



A35 Brebemi

November 2021 Investor Meeting Presentation

26 November 2021



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Today's presenters



Mr. Francesco Giovan Maria Bettoni
Chairman



Matteo Milanesi
General Manager



Mr. Alberto Algisi
CFO



Mr. Antonio Comes
Legal Affairs Director

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Covid-19: Italian restriction measures update

Vaccination rates in Italy are amongst the highest in Europe

- Fully vaccinated: 45.5 mio – 84.3% of the population over 12 ⁽¹⁾
- Doses administered: 92.5 mio – 76.8% of the population over 12 ⁽¹⁾
- Target of 70% of population fully vaccinated reached in September 2021;
- Percentage of population vaccinated ⁽²⁾
 - Italy:** 84.3%
 - Germany:** 76.9%
 - France:** 87.96%
 - Spain:** 89.2%
 - UK:** 80.4%
- Since 27 September 2021, Italy started the campaign to administer the third dose.
- High rates of vaccination and the Green Pass have reduced new Covid-19 cases and enabled the reopening of economic activities although the number of new cases is rising all over Europe.

(1) As of 24 November 2021. Source: Il Sole 24 Ore

(2) Source: Relevant Government websites; This statistic shows the percentage of population aged 12+ in selected countries that had received two COVID-19 vaccination doses as of 24 November 2021

The "Green Pass" Decree

- On 23 September 2021, Law 133/2021 came into force, introducing "Urgent measures for the safe exercise of school, university, social and transport activities".
- Law 133/2021 provides that starting from 15 October 2021 until 31 December 2021 a "Green Pass" certification is required to access most of public and private work and leisure activities. The Green Pass is mandatory for access to restaurants, cinemas, theatres, shows, fairs, congresses and many outdoor events; it enables access to swimming pools, gyms and amusement parks, and access to certain forms of transport, including aeroplanes and trains.
- The Green Pass certifies that the holder either had at least one Covid-19 vaccine dose, tested negative during the previous 48 hours or have recovered from Covid-19 during the previous six months.

Zone classification in Italy: weekly monitoring

Italian National Institute of Health – monitoring status (as of 16 November 2021):

- Currently all Italian regions are classified as White Zones
- The classification of the Regions into four areas - red, orange, yellow and white - corresponds to different risk scenarios and for which specific measures are envisaged
- Movement between the regions is presently without restrictions.
- Rising number of cases all over Europe could prompt new restrictions



Latest trends: reported C-19 cases in Italy



Source: Statista: <https://www.statista.com/statistics/1101690/coronavirus-new-cases-development-italy/> as of 24 November 2021

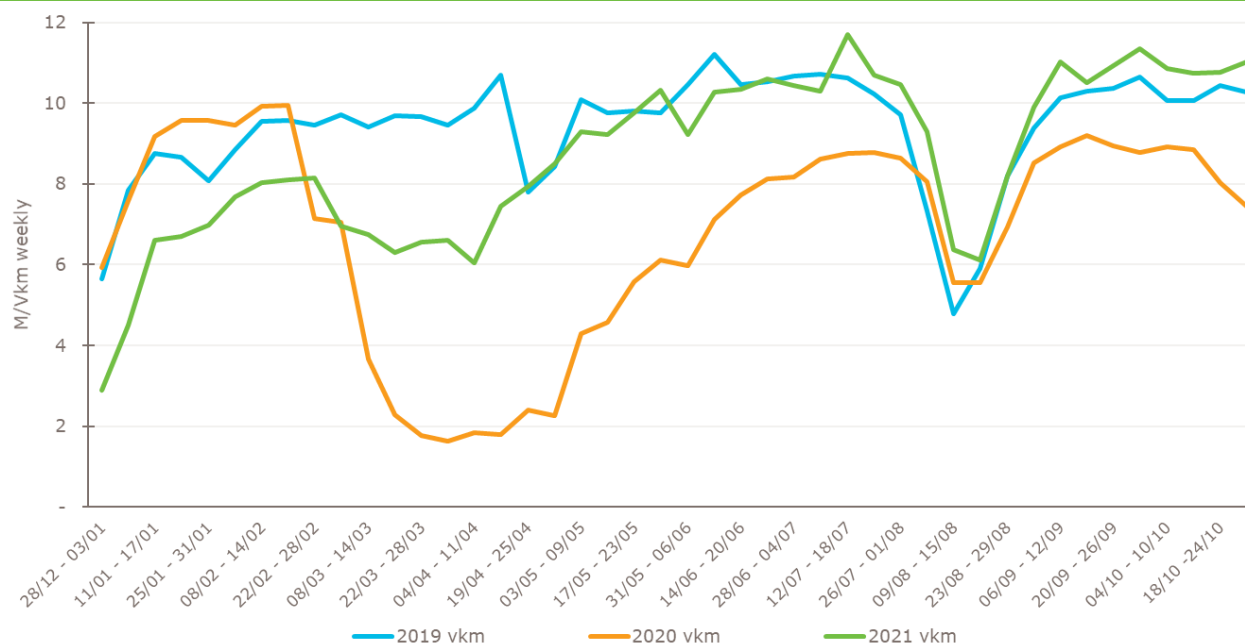
Brebemi has maintained rigorous protocols to promote a safe working environment and compliance with all relevant regulations

Covid-19: 2021 traffic on BreBeMi

January to October monthly traffic volumes compared

Vkm/m	Light Vehicles (LV)			Heavy Vehicles (HV)			Total Vehicles		
Month	AADT	Δ% vs 2020	Δ% vs 2019	AADT	Δ% vs 2020	Δ% vs 2019	AADT	Δ% vs 2020	Δ% vs 2019
Quarter 1; 2021	9.528	(13,5%)	(35,4%)	6.110	11,8%	7,0%	15.639	(5,1%)	(23,5%)
Quarter 2; 2021	13.686	119,9%	(17,4%)	6.927	50,1%	11,0%	20.613	90,2%	(9,7%)
July	17.330	25,9%	(0,6%)	7.656	19,4%	10,9%	24.986	23,9%	2,6%
August	12.324	16,5%	7,7%	5.284	19,7%	20,6%	17.608	17,5%	11,3%
September	17.219	19,9%	4,8%	7.785	21,0%	21,2%	25.004	20,2%	9,4%
October	17.343	35,3%	0,8%	7.539	16,2%	7,5%	24.882	28,9%	2,7%
Ytd - October Δ%	13.409	29,8%	(14,3%)	6.739	24,8%	11,2%	20.149	28,1%	(7,2%)

Year on year weekly traffic volumes compared



- The Chart shows how 2021 traffic volumes since Q3 have recovered, on an aggregate weekly basis, to above the equivalent 2019 (and 2020) levels.
- 2021 (year to date) versus 2019:
 - Total traffic volumes decreased by 7.2%
 - HV increased by 11.2% whilst LV decreased by 14.3%
- Compared with 2020 traffic is up 28.1% (24.8% HV and 29.8% LV)
- Since May 2021, the improved public health situation, the so called "Reopening decree", and the use of Green Pass has led to further increases in monthly traffic volumes to about 25,000 AADT
- The October traffic levels were 2.7% higher than 2019 pre pandemic levels (7.5% HV and 1% LV).

Covid-19: Impact on traffic, BreBeMi and Lombardy

(cumulative data as of 31 August 2021)

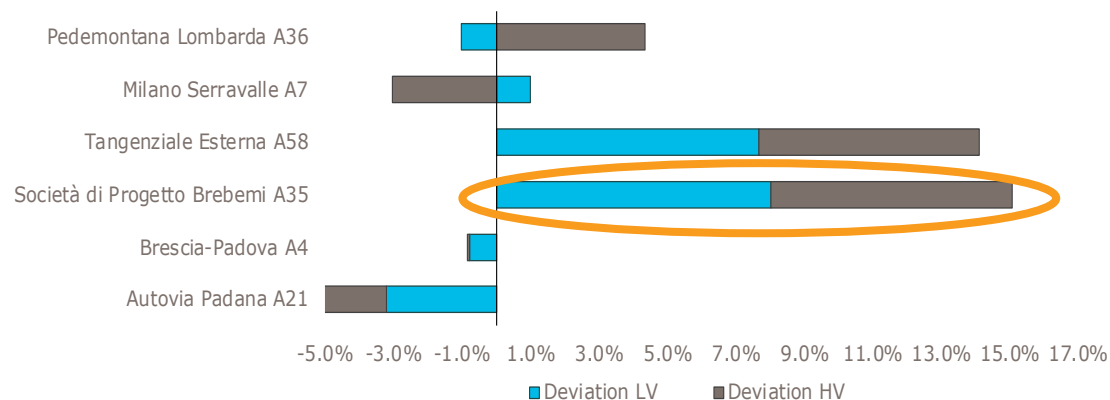


Traffic volumes for main Lombardy concessionaires 2021 vs 2020 and 2021 vs 2019

Traffic in Millions of Vehicles km	Light Vehicles (LV)		Heavy Vehicles (HV)		Total Vehicles	
Main Lombardy Concessionaires	Δ% 2021 vs 2020	Δ% 2021 vs 2019	Δ% 2021 vs 2020	Δ% 2021 vs 2019	Δ% 2021 vs 2020	Δ% 2021 vs 2019
Autovia Padana A21	19.4%	-25.0%	17.8%	-1.1%	18.7%	-16.8%
Brescia-Padova A4	21.8%	-21.5%	19.8%	0.4%	21.2%	-15.5%
<i>Società di Progetto Brebemi A35</i>	30.6%	-18.8%	27.0%	10.4%	29.3%	-10.7%
Tangenziale Esterna A58	30.3%	-21.3%	26.3%	4.8%	28.8%	-13.3%
Milano Serravalle A7	23.6%	-26.4%	16.9%	-2.0%	21.9%	-21.7%
Pedemontana Lombarda A36	21.6%	-23.8%	24.3%	-3.0%	22.2%	-19.8%
Total Lombardy Concessionaires Δ%	22.6%	-22.7%	19.9%	0.5%	21.7%	-16.5%
Other Italian Concessionaires Δ%	19.5%	-19.7%	18.5%	-1.8%	19.2%	-15.6%
Total General Network Δ%	19.8%	-20.0%	18.7%	-1.5%	19.5%	-15.7%

Source: AISCAT cumulative data as at 31 August in each year

Traffic volumes deviation from the aggregate value for the Lombardy concessionaires (2021 vs 2020)



- Brebemi's robust traffic volumes for heavy vehicles can be attributed to certain economic drivers and more industrial / distribution activities in close proximity to the motorway
- It appears that Brebemi is out-performing many of its peers for both heavy and light vehicles
- Strong light vehicle performance reflects that local communities are returning to pre-pandemic activities, although we note that overall light vehicle volumes remain below 2019 levels

H1 2021 Key Financial Figures

€ million (unless otherwise indicated)	30-Jun-21	30-Jun-20	Change %
Revenues	43.4	32.2	34.6%
EBITDA	27.5	16.7	64.7%
<i>EBITDA margin (%)</i>	63.4%	51.8%	11.6%
Depreciation and Amortisation	6.6	6.1	7.2%
EBIT	20.9	10.6	98.2%
<i>EBIT margin (%)</i>	48.3%	32.8%	15.5%
Net interest expense	68.7	79.6	(13.8%)
EBT	(47.7)	(69.1)	(30.9%)
Tax expense	11.7	16.3	(28.4%)
Net Results	(36.1)	(52.7)	(31.6%)

€ million (unless otherwise indicated)	30-Jun-21	30-Jun-20	Change
Cash and Cash Equivalents	134.2	124.2	9.97
Net Financial Position	2,231.6	2,305.5	(74.0)

- Revenues from tolls rose by 35.3% year on year, exceeding the 33% increase in traffic volumes.
- Ebitda recovered to Euro 27.5 mio increased by 10.8 mln (+11.6%) compared to 30 June 2020 which is close to pre-pandemic levels.
- The reduced net interest expense reflects, primarily, the value adjustment of existing derivative instruments (€5.3 mio) and a reduction (year on year) in the release to the profit & loss account of cash flow hedge reserves relating to derivatives that were terminated as a result of the refinancing transaction.
- Financial charges accrued and paid during the half year amounted to EUR 22.4 million (EUR 27.3 mio as of 30 June 2020).
- A further €1.7 mio was invested primarily in residual expropriation costs.
- The liquidity position was stronger than the prior year reflecting improved cash flow generation and the retention of liquidity within Brebemi

Cash Flow and Liquidity Management



Cash Position and Debt Service

The Company maintains a good cash position:

- Available cash as at of 31 October 2021: €149.9 million ("mln")
 - € 52.2 mln free cash on bank accounts
 - € 0.7 mln estimated cash at toll gates
 - € 51.2 mln Funded Debt Service Reserve Account
 - € 25.7 mln Funded Maintenance Reserve Account
 - € 20.1 mln cash on Expropriation accounts that can be used only to pay residual expropriation costs
- We expect that the next two interest periods will be covered by free cash and cash generated by operations.
- Careful and prudent cash management

Imminent debt service requirements (December 2021 – December 2022):

Senior debt:	€ 101.0 mln
31 December 2021	€ 32.0 mln
30 June 2022	€ 33.4 mln
31 December 2022	€ 35.6 mln
Junior Debt	€ 44.0 mln
31 December 2021 (1)	€ 0 mln
30 June 2022 (2)	€ 33.5 mln
31 December 2022 (2)	€ 10.4 mln
Total:	€ 144.9 mln

(1) According to compliance certificate Distribution Lockup apply

(2) Subject to Distribution Lockup test and including capitalised amount

Financial Ratios

Financial Ratios	Default Ratio*	Distributions Lock-Up*	30-Jun-20	31-Dec-20	30-Jun-21
BLCR	1.10	1.30	2.01	2.02	2.09
Historic DSCR	1.05	1.25	1.95	1.13	1.12
Projected DSCR	1.05	1.40	1.30	1.15	1.32
Total Debt CLCR	N/A	1.30	1.58	1.57	1.62

* As applicable

- Brebemi's forward-looking financial ratios continue to improve steadily period on period, driven by improved traffic volumes.
- The historic financial ratios remain below lock-up levels, due to the effects of the pandemic.
- The June 30 STID Proposal waived the requirement to comply with the Default ratio test until the December 31 2021 Interest Payment Date.

Key Events since June 2021 Investor Meeting: a Summary



- **Resolution 30/2021 from the Transport Regulation Authority ("ART") dated 11 March 2021:**
 - The Authority ordered the start of a consultation procedure aimed at (i) establishing the toll tariff system based on the price cap method and (ii) determining the productivity indicator X which is to be updated every five years.
 - Following the consultation procedure, ART adopted specific resolutions for each concessionaire that is updating its Financial and Economic Plan. As a result, ART issued Resolution 87/2021 with respect to Brebemi, which sets out a new toll tariff system:
 - a management tariff, intended to assure the recovery of operating costs and capital costs (amortization and remuneration) of non-reversible assets; and
 - a construction tariff, aimed at recovery of capital costs (depreciation and remuneration) relating to reversible assets.
 - The mentioned ART resolutions also defines (i) a safeguard mechanism aimed at ensuring that concessionaires recover capital costs relating to investments that have already been made, or that are still to be made, and (ii) the tariff principles and criteria relating to any continuation of operations beyond the expiry of the concession.
 - On 16 September 2021 a petition was filed with the Regional Administrative Court of Piemonte against Resolution 87/2021 issued by ART. The petition is mainly focused against the introduction of (i) an "efficiency parameter of opex", (ii) additional penalties mechanism and (iii) a revenue sharing mechanism.
- **Commenced discussions with the grantor on PEF rebalancing.**
- **Distribution Lock-Up (September 2021):**
 - Notified to bondholders following the submission of the 30 June 2021 Compliance Certificate.
- **Junior Notes Interest and Principal paid:**
 - Brebemi has paid an aggregate amount of Euro 7,671,141.36 i.e. the Interest Amount, and an aggregate amount of Euro 5,253,844 i.e. the Principal Amount in respect of the Junior Notes, corresponding to the relevant Interest and Principal amounts due on 31 December 2019 and 30 June 2020.
 - As a result of the application of the Restricted Payment Condition, at the Interest Payment Date of 30 June 2021, the Issuer did not pay the relevant Interest Amount (Euro 5,449,357.01) and the related Principal Amount (Euro 2,317,180). The Issuer elected to exercise its option to capitalize the relevant PIK Interest Amount in accordance with the Finance Documents.
 - As of 30 June 2021, the Principal Amount Outstanding of the Junior Notes is Euro 172,285,833. The Interest Amount unpaid on 31 December 2020 (Euro 5,539,677.85), has been capitalized with effect starting from 1 July 2021.
- **Shareholder structure consolidation (July – November 2021):** Further details in the following slides.
- **Fitch Ratings affirmed Brebemi's senior secured class notes at 'BB+' with a stable outlook on 5 October 2021:** Further details in the following slides.
- **Mr Matteo Milanese appointed as new General Manager in October 2021.**

Credit Ratings

Fitch Ratings

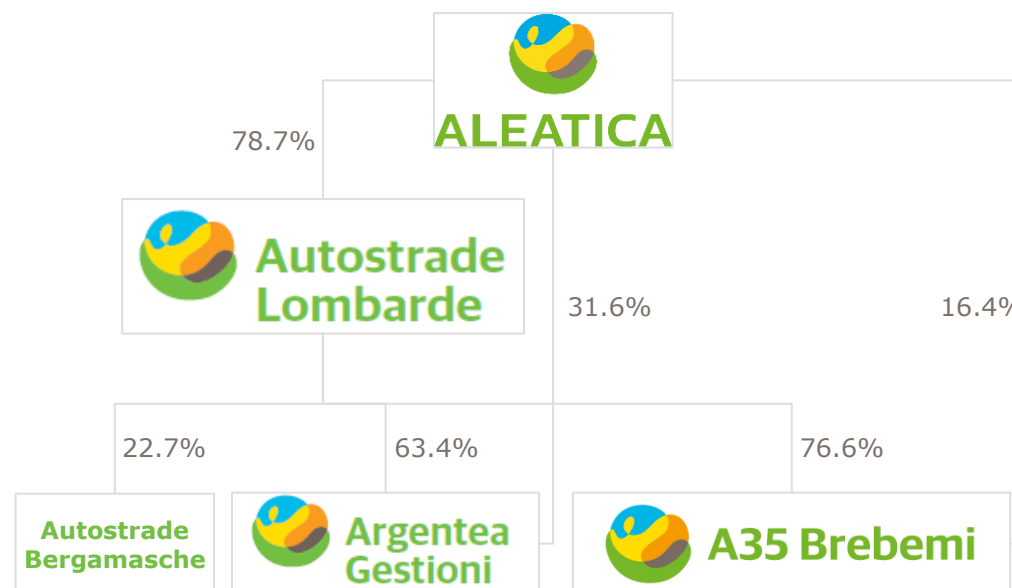
- Rated BB+: Stable Outlook.
- Fitch released the 'BB+: Stable Outlook' rating on 5 October 2021.
- In relation to the Class A1 and A2 notes, Fitch commented that:
 - *"BB+ ratings reflect the favourable northern Italy catchment area and a regulatory asset base (RAB) based pricing system sustaining revenue growth.*
 - *The ratings also consider our view that the pandemic will likely delay the project ramp-up phase compared with initial projections."*
- In relation to the Class A3 notes, Fitch commented that "the credit profile of the class A3 notes is similar to that of the senior fully amortising debt, but ultimately linked to the creditworthiness of [the grantor's] obligation to pay terminal value in a timely manner"
- Fitch further noted that "We expect traffic to continue well on its recovery path remaining 10% below 2019 this year and fully recovering in 2022. From 2023, traffic ramp up should continue leading to mature and stabilised traffic from 2026 onwards".

Morningstar DBRS

- Rated BBB (low) with Negative Trend.
- Ratings confirmed on 9 June 2021 and removed from Under Review with Negative Implications (where they were placed on 18 June 2020).
- Morningstar DBRS commented that:
 - *"Brebemi's ratings are supported by the: (1) strong economic fundamentals of the service area, (2) sound contractual and regulatory framework, (3) low service complexity and performance standard risk, (4) minimum DSCR in the medium term supporting the credit profile, and (5) an experienced management team".*
 - *"Against this backdrop, on 30 April 2021, DBRS Morningstar also confirmed the Republic of Italy's ratings at BBB (high)/R-1 (low) with Negative trends".*

Ownership and shareholding structure A35 Brebemi consolidation process

- On 26 October 2020 Aleatica S.A.U. completed the acquisition of Intesa Sanpaolo's shareholdings in Autostrade Lombarde S.p.A. and Brebemi S.p.A.
- Aleatica currently manages 20 concessions: 15 highways, 3 ports, 1 light railway line and 1 airport (5 of which are currently under construction) across six countries in Europe and Latin America (Spain, Italy, Mexico, Colombia, Peru and Chile) and is owned by IFM Global Infrastructure
- Following the Intesa Sanpaolo acquisition and a number of subsequent acquisitions, Aleatica now owns 78.7% of Autostrade Lombarde S.p.A. and 16.4% of Brebemi S.p.A. Aleatica also owns 31.6% of Argentea Gestioni S.c.p.A.
- Autostrade Lombarde S.p.A. is, amongst other shareholdings, a majority shareholder in Brebemi S.p.A., (owning 76.6%)



Aleatica transactions (since last Investor Presentation)

- 8 July 2021: Acquisition by Aleatica of the equity investments previously held by C.C.C. - Società Cooperativa Consorzio Cooperative Costruzioni and Autostrada Brescia Verona Vicenza Padova S.p.A. completed
- October 2021: the following transactions were completed by Aleatica:
 - Purchase of the equity investments held by Mattioda Pierino & Figli S.p.A. in Brebemi (0.57%) and Argentea Gestioni S.c.p.A. (2%). Both previous shareholders continue to hold 500 and 16 shares, respectively, in Brebemi
 - Purchase of the equity investments held by Mattioda Autostrade S.p.A. in Brebemi (0.56%) and Autostrade Lombarde S.p.A. (5.35%)
 - Aleatica S.A.U. also acquired the receivables deriving from the loans granted by the aforementioned shareholders, as well as the acquisition of the related equity financial instruments
 - The consolidation process has also involved acquiring several minor equity investments held at Autostrade Lombarde level, including those held by Parcam (2.82%) and Tecno Holding (2.14%)
- As a result more than 95% of Brebemi equity is jointly held by Autostrade Lombarde and Aleatica

Key Dates

- Next Interest Payment Date (“IPD”): 31 December 2021
- Next Quarterly Traffic Figures update: by 14 January 2022
- Compliance Certificate due in relation to June 2022 IPD: by 21 April 2022
- Next Periodic Investor Report due: by 21 April 2022

Questions?