b>Due to others</b>		
Release CFH reserve	44,011,459	8,543,869
Interest expense shareholders' loans	6,363,920	7,328,134
Interest expense amortized cost	2,690,723	1,112,909
Others	58,509	76,338
<b>Total</b>	<b>152,584,536</b>	<b>100,271,491</b>

The item "Interest and other financial expenses" shows an increase of EUR 52.3 million compared to 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.

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 accrued, providing for redemption only when specific conditions are met.

Interest payable to subsidiaries of EUR 21,192,163 (EUR 3,585,586 as at 31 December 2011) includes interest accrued on the subordinated shareholder loan signed on 13 June 2012 with the parent company Autostrade Lombarde. Compared to last year, the interest rate on the loan relating to principal totalling EUR 144,040,010, out of a total of EUR 154,362,797, increased from 1% to 13.42%, as established by the contractual provisions in force.

This item "Release CFH reserve" also 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 EUR 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 2020 is negative for EUR 44,011,459 (EUR 8,543,869 as at 31 December 2019) 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 4,307,520 (EUR 29,175,491 as at 31 December 2019).

## **ADJUSTMENTS TO FINANCIAL ASSETS VALUE**

### **Revaluations of derivative financial instruments**

This item amounts to EUR 3,245,554 (EUR 4,144,427 as at 31 December 2019) 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 5,051,548 (EUR 15,418,639 as at 31 December 2019) 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 28,978,976 (EUR 13,311,503 as at 31/12/2019). The tax burden is broken down as follows:

- Current IRAP taxes EUR 1,170,918 (EUR 1,945,377 at 31/12/2019).
- Positive tax adjustments relating to the previous year EUR 386,968.
- Prepaid taxes EUR 29,762,926 (EUR 15,256,880 at 31/12/2019).

Following the issue of the "Decreto rilancio" (Decree-Law No. 34 of 19 May 2020) the Company benefited from the provisions of Art. 24 with regard to payment of the balance of IRAP due for 2019 and of the first instalment of the IRAP advance for 2020, for total EUR 800,000.

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 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	2020	2019
Directors' fees	414,119	434,898
Statutory Auditors fees	91,036	93,719

The Board of Directors was appointed by the Shareholders' Meeting of 26 October 2020 and will remain in office until the approval of the 2022 financial statements. It should be noted that the newly appointed Directors, in accordance with the policies of the Aleatica group to which they belong, have waived the remuneration attributed to them for the office of Director.

### 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	2020	2019
Auditing the financial statements and proper accounting	20,000	20,000
<b>Total</b>	<b>20,000</b>	<b>20,000</b>

### Commitments undertaken by the Company

"Insurance policies guaranteeing payment to third parties" total EUR 10,847,525 and refer:

- for EUR 7,486,767 to the guarantee issued to secure the VAT claimed back in 2017.
- for EUR 3,360,758 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.

It is underlined that 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 for an amount of EUR 52,115,910, ceased to be effective on 31 December 2020.

As at 31 December 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 at year end.

<b>Contract Type</b>	<b>Counterparty</b>	<b>Date of signing</b>	<b>Maturity</b>	<b>Notional amount</b>	<b>Receive Leg</b>	<b>Pay Leg</b>	<b>MtM</b>
IRS	Intesa San Paolo	10/10/2019	31/12/2038	74,142,474	EURIBOR 6M	0.123%	(65,458,620)
IRS	Unicredit	10/10/2019	31/12/2038	49,428,316	EURIBOR 6M	0.157%	(64,758,964)
IRS	UBI	10/10/2019	31/12/2038	52,311,634	EURIBOR 6M	0.103%	(26,372,802)
IRS	MPS	10/10/2019	31/12/2038	50,252,121	EURIBOR 6M	0.072%	(1,467,940)
IRS	Banco BPM	10/10/2019	31/12/2038	26,773,671	EURIBOR 6M	0.072%	(782,099)
<b>Total</b>				<b>252,908,215</b>			<b>(158,840,425)</b>

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 Directors' Report, 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 Directors' Report.

### Events after the reporting period

As described above, on 12 March 2021 the company signed with the grantor CAL S.p.A. the amicable and settlement agreement concerning the higher eligible concession charges as well as the agreement

with Consorzio BBM that confirmed payment of the sum of EUR 44.5 million already paid in advance, with the effect of releasing the bank guarantee issued by BNP Paribas aimed at covering the risk of repayment of the amount paid as advance payment, at the same time obtaining from BBM the waiver of any claim, including that relating to the payment of the remaining amount of approximately EUR 1.8 million for work actually carried out but not yet paid.

Finally, it should be noted that new Tesla Supercharger stations were inaugurated at the Adda Nord and Adda Sud service stations on 4 March 2021. With this important new service, the A35 Brebemi confirms its position as a reference point in the motorway sector for new green mobility and environmental sustainability.

#### **Proposal to cover the loss for the year**

The financial statements submitted to the Shareholders' Meeting for approval closed with a loss for the year of EUR 95,758,771, which it is proposed to carry forward on the basis of the following considerations:

- at 31 December 2020, there was a "Share premium reserve" of EUR 21,230,078 and a "Participative financial instruments reserve" of EUR 80,000,000; the reserves available to cover losses therefore total EUR 101,230,078;
- in a meeting held today, the Board of Directors decided to issue 68,000,000 participative financial instruments, also establishing that any instruments not subscribed by shareholders would be released through offsetting of receivables due from the Company to parties who undertook commitments in the respective Subordinated Shareholder Loans.

**Information on management and coordination activities**

The parent company Autostrade Lombarde S.p.A. exercises management and coordination activities over the company, pursuant to Art. 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).

<b>AUTOSTRADE LOMBARDE S.P.A.</b>	<b>31/12/2019</b>
<b>BALANCE SHEET</b>	
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
<b>TOTAL ASSETS</b>	<b>546,907,400</b>
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
<b>Net Equity</b>	<b>497,552,290</b>
Payables	49,336,301
Accruals and deferrals	18,809
<b>TOTAL LIABILITIES</b>	<b>546,907,400</b>
<b>INCOME STATEMENT</b>	
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)
<b>Profit (Loss) for the year</b>	<b>2,700,308</b>

On 26 October 2020, the acquisition by Aleatica S.A.U. of all the shareholdings of Intesa Sanpaolo in the parent company Autostrade Lombarde S.p.A., was completed. As a result, Aleatica now holds, *inter alia*: 260,905,020 ordinary shares in Autostrade Lombarde, representing 55.78% of its share capital.

Although Autostrade Lombarde has a controlling interest, it has not prepared consolidated financial statements taking advantage of the exemption provided for by Art. 27 (3) (4) of Legislative Decree 127/1991, as the consolidated financial statements are prepared by the parent company Aleatica S.A.U. based in Madrid.

## 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 as at 31 December 2020.
5. Statement of monthly data on toll traffic.
6. Statement of monthly data on toll traffic by vehicle class.
7. Statement of prepaid taxes as at 31 December 2020.

Brescia, 15 March 2021

for the Board of Directors  
The Chairman  
Francesco Bettoni

## Società di Progetto Brebemi S.p.A.

*Statement of the changes in "Intangible fixed assets"*

<b>Description</b>	<b>Initial situation</b>			<b>Movements during the year</b>					<b>Final situation</b>		
	Historical cost	(Amortization Funds)	Initial balance	Increases Historical cost	Other changes (Amortization fund)	Reclassifications	(Decreases)	(Amortization)	Historical cost	(Amortization Funds)	Final balance
Start-up and expansion costs	51.975	(51.975)	-	-	-	-	-	-	51.975	(51.975)	-
Concessions, licences, trademarks and similar rights	120.033	(115.533)	4.500	11.892				(6.213)	131.925	(121.746)	10.179
Others	421.712	(421.712)	-	-	-	-	-	-	421.712	(421.712)	-
<b>Totals</b>	<b>593.720</b>	<b>(589.220)</b>	<b>4.500</b>	<b>11.892</b>				<b>(6.213)</b>	<b>605.612</b>	<b>(595.433)</b>	<b>10.179</b>

## Società di Progetto Brebemi S.p.A.

*Statement of the changes in "Tangible fixed assets"*

Description	Initial situation			Movements during the year					Final situation		
	Historical cost	(Depreciation Funds)	Initial balance	Increases (Depreciation fund)	Reclassifications (Depreciation fund)	(Decreases) (Depreciation fund)	Reversal of fund	(Depreciation)	Historical cost	(Depreciation Funds)	Final balance
<b>Land and buildings</b>											
Buildings	2.195.448	(1.267.931)	927.517	-	-	-	-	(87.818)	2.195.448	(1.355.749)	839.699
Total	2.195.448	(1.267.931)	927.517	-	-	-	-	(87.818)	2.195.448	(1.355.749)	839.699
<b>Plants and machinery</b>											
Plants	52.728	(52.728)	(0)	-	-	-	-	-	52.728	(52.728)	-
Total	52.728	(52.728)	(0)	-	-	-	-	0	52.728	(52.728)	-
<b>Others</b>											
Office equipment	21.941	(16.968)	4.973	15.931	-	-	-	(2.822)	37.872	(19.790)	18.082
Furniture	206.675	(176.655)	30.020	540	-	-	-	(9.837)	207.215	(186.492)	20.723
Electro-accounting machines	216.737	(154.277)	62.460	7.038	-	-	-	(19.103)	223.775	(173.380)	50.395
Temporary ADS	170.041	(170.041)	0	0	-	-	-	0	170.041	(170.041)	0
Technical equipment	333.035	(189.472)	143.563	9.850	-	-	-	(40.555)	342.885	(230.027)	112.857
Total	948.429	(707.413)	241.016	33.359	-	-	-	(72.317)	981.788	(779.730)	202.057
<b>Fixed assets under construction and advances</b>											
Junctions and motorway works	-	-	-	363.602	-	-	-	-	363.602	0	363.602
Advance payments	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	363.602	-	-	-	-	363.602	0	363.602
<b>Assets deriving from concession right</b>											
Motorway connections and works	1.988.073.263	(56.337.675)	1.931.735.589	4.618.893	-	-	-	(12.108.762)	1.992.692.156	(68.446.437)	1.924.245.720
Public capital grant	(304.364.195)	-	(304.364.195)	-	-	(2.909.213)	-	-	(307.273.408)	0	(307.273.408)
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	4.618.893	0	(2.909.213)	0	(12.108.762)	1.685.710.177	(68.446.437)	1.617.263.741
<b>Totals</b>	<b>1.687.831.902</b>	<b>(59.000.546)</b>	<b>1.628.831.355</b>	<b>5.015.854</b>	<b>0</b>	<b>(2.909.213)</b>	<b>0</b>	<b>(12.268.897)</b>	<b>1.689.938.543</b>	<b>(71.269.443)</b>	<b>1.618.669.099</b>

Annex 3

<b>Description of changes</b>	<b>SHARE CAPITAL</b>	<b>SHARE PREMIUM RESERVE</b>	<b>OTHER RESERVES</b>	<b>RESERVE FOR EXPECTED CASH FLOW HEDGES</b>	<b>PROFITS(LOSSES) ARRIED FORWARD</b>	<b>RESULT FOR THE PERIOD</b>	<b>TOTAL</b>	
	<b>I</b>	<b>II</b>	<b>VI</b>	<b>VII</b>	<b>VIII</b>	<b>IX</b>		
<b>Balance as at 31 December 2016</b>	<b>175.089.679</b>		-	<b>26.556.665</b>	<b>(292.548.214)</b>	-	<b>(49.111.943)</b>	<b>(140.013.813)</b>
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	
Result for the financial year 2017	-	-	-	-	-	(39.198.071)	(39.198.071)	
<b>Balance as at 31 December 2017</b>	<b>175.089.679</b>		-	<b>(251.968.124)</b>	<b>(22.555.276)</b>	<b>(39.198.071)</b>	<b>(138.631.792)</b>	
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	
Result for the financial year 2018	-	-	-	-	-	(37.183.065)	(37.183.065)	
<b>Balance as at 31 December 2018</b>	<b>113.336.332</b>		-	<b>(251.809.892)</b>		<b>(37.183.065)</b>	<b>(175.656.625)</b>	
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)	
Result for the financial year 2019	-	-	-	-	-	(49.133.190)	(49.133.190)	
<b>Balance as at 31 December 2019</b>	<b>51.141.227</b>		-	<b>25.012.040</b>	<b>(331.995.086)</b>	-	<b>(49.133.190)</b>	<b>(304.975.009)</b>
Allocation of 2019 result	-	-	(25.012.040)	-	(24.121.150)	49.133.190	-	
Changes in Share capital	1.000.000	-	-	-	0	-	1.000.000	
Changes in Reserves	-	21.230.078	80.000.000	24.816.057	-	-	126.046.135	
Result for the financial year 2020	-	-	-	-	-	(95.758.771)	(95.758.771)	
<b>Balance as at 31 December 2020</b>	<b>52.141.227</b>	<b>21.230.078</b>	<b>80.000.000</b>	<b>(307.179.029)</b>	<b>(24.121.150)</b>	<b>(95.758.771)</b>	<b>(273.687.645)</b>	

Nature and description of "Shareholders' equity" items	Amount as at 31.12.2020	Possibility of use	Available portion	Summary of uses in the three previous years			
				For loss coverage	For capital increase	For distribution	For other reasons
<b>Share Capital</b>	52.141.227		-	123.948.452			
<b>Capital reserves</b>							
Share premium reserve	21.230.078	A,B,C	21.230.078				
Participative financial instruments	80.000.000	B	80.000.000				
<b>Profit reserves</b>							
Profit/(Loss) carried forward	(24.121.150)		-				
Profit/(Loss) for the period	(95.758.771)		-				
Reserve for expected cash flow hedges (*)	(307.179.029)		-				
<b>Total</b>	<b>(273.687.645)</b>		<b>101.230.078</b>	<b>123.948.452</b>			

**Key:**

- A:** for capital increase
- B:** for loss coverage
- C:** for distribution to shareholders

(\*) 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.

Società di Progetto Brebemi S.p.A.

**MONTHLY PAYING TRAFFIC DATA**

LIGHT TRAFFIC (km travelled)

<b>Month</b>	<b>31/12/2020</b>	<b>31/12/2019</b>	<b>31/12/2018</b>
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
July	26.493.007	33.567.014	31.314.329
August	20.358.687	22.032.732	21.994.549
September	26.740.768	30.601.112	29.474.494
October	24.678.812	33.136.375	30.871.200
November	13.809.033	30.489.701	28.487.735
December	17.484.222	28.992.285	28.200.530
<b>TOTAL</b>	<b>226.301.364</b>	<b>354.889.775</b>	<b>332.095.036</b>

HEAVY TRAFFIC (km travelled)

<b>Month</b>	<b>31/12/2020</b>	<b>31/12/2019</b>	<b>31/12/2018</b>
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
July	12.339.639	13.293.343	11.363.451
August	8.496.938	8.435.449	8.320.108
September	12.009.619	11.969.905	10.492.716
October	12.493.414	13.506.192	12.072.931
November	11.487.012	12.115.160	11.237.737
December	11.315.487	10.794.760	9.874.470
<b>TOTAL</b>	<b>124.756.540</b>	<b>137.309.399</b>	<b>123.075.891</b>

TOTAL TRAFFIC (km travelled)

<b>Month</b>	<b>31/12/2020</b>	<b>31/12/2019</b>	<b>31/12/2018</b>
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
July	38.832.646	46.860.357	42.677.780
August	28.855.625	30.468.181	30.314.657
September	38.750.387	42.571.017	39.967.210
October	37.172.226	46.642.567	42.944.131
November	25.296.045	42.604.861	39.725.472
December	28.799.709	39.787.045	38.075.000
<b>TOTAL</b>	<b>351.057.904</b>	<b>492.199.174</b>	<b>455.170.927</b>

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

Annex 6

**Km/1000 covered for class of vehicle**

Month	A		B		3		4		5		Total	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	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
July	26.493	33.567	5.573	6.075	836	943	575	593	5.355	5.682	38.833	46.860
August	20.359	22.033	3.696	3.745	534	576	412	367	3.856	3.747	28.856	30.468
September	26.741	30.601	5.363	5.432	801	837	566	547	5.280	5.154	38.750	42.571
October	24.679	33.136	5.529	6.194	793	923	632	624	5.540	5.765	37.172	46.643
November	13.809	30.490	4.862	5.479	741	810	593	575	5.291	5.251	25.296	42.605
December	17.484	28.992	4.909	4.906	710	717	586	500	5.111	4.672	28.800	39.787
<b>Total</b>	<b>226.301</b>	<b>354.890</b>	<b>53.192</b>	<b>62.543</b>	<b>8.336</b>	<b>9.446</b>	<b>6.156</b>	<b>6.125</b>	<b>57.073</b>	<b>59.196</b>	<b>351.058</b>	<b>492.199</b>

<b>Società di Progetto Brebemi S.p.A.</b> <i>Statement of prepaid taxes</i>								
	<b>Opening balance</b>		<b>Movements</b>				<b>Final balance</b>	
	<b>31/12/2019</b>		<b>Income Statement</b>		<b>Shareholders' Equity</b>		<b>31/12/2020</b>	
<b>Description</b>	<b>Amount of temporary differences - TAXABLE AMOUNT</b>	<b>TOTAL Deferred tax</b>	<b>Amount of temporary differences - TAXABLE AMOUNT</b>	<b>TOTAL Deferred tax</b>	<b>Amount of temporary differences - TAXABLE AMOUNT</b>	<b>TOTAL Deferred tax</b>	<b>Amount of temporary differences - TAXABLE AMOUNT</b>	<b>TOTAL Deferred tax</b>
Previous years' tax losses	318.447.810	76.427.474	62.338.345	14.961.202	-	-	380.786.155	91.388.676
Tax losses for the period	62.285.527	14.948.526	62.699.338	15.047.842	-	-	124.984.865	29.996.368
ACE	20.183.401	4.844.016	(732.013)	(175.683)	-	-	19.451.388	4.668.333
Other temporary differences	511.347	138.969	(225.794)	(70.435)	-	-	285.553	68.533
Fair value of derivative instruments	436.835.639	104.840.553	-	-	(32.652.707)	(7.836.650)	404.182.932	97.003.904
<b>Deffered tax assets</b>	<b>838.263.724</b>	<b>201.199.538</b>	<b>124.079.876</b>	<b>29.762.926</b>	<b>(32.652.707)</b>	<b>(7.836.650)</b>	<b>929.690.893</b>	<b>223.125.814</b>



**Report by independent auditing firm pursuant to Article 14 of Italian Legislative Decree No. 39 of 27/01/2010**

*To the Shareholders of  
Società di Progetto Brebemi S.p.A.*

**Report on the audit of the financial statements**

**Opinion**

We have audited the financial statements of Società di Progetto Brebemi S.p.A. (hereinafter also referred to as the "Company"), consisting of the balance sheet as of 31 December 2020, the income statement and the cash flow statement for the year that ended on that date, as well as the explanatory notes.

In our opinion, the financial statements provide a truthful and accurate representation of the financial position of Società di Progetto Brebemi S.p.A. as of 31 December 2020, of the results of its operations, and of its cash flows for the year that ended on that date, in accordance with Italian regulations governing the criteria for drawing them up.

**Elements underlying the opinion**

We have conducted our audit in accordance with the International Standards on Auditing (ISA Italia). Our responsibilities under these standards are further described in this report's section headlined "*Auditing firm's responsibilities for the auditing of the financial statements*". We are independent from Società di Progetto Brebemi S.p.A., in accordance with the rules and principles on ethics and independence applicable under Italian law to the audits of financial statements. We believe that we have obtained sufficient suitable evidence on which to base our opinion.

***Other aspects - Management and steering***

As required by law, the Directors have included in the explanatory notes the essential data from the latest financial statements of the company exercising management and steering powers over it. The opinion on the financial statements of Società di Progetto Brebemi S.p.A. does not extend to these data.

**Responsibility of the Directors and the Board of Statutory Auditors of Società di Progetto Brebemi S.p.A. regarding the financial statements**

The Directors are responsible for drawing up financial statements providing a truthful and accurate representation, in accordance with Italian law governing the criteria for drawing them up and, within the terms of the law, for that part of the internal oversight system they deem necessary in order to enable the drawing up of financial statements not containing significant errors, whether due to fraud or unintentional conduct or events.

The Directors are responsible for assessing the Company's ability to continue as a going concern and, in drawing up the annual financial statements, for the appropriateness of the use of the going concern assumption, as well as for any suitable disclosure on such matter. The Directors use the going concern basis in drawing up the financial statements unless they have assessed that the conditions for liquidation of the Company or for discontinuing operations are in place, or they have no realistic alternative to such decisions.

The Board of Statutory Auditors is responsible for overseeing, within the terms of the law, the process of drawing up the information provided in the Company's financial statements.

**Auditing firm's responsibility for the auditing of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements, taken as a whole, are free from significant errors, whether due to fraud or unintentional actions or events, and to issue an audit report that includes our opinion. Reasonable assurance is defined as a high level of confidence, but does not guarantee that an audit performed in accordance with International Standards on Auditing (ISA Italia) will always detect any significant error. Errors may arise from fraud or unintentional conduct or events, and are considered significant when they could reasonably be expected, individually or collectively, to influence the financial decisions of users taken on the basis of the financial statements.

In carrying out the audit in accordance with International Standards on Auditing (ISA Italia), we have exercised our professional judgement and maintained professional scepticism throughout the audit. In addition:

- we have identified and assessed the risks of significant errors in the financial statements, whether due to fraud or unintentional conduct or events; we have defined and performed audit procedures in response to those risks; and we have obtained sufficient relevant evidence on which to base our opinion. The risk of not detecting a significant error due to fraud is higher than the risk of not detecting a significant error resulting from unintentional conduct or events, since fraud may involve collusion, forgery, intentional omissions, misrepresentation or bending the internal oversight system;
- we have obtained an understanding of the internal oversight system relevant to the audit of accounts for the purpose of planning suitable audit procedures, and not for the purpose of passing judgement on the effectiveness of the Company's internal oversight system;
- we have assessed the appropriateness of the accounting principles used and the reasonableness of the accounting estimates made by the Directors, including the information provided in the financial statements;
- we have reached a conclusion on the appropriateness of the Directors' use of the going concern assumption and, based on the evidence obtained, on whether there is any significant uncertainty about events or circumstances that may cast significant doubt over the Company's ability to continue as a going concern. If there is significant uncertainty, we are required to draw attention to the audit report on the information provided in the financial statements or, if such information is inadequate, to reflect such fact in our opinion. Our conclusions are based on the evidence gathered up to the date of this report. However, subsequent events or circumstances may result in the Company ceasing to operate as a going concern;
- we have assessed the presentation, structure and content of the financial statements as a whole, including the information provided in them, and whether the year's financial statements present the underlying transactions and events in a way that provides a truthful and accurate representation.

Among other matters, we have communicated to those in charge of *governance*, identified at an appropriate level as required by ISA Italia, the planned scope and timing of the audit and the significant findings, including any significant deficiencies in the internal oversight system that may have been identified during the accounting audit.

## **Report on other legal and regulatory provisions**

### **Opinion pursuant to Art. 14 (2)(e) of Legislative Decree No. 39/10**

The Directors of Società di Progetto Brebemi S.p.A. are responsible for drawing up the management report of Società di Progetto Brebemi S.p.A. as of 31 December 2020, including its consistency with the relevant financial statements and its compliance with legal requirements.

We have performed the procedures indicated in Auditing Standard (SA Italy) 720B in order to express an opinion on the consistency of the management report with the financial statements of Società di Progetto Brebemi S.p.A. as of 31 December 2020 and on its compliance with legal requirements, as well as in order to issue a statement on any significant errors.

In our opinion, the management report is consistent with the financial statements of Società di Progetto Brebemi S.p.A. as of 31 December 2020 and has been drawn up in accordance with legal requirements. With reference to the statement referred to in Article 14(2)(e) of Legislative Decree No. 39/10, issued on the basis of the knowledge and understanding of the company and its context that we have gained in the course of the audit, we have nothing to report.

Milan, 25 March 2021

**REPORT BY THE BOARD OF STATUTORY AUDITORS TO THE  
SHAREHOLDERS' MEETING PURSUANT TO ART. 2429(2) OF THE ITALIAN  
CIVIL CODE**

To the Shareholders' Meeting  
of the company  
**SOCIETA' DI PROGETTO BREBEMI S.P.A.**

Esteemed Shareholders,

the draft financial statements for the year that ended on 31 December 2020, submitted for your examination for deciding on them, were sent to us by the directors along with the mandatory Management Report, and consist of the Balance Sheet, Income Statement, Explanatory Notes and Cash Flow Statement, drawn up taking into account the amendments introduced by Legislative Decree No. 139 of 2015.

We remind you that the acquisition by Aleatica S.A.U. of all the shareholdings of Intesa Sanpaolo in the parent company Autotrade Lombarde S.p.A. and in the affiliate company Argentea Gestioni Scpa was completed on 26 October 2020. Aleatica is a major infrastructure operator based in Madrid, Spain.

The Board of Statutory Auditors acknowledges the appointments made at the Ordinary Shareholders' Meeting of 9 December 2020, which appointed former Substitute Auditor Flavio Gnechi as Standing Auditor, and Ms Luciana Ravicini as Substitute Auditor. The current Board of Auditors will remain in office until the approval of the Financial Statements as of 31 December 2021.

This report is drawn up by the Board of Statutory Auditors pursuant to Article 2429(2) of the Italian Civil Code. We hereby certify that during the 2020 financial year we have:

- overseen compliance with the law and the articles of association and compliance with proper management principles, using our professional experience and general customs in the performance of our duties;
- attended the shareholders' meetings and the meetings of the Board of Directors, in relation to which, on the basis of the information available, we did not find any violations of the law or the articles of association, nor any operations that were manifestly imprudent, risky, in potential conflict of interest, or such as to compromise the integrity of the company's assets;
- obtained information from the Board of Directors during the meetings held, and also on a half-yearly basis, on the general performance of operations and their foreseeable evolution, as well as on the most significant transactions in terms of their size or characteristics carried out by the company, and we can reasonably reassure you that the actions carried out comply with the law and the articles of association and are not manifestly imprudent, risky, in potential conflict of interest, or at odds with the resolutions passed by the shareholders' meeting, or such as to compromise the integrity of the company's assets. The information

required by Article 2381(5) of the Italian Civil Code was provided at a frequency even greater than the statutory minimum of six months;

- acquired knowledge of and supervised, to the extent of our competence, the suitability of the company's organizational structure, which we confirm is suitable for the operational needs and is capable of ensuring suitable risk oversight;
- supervised compliance with the provisions of Article 2391(1) and (2) of the Italian Civil Code;
- held the regular meetings required by law;
- met with KPMG S.P.A., the firm in charge of the legal audit of the accounts, from which no significant data or information that should be highlighted in this report has emerged. On 25 March 2021, the auditing firm issued its report on the financial statements with an unqualified favourable opinion;
- met with the supervisory body, from which no critical aspects on the proper implementation of the organizational model that need to be highlighted in this report have emerged. In this regard, the Board of Statutory Auditors acknowledges that the Board of Directors' meeting of 9 February 2021 approved the update of the Organizational Model drawn up pursuant to Legislative Decree No. 231/2001. We have also acquired the Annual Report drawn up on 30 March 2021 by the Supervisory Board, which, at the conclusion of its activity for the year 2020, declared that no events/conduct at risk of offence emerged such as to require action by the Board of Directors, and no reports of unsuitable conduct were received;
- assessed and supervised, to the extent of our competence, the suitability of the administrative and accounting system and, on the basis of the information provided by the auditing firm, the reliability of the system in providing a truthful and accurate representation of operations, and we have no particular observations to make in this regard.

The Board also certifies that during the year, and at the date of this report:

- it has expressed an opinion pursuant to Article 2389(3) of the Italian Civil Code on the remuneration of directors holding special offices;
- no complaints were received pursuant to Article 2408 of the Italian Civil Code.

During the course of the oversight activities, as described above, no further significant facts that would require mentioning in this report have emerged.

The Board of Statutory Auditors acknowledges having received from the Management Body, at the Board of Directors' meeting of 15 March 2021, the draft financial statements for the financial year that ended on 31 December 2020 accompanied by the Management Report. The draft financial statements for the year that ended on 31 December 2020 made available to us present the following summary data:

#### **Balance sheet**

##### **Assets**

Intangible fixed assets	€	10,179
Tangible fixed assets	€	1,618,669,099
Financial fixed assets	€	44,046,823
Current assets	€	414,813,266

Cash and cash equivalents	€	124,194,310
Accruals and Deferrals	€	2,297,171
<b>Total assets</b>	€	<b>2,202,030,848</b>
<b>Liabilities</b>		
Share capital	€	52,141,227
Share premium reserve	€	21,230,078
Other reserves, indicated separately	€	80,000,000
Cash flow hedges reserve	€	(307,179,029)
Retained earnings (losses) carried forward	€	(24,121,150)
Profit/(Loss) for the period	€	(95,758,771)
<b>Total shareholders' equity</b>	€	<b>(273,687,645)</b>
Provisions for risks and charges	€	158,840,425
Employees severance indemnity	€	936,009
Debts	€	2,315,942,059
<b>Total liabilities</b>	€	<b>2,202,030,848</b>

#### **Income Statement**

Value of Production	€	75,739,968
Costs of Production	€	(46,467,670)
Financial income and expenses	€	(154,010,045)
Income taxes	€	28,978,976
<b>Profit/(Loss) for the period</b>	€	<b>(95,758,771)</b>

On the financial statements for the year that ended on 31 December 2020 we report as follows:

- Since we are not responsible for auditing the financial statements or for the analytical oversight of their contents, we have reviewed the general layout of the financial statements, their substantial compliance with the relevant regulations on drawing them up and their structure, and their correspondence with the facts and information of which we have become aware, and we have no particular observations to report.
- The auditing firm has issued an opinion on the propriety of the Management Report and we have no further comments to make.
- To the best of our knowledge, the Management Body, in drawing up the financial statements, has not derogated from the legal provisions pursuant to Article 2423(4) of the Italian Civil Code.
- We have monitored the process of drawing up the company's financial reporting within the time limits required by law.
- We have verified that the financial statements are consistent with the facts and information that have come to our attention as a result of the performance of our duties, and have no comments to make.
- We have nothing to report pursuant to Article 2497-ter of the Italian Civil Code: it should be noted that, during the year, the company had some economic relations with the parent company Autostrade Lombarde SpA and with Argentea Gestioni Scpa, a company subject to the control of the parent company, for a detailed description of which please refer to the content of the Management Report as of 31 December 2020.

The Board of Statutory Auditors acknowledges that, in the Management Report as at 31 December 2020, the Management Body has provided suitable information about the measures adopted by the company to manage the COVID-19 Coronavirus emergency, as well as the impact that the pandemic has generated in terms of a decrease in traffic volumes, and consequently on motorway management revenues, and the persistence of the going concern requirements for the 2021 financial year, which were established taking into account future cash flows and current liquid assets.

The financial statements for the year ended 31 December 2020 show losses carried forward of € 24,121,150 and a loss for the year of € 95,758,771. The available reserves that can be used to cover accumulated losses amount to a total of € 101,230,078, thus exceeding the limit established by Art. 2446 of the Italian Civil Code by € 18,649,843. Shareholders' equity as of 31 December 2020 was negative for € 273,687,645. In this respect, it should be noted that, pursuant to applicable regulations, the reserve for expected cash flow hedges is not considered in the calculation of shareholders' equity for the purposes of Arts. 2412, 2433, 2442, 2446 and 2447 of the Italian Civil Code.

It should also be noted that, under the terms of the commitments undertaken with lenders, the Company is required to maintain a level of shareholders' equity of at least € 100,000,000 (net of the reserve for expected cash flow hedging transactions). In this regard, the Board of Directors convened on 15 March 2021 decided to proceed with the issuance of 68,000,000 Partecipative Financial Instruments, and initiated the procedure, also establishing that the instruments not subscribed by the shareholders would be released by offsetting the receivables due from the company by the parties that have committed to Shareholder Loan Agreements. The conversion of these receivables into Partecipative Financial Instruments will take place before the date of approval of the financial statements as of 31 December 2020 by the ordinary shareholders' meeting, thus restoring the net equity within the thresholds laid down by Articles 2412, 2433, 2442, 2446 and 2447 of the Italian Civil Code and by the commitments undertaken by the shareholders.

Considering therefore also the results of the work carried out by the independent auditing firm, contained in the specific report accompanying the financial statements, we propose that the shareholders' meeting approve the financial statements for the year that ended on 31 December 2020 as drawn up by the Management Body, not finding any reasons to oppose the approval of the resolutions proposed by the Board of Directors, and calling on the shareholders' meeting to take into account the provisions of the law in the event that the conversion of the aforementioned receivables into Partecipative Financial Instruments has not taken place by that date.

Brescia, 08 April 2021  
For the Board of Auditors

The Chairman

Quirino Cervellini



SOCIETÀ DI PROGETTO  
BREBEMI S.p.A.

Brescia, April 29, 2021

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 financial statements for the year ended December 31, 2020, provide a true and fair view of the Company's financial position and operations as at December 31, 2020.

Società di Progetto Brebemi S.p.A.

Legal Representative

Francesco Betttoni

ProjectFinance  
Deals of the Year  
 2013

SOGGETTA ALLA DIREZIONE E COORDINAMENTO DI AUTOSTRADE LOMBARDE S.p.A.  
SEDE: VIA SOMALIA, 2/4 - 25126 BRESCIA - TEL. 030 2926311 FAX 030 2897630  
PEC: [SDP@BREBEMI@LEGALMAIL.IT](mailto:SDP@BREBEMI@LEGALMAIL.IT) - EMAIL: [INFO@BREBEMI.IT](mailto:INFO@BREBEMI.IT)  
CAP. SOC. EURO 52.141.227,00 i.v. - REA n. 455412 - ISCR. REGISTRO IMPRESE DI BRESCIA  
Cod. Fisc e P.IVA 02508160989



PFI  
AWARDS  
2013

PFI  
AWARDS  
2019

*This document contains a translation in English of the report in Italian “Bilancio d'esercizio al 31 dicembre 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*