



A35 Brebemi

SOCIETA' DI PROGETTO BREBEMI S.P.A.

FINANCIAL STATEMENTS

AS AT 31 December 2022

Shareholders	Number of shares	Share capital	% of share capital
Autostrade Lombarde S.p.A.	271,290,457	39,919,589	76.5605%
Aleatica SAU	77,648,212	11,425,704	21.9130%
Società per Azioni Autostrade Centro Padane	3,745,000	551,066	1.0569%
CMB Soc. Coop. Muratori e Braccianti di Carpi	1,612,000	237,201	0.4549%
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%
Mattioda Pierino & Figli S.p.A.	500	74	0.0001%
Itinera S.p.A.	100	15	0.0000%
Impresa Pizzarotti & C. S.p.A.	1	0	0.0000%
CCC Società cooperativa	1	0	0.0000%
Total	354,347,771	52,141,227	100.0000%

SOCIETA' DI PROGETTO AUTOSTRADA DIRETTA BRESCIA MILANO S.P.A. Shortened SOCIETA' DI PROGETTO BREBEMI S.P.A.	Subject to the management and coordination of Aleatica SAU Registered office: via Somalia, 2/4 – 25126 BRESCIA Share Capital 52,141,227 fully paid up REA no. 455412 Entry in the Brescia Companies Register Tax Code and VAT No. 02508160989
BOARD OF DIRECTORS	<p><i>Chairman of the Board of Directors</i> Bettoni Francesco</p> <p><i>Managing Director</i> Gago De Pedro Joaquin</p> <p><i>Board Members</i> Marchioro Riccardo Corigliano Rocco Magnoni Ruggero Hombrados Cuadrillero Francisco Roberto Moreno Cella Rafael</p> <p><i>General Manager</i> Milanesi Matteo</p>
<p><i>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.</i></p>	
BOARD OF STATUTORY AUDITORS	<p><i>Chairman</i> Salvini Angela (*)</p> <p><i>Standing auditors</i> Panteghini Paolo Rampino Pietro Paolo (**) Gnecchi Flavio Sanga Giovanni</p> <p><i>Alternate Auditors</i> Cossu Leonardo Ravicini Luciana</p>
<p><i>(*) 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 29 April 2022 and will remain in office until approval of the 2024 financial statements.</i></p>	
INDEPENDENT AUDITORS	DELOITTE & TOUCHE S.p.A.
<p><i>The appointment of the Independent Auditors was conferred by resolution of the Shareholders' Meeting of 26 April 2021 and will expire upon approval of the 2023 financial statements.</i></p>	
SUPERVISORY BOARD	<p><i>Chairman</i> Giovanni Rizzardi</p> <p><i>Members</i> Jacopo Barzellotti Antonio Comes</p>

DIRECTORS' REPORT AS AT 31 DECEMBER 2022**INTRODUCTION**

Dear Shareholders,

the 2022 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 Official Journal of 4 September 2015.

Revenues from motorway operations show an increase compared to 2021 (+11.2%). It is mainly attributable to the upturn in traffic volumes following the substantial easing of measures against the Covid-19 epidemic, the ongoing economic recovery as well as infrastructure and economic development along the infrastructure. In this regard, it should be mentioned that the first half of 2021 was affected by the severe travel restrictions imposed by the government authorities, which only partly came to pass during 2022.

The main operating indicators – positive Gross Operating Margin EUR 74.7 million and positive Operating Income EUR 60.6 million– increased 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 14.1 million, financial charges and income for a total of EUR 111.1 million, of which EUR 46.5 actually paid. The result for the year shows a loss of EUR 40.0 million.

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

MAIN 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 2022 compared with the corresponding data of the previous financial year can be summarized as follows:

	December 2022	December 2021	Variations
Revenues from motorway operations (*)	105,277,585	94,634,660	10,642,925
Other revenues	3,434,514	2,695,326	739,188
Operating costs (*)	(34,041,613)	(32,370,431)	(1,671,182)
Gross operating margin (EBITDA)	74,670,486 68.7%	64,959,555 66.7%	9,710,931
Amortisation, depreciation, provisions and reserves used	(14,060,270)	(13,149,255)	(911,015)
Operating income (EBIT)	60,610,216 55.8%	51,810,300 53.2%	8,799,916
Financial income	202,500	463,935	(261,435)
Bank financial charges and bonds	(86,356,264)	(82,487,300)	(3,868,964)
Financial charges shareholders loans	(14,091,823)	(22,239,683)	8,147,860
Release CFH reserve	(41,380,284)	(42,803,030)	1,422,746
Other financial charges	(172,755)	(251,960)	79,205
Value adjustments derivative instrum.	30,721,552	10,529,630	20,191,922
Balance of financial management	(111,077,074)	(136,788,408)	25,711,334
Income before tax	(50,466,858)	(84,978,108)	34,511,250
Income Taxes	10,453,332	18,899,868	(8,446,536)
Profit/(Loss) for the period	(40,013,526)	(66,078,240)	26,064,714

(*) Amounts after the surcharge payable to ANAS (EUR 4,236 thousand as at 31/12/2022, EUR 3,826 thousand as at 31/12/2021).

The item "Revenues from motorway operations" totalled EUR 105.3 million (EUR 94.6 million as at 31 December 2021) and is broken down as follows:

	December 2022	December 2021	Variations
Net toll revenues	111,823,030	100,997,850	10,825,180
Surcharge payable to ANAS	(4,236,335)	(3,826,449)	(409,886)
Discounts and other adjustments	(2,309,110)	(2,536,741)	227,631
Total motorway sector revenues	105,277,585	94,634,660	10,642,925

The increase in "Net toll revenues" compared to December 2021, equal to EUR 10.8 million (+10.7%), is related to the substantial easing of the measures designed to counter the Covid-19 outbreak, to the current economic recovery as well as to infrastructure and economic development along the infrastructure. In this regard, it should be mentioned that the first half of 2021 was affected by the severe travel restrictions imposed by the government authorities.

As already explained in the financial statements for the year ended 31 December 2021, starting from the end of February 2020, the regulatory restrictions on mobility adopted by the government following the worldwide outbreak of the Covid-19 pandemic have caused a significant contraction in traffic volumes. Despite the fact that the first quarter of the year was

characterised by a high number of Omicron variant infections, which led to a contraction in traffic volumes and related revenues, the easing of the previously adopted restrictive travel measures led to a gradual recovery of annual traffic volumes compared to pre-pandemic levels (2019) as detailed in the following tables:

Million vehicles/Km	Light vehicles			Heavy vehicles			Total vehicles		
	2022	2021	Δ%	2022	2021	Δ%	2022	2021	Δ%
January	21.86	15.26	43.3%	11.44	9.99	14.5%	33.30	25.25	31.9%
February	25.84	20.57	25.6%	13.13	11.38	15.3%	38.97	31.96	21.9%
March	28.58	17.42	64.1%	14.94	12.78	16.9%	43.52	30.19	44.1%
April	29.20	19.49	49.8%	13.15	12.14	8.3%	42.34	31.63	33.9%
May	31.81	27.81	14.4%	14.93	13.06	14.3%	46.74	40.87	14.4%
June	32.81	30.04	9.2%	14.79	13.94	6.1%	47.61	43.99	8.2%
July	33.95	33.36	1.8%	14.82	14.74	0.5%	48.77	48.10	1.4%
August	23.44	23.72	(1.2%)	10.78	10.17	5.9%	34.21	33.90	0.9%
September	33.06	32.08	3.1%	14.87	14.50	2.5%	47.94	46.58	2.9%
October	34.09	33.45	1.9%	14.58	14.53	0.3%	48.66	47.99	1.4%
November	31.30	29.72	5.3%	14.77	14.66	0.7%	46.06	44.37	3.8%
December	30.31	27.64	9.6%	13.15	13.34	(1.4%)	43.46	40.99	6.0%
Total	356.25	310.58	14.7%	165.34	155.24	6.5%	521.59	465.82	12.0%

Million vehicles/Km	Light vehicles			Heavy vehicles			Total vehicles		
	2022	2019	Δ%	2022	2019	Δ%	2022	2019	Δ%
January	21.86	25.74	(15.1%)	11.44	10.19	12.3%	33.30	35.93	(7.3%)
February	25.84	26.21	(1.4%)	13.13	10.33	27.1%	38.97	36.53	6.7%
March	28.58	30.46	(6.2%)	14.94	11.40	31.0%	43.52	41.86	4.0%
April	29.20	29.88	(2.3%)	13.15	11.04	19.1%	42.34	40.92	3.5%
May	31.81	30.96	2.7%	14.93	12.37	20.7%	46.74	43.33	7.9%
June	32.81	32.83	(0.1%)	14.79	11.86	24.7%	47.61	44.69	6.5%
July	33.95	33.57	1.1%	14.82	13.29	11.5%	48.77	46.86	4.1%
August	23.44	22.03	6.4%	10.78	8.44	27.7%	34.21	30.47	12.3%
September	33.06	30.60	8.0%	14.87	11.97	24.2%	47.94	42.57	12.6%
October	34.09	33.14	2.9%	14.58	13.51	7.9%	48.66	46.64	4.3%
November	31.30	30.49	2.6%	14.77	12.12	21.9%	46.06	42.60	8.1%
December	30.31	28.99	4.5%	13.15	10.79	21.8%	43.46	39.79	9.2%
Total	356.25	354.89	0.4%	165.34	137.31	20.4%	521.59	492.20	6.0%

"Other revenues", amounting to EUR 3.4 million, refer to royalties received from service areas, the recovery of collection charges, exceptional transit charges and non-payments. This item also includes income received from the service contract in place with the parent company Autostrade Lombarde and the chargeback of costs to Argentea Gestioni.

"Operating costs", amounting to EUR 34.0 million, include EUR 27.0 million in service costs, EUR 0.3 million in costs for use of third party assets, EUR 3.3 million in other charges and EUR 3.4 million in costs of personnel.

The amount of service costs is mainly attributable to costs related to the operation and maintenance of assets deriving from concession right. Specifically, the consideration paid in 2022 to the contractor under the management and maintenance contract, the affiliate Argentea Gestioni S.c.p.A., amounts to EUR 22.0 million (EUR 21.2 million as at 31 December 2021).

The amount of other operating expenses includes EUR 2.8 million (EUR 2.5 million as at 31 December 2021) in concession and sub-concession fees to be paid to the Grantor under the Concession Agreement.

The gross operating margin (EBITDA) of EUR 74.7 million increased by EUR 9.7 million compared to the financial year 2021, mainly due to the growth in toll revenues.

"Amortisation, depreciation, provisions and reserves used", amounting to EUR 14.1 million, refers entirely to the amortization and depreciation of fixed assets. As of 31 December 2022, the amortization and depreciation charge related to assets deriving from concession right amounted to EUR 13.9 million (EUR 13.0 million as at 31 December 2021) 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 111.1 million (EUR 136.8 as at 31 December 2021). Financial charges accrued and paid during 2022 amounted to EUR 46.5 million (EUR 45.2 as at 31 December 2021) while financial charges accrued but not paid amounted to EUR 64.8 million (EUR 92.0 as at 31 December 2021). Details of financial charges are provided below:

	December 2022	December 2021	Variations
Financial income	202,500	463,935	(261,435)
Financial charges paid during the period	(46,522,587)	(45,221,742)	(1,300,845)
<i>Bank financial charges and bonds</i>	<i>(38,480,102)</i>	<i>(38,464,812)</i>	<i>(15,290)</i>
<i>Swap differentials</i>	<i>(8,042,485)</i>	<i>(6,756,930)</i>	<i>(1,285,555)</i>
Financial charges accrued but not paid	(64,756,987)	(92,030,601)	27,273,614
<i>Financial charges bond Class A3</i>	<i>(23,502,428)</i>	<i>(22,625,683)</i>	<i>(876,745)</i>
<i>Junior bond financial charges</i>	<i>(12,114,375)</i>	<i>(11,173,075)</i>	<i>(941,300)</i>
<i>Financial charges shareholders loans</i>	<i>(14,091,823)</i>	<i>(22,239,683)</i>	<i>8,147,860</i>
<i>Financial charges "bank bonds"</i>	<i>(1,398,697)</i>	<i>(1,398,697)</i>	<i>0</i>
<i>Release CFH reserve</i>	<i>(41,380,284)</i>	<i>(42,803,030)</i>	<i>1,422,746</i>
<i>Value adjustments to derivative instrum.</i>	<i>30,721,552</i>	<i>10,529,630</i>	<i>20,191,922</i>
<i>Other financial charges</i>	<i>(2,990,932)</i>	<i>(2,320,063)</i>	<i>(670,869)</i>
Balance of financial management	(111,077,074)	(136,788,408)	25,711,334

Interest expense and principal as 30 June 2022 and 31 December 2022 related to the Junior line were not subject to repayment based on the provisions included in the "Note Trust Deed" for which, following the publication of the financial ratios as of 31 December 2021 and 30 June 2022, the Company notified the bondholders of fulfilment of the "Restricted Payment Condition".

Financial charges to shareholders of EUR 14.1 million (EUR 22.2 million as at 31 December 2021) include interest accrued on outstanding subordinated shareholder loans. The reduction compared to the previous year is due to the conversion of part of the share capital into equity instruments on 22 April 2022 for a total amount of EUR 65.0 million.

The item "Value adjustments to derivative instruments" includes the positive fair value change of the ineffective component of derivative instruments. The positive change from 31 December

2021 is also attributable to the increase in both short-term and long-term interest rates that occurred during the year.

"Income Taxes" totalling EUR 10.5 million include: EUR 2.4 million for current taxes, EUR 10.6 million for deferred tax assets calculated on the tax loss and on the ACE allowance, EUR 0.6 million for positive adjustments relating to taxes from previous years and EUR 1.7 million for income deriving from participation in the national tax consolidation scheme in place with the parent company Autostrade Lombarde S.p.A.

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

	31/12/2022	31/12/2021	Variations
Intangible fixed assets	13,078	12,643	435
Tangible fixed assets	814,849	912,463	(97,614)
Assets deriving from concession right	1,644,475,871	1,651,954,048	(7,478,177)
Working capital	336,007,648	358,357,900	(22,350,252)
Invested Capital	1,981,311,446	2,011,237,054	(29,925,608)
Employees severance indemnity	1,178,100	1,049,023	129,077
Invested capital after deducting provisions for medium and long-term risks and charges	1,980,133,346	2,010,188,031	(30,054,685)
Share Capital	52,141,227	52,141,227	0
Share premium reserve	21,230,078	21,230,078	0
Other reserves	213,000,000	148,000,000	65,000,000
Cash flow hedges reserve	(202,935,199)	(266,609,780)	63,674,581
Profit (loss) carried forward	(185,958,161)	(119,879,921)	(66,078,240)
Profit (loss) for the period	(40,013,526)	(66,078,240)	26,064,714
Shareholders' Equity	(142,535,581)	(231,196,636)	88,661,055
Net financial indebtedness	2,122,668,927	2,241,384,667	(118,715,739)
Own capital and loan capital	1,980,133,346	2,010,188,031	(30,054,684)

The change in the item "Working capital" compared to last year is attributable, for the receivable part: (i) to the collection of the 2022 portion of the public contribution, equal to EUR 20 million, provided for by Addendum no. 3 on 07 June 2022, (ii) the decrease in deferred tax assets, (iii) the increase in tax receivables and trade receivables; for the payable part: (i) the decrease in tax payables and trade payables to Argentea Gestioni ScpA and other payables.

"Net financial indebtedness" as at 31 December 2022 is broken down as follows:

	31/12/2022	31/12/2021	Variations
Cash and cash equivalents	141,433,967	131,072,477	10,361,490
Receivables from interconnected companies	28,958,113	27,472,940	1,485,173
Derivative financial instruments assets	13,803,955	936,735	12,867,220
Current payables to bondholders	(73,795,601)	(46,330,831)	(27,464,770)
Current bank payables	(11,964,920)	(9,517,000)	(2,447,920)
Payables to interconnected companies	(1,090,352)	(918,723)	(171,629)
Net current available funds	97,345,162	102,715,598	(5,370,436)
Payables to banks	(268,335,155)	(279,689,411)	11,354,255
Payables to bondholders	(1,635,295,865)	(1,638,268,266)	2,972,401
Derivative financial instruments liabilities	(78,419,929)	(138,669,969)	60,250,040
Payables to "bank bond"	(60,780,109)	(59,381,411)	(1,398,698)
Payables to shareholders for loans	(177,183,031)	(228,023,046)	50,840,015
Payables to other lenders	0	(68,162)	68,162
Non-current financial indebtedness	(2,220,014,089)	(2,344,100,265)	124,086,175
Net financial indebtedness	(2,122,668,927)	(2,241,384,667)	118,715,739

The item "Cash and cash equivalents" as at 31 December 2022 includes, among other things:

- the amounts deposited in the "Debt Service Reserve" account, constituted for the amount of EUR 37.5 million, and in the "Maintenance Reserve" account, constituted for the amount of EUR 27.5 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. In February 2022 part of the "Debt Service Reserve" account, amounting to a total of EUR 17.8 million, was released on the basis of the forecasts in the underlying financial documentation, which defines the amount to be set up as equal to: (i) up to and including December 31, 2021, 9 months of debt service; and (ii) at any time after December 31, 2021, 6 months of debt service.
- EUR 11.5 million in residual cash from the enforcement of the construction Performance Bond that took place in 2018, to be used to pay the amounts still to be disbursed on expropriation activities.

The changes in "Payables for bondholders" are as follows: (i) the repayment of principal for the instalment falling due in the year 2022 (EUR 13.4 million), except for the instalments relating to the junior loan, falling due on 30 June 2022 and 31 December 2022 (EUR 8.8 million), which were added to the principal repayable; (ii) the capitalisation of interest accrued on the A3 line (EUR 23.5 million) and on the junior line (EUR 12.1 million); (iii) the release of Transaction Costs for the period (EUR 2.2 million).

The change in "Bank payables" is attributable: (i) for EUR 9.5 million, to the repayment of the instalments due in 2022 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 construction

Performance Bond; (iii) for EUR 0.6 million, to the release of the Transaction Costs of the period.

"Payables to shareholders for loans" include interest accrued and not paid in the period for EUR 14.1 million and the conversion of part of the principal and interest accrued into "Participative Financial Instruments" in April 2022 for a total of EUR 65.0 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. Derivative financial instruments assets with a positive fair value are also included in financial receivables as at 31 December 2022.

ACQUISITION BY ALEATICA S.A.U.

During 2022, the shareholder Aleatica S.A.U. further consolidated its participation in the Autostrade Lombarde group by acquiring a total of:

- 19,446,135 shares in the Company, increasing its shareholding from 16.43% to 21.91%;
- 40,366,575 shares in the parent company Autostrade Lombarde S.p.A., increasing its shareholding from 78.71% to 87.34%.

GOING CONCERN PRINCIPLE

The Financial Statements as at 31 December 2022 have been prepared on a going concern basis, based on the economic and financial results shown in 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 by the Ministry of Infrastructure and Transport and subsequent publication in the Official Journal, as well as in consideration of the subsequent updates to the economic and financial plan prepared by the directors as part of the refinancing operation, adjusted to reflect changes occurring after the date of drawing up of the financial plan. In this regard, the Financial Statements take into account also the agreement reached with the grantor CAL in relation to the updating of the economic and financial plan for which the relevant approval procedure has started with the competent authorities.

As regards short-term financial requirements, these will be met, based on the cash flows generated during the year as provided for in the budget approved by the Board of Directors on 19 December 2022 and in consideration of liquidity available as at 31 December 2022. The cash flows of 2023 are also represented in the Economic and Financial Plan updated to 31 December 2022 for the calculation of the financial covenants, which are in line with the financial documentation.

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

The Financial Statements for the year ended 31 December 2022 show losses carried forward of EUR 185,958,161 and a loss for the period of EUR 40,013,526. The available reserves that can be used to cover accumulated losses amount to a total of EUR 234,230,078, thus the limit established by Art. 2446 of the Italian Civil Code is complied with. Shareholders' equity as of 31 December 2022 was negative for EUR 142,535,581. 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.

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), through the conversion of subordinated shareholder loans, where sufficient. In this regard, it should be noted that, as of 31 December 2022, there were shareholders' loans totalling EUR 177,183,031 that might be converted when the Company's Board of Directors issues Participative Financial Instruments in order to keep shareholders' equity within the limits established by the commitments undertaken.

In a meeting held on 24 March 2023, the Board of Directors thus decided to issue 40,000,000 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.

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.

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.

The total amount of the investment, net of the discount, as provided for in Addendum No. 3, was adjusted 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 20 million. Subsequently, the Company regularly collected the annual instalments due thereto up to 2022 for a total of EUR 120 million. In January 2023, the company requested the disbursement of the 2023 tranche of EUR 20 million.

UPDATING OF THE ECONOMIC AND FINANCIAL PLAN

The regulatory concession period expired on 31 December 2020, according to a determination made by the Grantor CAL (the original deadline was 13 October 2021).

Before the formal commencement of the updating of the concession Economic and Financial Plan, as governed by Art. 11.7 of the Concession Agreement, the Company started, also with the support of external advisors, all the preparatory and functional activities for the negotiations with the Grantor of the proposal to rebalance the economic and financial plan.

On 1 April 2021, the negotiations with the Grantor CAL S.p.A. started. During the following months, several meetings were held with the Grantor with the aim of defining a shared proposal for an Economic and Financial Plan.

However, the Grantor took a position, not shared by the Company, with regard to certain parameters of the new Economic and Financial Plan and, in particular, in relation to the determination of the appropriate rate of return on invested capital.

On 23 December 2021, failing an agreement between the parties, the Concession Holder therefore submitted a formal rebalancing proposal to the Grantor, in line with the new provisions issued by the Transport Regulatory Authority ("ART") on tariffs with Resolution 87/2021.

The proposed Economic and Financial Plan was mainly based on an extension of the duration of the concession and included a new traffic study updated in light of the new macroeconomic environment. The concession holder's proposal was rejected by the Grantor with letter dated 31 January 2022.

Subsequently, the parties met to try to find a shared solution and, in March 2022, the Grantor and the Concession Holder reached a general agreement on the various rebalancing items.

Considering also that the finalization of a possible agreement to be submitted to the respective corporate bodies and to the financial parties would have required such timeframes as to go beyond the deadline within which to challenge the CAL measure of 31 January 2022, the Concession Holder, as a precautionary measure, took steps to commence litigation by 4 April 2022. The decision of the Grantor, which contains unsupported assumptions, was therefore submitted to the Civil Court of Brescia as part of the case brought on 4 April 2022.

In the meantime, discussions continued with the Grantor in order to formalise and finalise the shared Economic and Financial Plan proposal that would also comply with the new tariff provisions set forth in Resolution ART 87/2021.

On 9 June 2022, Brebemi finally granted CAL a new Economic and Financial Plan together with draft Addendum No. 4 to the Concession Agreement. Similarly to the Economic and Financial Plan presented on 23 December 2021, the Economic and Financial Plan also envisages as the main rebalancing measure the extension of the duration of the concession by seven years and also provides for the adjustment of the final indemnity to be paid to the outgoing concession holder. The agreement acknowledges and does not affect the appeals filed by Brebemi against ART resolution 87/2021 and provides for the recovery of the lower revenues recorded in 2020 as a result of Covid-19.

Having made this preliminary point, it is specified that the agreement was approved by the Company's Board of Directors on 22 June 2022. The assumptions underlying the rebalancing plan as well as the extension of the duration of the concession were also submitted to the lenders for approval according to the procedures set forth in the financial documentation. On 29 July 2022, the Board of Directors of the grantor CAL approved the updated Economic and Financial Plan and the same, together with the relevant draft Addendum of Implementation, was sent to the Ministry of Infrastructure and Sustainable Mobility ("MIMS"), for the relevant follow-up.

Subsequently, the Company constantly urged the Grantor to take all steps with the central administrations to swiftly finalise the deed. Following a specific request for information, Brebemi learned from CAL at the end of November 2022 that:

- (i) MIMS forwarded the 2022 Economic and Financial Plan and Draft Addendum No. 4 to ART, for the purpose of the issuance by the Authority of its relevant opinion;
- (ii) the said transmission was acknowledged by ART on 29 September 2022, with a note sent to CAL, in which the same ART gave notice of the suspension of the procedure for the issuance of its opinion and requested clarifications from CAL regarding the extension of the duration of the concession;

(iii) the clarifications provided by CAL were not deemed sufficient by ART, which, in late November and early December, requested further information directly from the National Anti-Corruption Authority ('ANAC'), once again suspending the procedure.

In order to obtain an adequate picture of the actual timeframe for the conclusion of the 2022 Economic and Financial Plan approval procedure, Brebemi:

(i) by letter dated 30 November 2022, pointed out to CAL the arbitrariness and illegitimacy of ART's initiative and asked for the exhibition of its correspondence with ART, in order to assess its contents;

(ii) by letter dated 7 December 2022, requested CAL to access the records of the rebalancing procedure and invited CAL to take action with the Central Administrations to ensure the timing of the 2022 Economic and Financial Plan rebalancing procedure.

Finally, in a note dated 23 February 2023, the grantor CAL sent Brebemi:

- (i) the note sent by ART to CAL on 27 January 2023, in which the Authority represented:
 - a. the still ongoing interlocution between ART and ANAC, without, however revealing its contents;
 - b. the request to make significant changes to the Economic and Financial Plan agreed between CAL and Brebemi, without however giving the reasons for this;
 - c. the convocation of CAL to a hearing on 7 February 2023.
- (ii) The note sent by ART to CAL on 23 February 2023 in which, following the hearing on 7 February, ART:
 - a. pointed out to CAL the need for the Grantor itself to agree with the Concession Holder on amendments and additions to the Economic and Financial Plan under review, particularly with regard to the determination of the final indemnity and the balance of notional items (so-called *poste figurative*);
 - b. reserved the right to make further assessment in the course of the verification and in-depth analysis of the documents received and the requests for integration, also renewing the invitation to ANAC to give the opinions within its remit.

On 1 March 2023, a meeting was held between CAL and the Company, during which the Grantor illustrated to Brebemi its assessments, later formalised in a letter dated 7 March 2023, regarding the feasibility of possible solutions to rebalance the economic and financial plan in compliance with the observations made by ART. Assessments are currently being carried out by the Company and its consultants in order to verify that the proposed solutions: (i) do not alter the economic and financial balance and regulatory conditions assumed on the basis of the

agreement of 9 June 2022 and (ii) are consistent with the commitments undertaken in the financial documentation.

TOLL CHARGES

As specified in the financial statements dossier as at 31 December 2021, the Ministry of Transport and Sustainable Mobility did not approve the request for a 4.49% tariff increase for the year 2022 and notified the grantor Concessioni Autostradali Lombarde S.p.A, that *"failing the regulatory preconditions represented by the existence of a current Economic and Financial Plan, during the assessment the requests for tariff updating related to the concession holder BreBeMi S.p.A. and Pedemontana Lombarda S.p.A. were not deemed admissible"*, and *"In any case, for these companies, upon effectiveness of the new Financial Plan, the recovery of any tariff adjustment accrued as from the beginning of the current regulatory period is allowed"*

On 28 February 2022 a petition against the measure taken by the Ministry of Transport and Sustainable Mobility was filed with the Regional Administrative Court of Lazio, this being deemed to be prejudicial to the interests and rights of Brebemi. The hearing on the merits of the case is to be held on 10 May 2023.

In a communication dated 12 October 2022, following the minutes of the agreement dated 9 June 2022 relating to the updating of the concession Economic and Financial Plan, the company requested from the Grantor Cal S.p.A. the tariff adjustment for the year 2023. The request, hoping that the Economic and Financial Plan updating procedure will be concluded by the end of this year, was made with reference to the updated Economic and Financial Plan sent to the Grantor on 9 June 2022, which provides for an annual tariff change of 5.61% from 2023 to 2026 and 4.49% in the following years.

The Company also specified that, should the procedure for updating the Economic and Financial Plan not be finalised in time for the tariff adjustment, the adjustment itself shall necessarily be ensured, for the year 2023, on the basis of the current concession Economic and Financial Plan determined according to the following revision formula:

$$\Delta T: \Delta P - X + K = 4.3\% - (-2.990\%) + 0.000\% = +7.29\%.$$

Where:

ΔT is the annual percentage variation of the tariff.

ΔP is the planned inflation rate. For 2023, the planned inflation rate indicated in the Economic and Financial Document 2022 is 4.3%.

X is the annual tariff adjustment percentage factor determined at the beginning of each regulatory period and constant within it, so that, assuming no further investments, for the following regulatory period, the discounted value of the expected revenues is equal to the

discounted value of permissible costs, taking into account the efficiency gains achievable by concession holders and discounting the amounts at the appropriate rate of return. As provided in Annex D (Report Accompanying the Economic and Financial Plan of 19 July 2016) to Addendum No. 3 of 19 July 2016, this value is equal to -2.99% from 2016 to 2038.

K is the annual percentage change of the tariff determined each year so as to allow for the remuneration of the investments made in the year preceding the year of application; it is determined in such a way that the discounted value of the expected incremental revenues up to the end of the regulatory period is equal to the discounted value of the highest permissible costs, discounting the amounts at the rate of appropriate remuneration; the utilisation of the Budget Fund pursuant to Article 3, paragraph 1 (V) is to be deducted from the highest permissible costs. This value is 0.000% as it can be determined in the next regulatory period.

In a note dated 4 January 2023, the Ministry of Infrastructure and Transport stated what follows: *"In this regard, it should be noted that Decree-Law No. 198/2022, "Urgent provisions regarding legislative deadlines" (so-called Milleproroghe Decree) published in Official Gazette No. 303 of 29 December 2022, says in Article 10 point 4 that "In Article 13, paragraph 3, third sentence, of Decree-Law No. 162 of 30 December 2019, converted, with amendments, by Law No. 8 of 28 February 2020, the words: «31 October 2022» shall be replaced by the following: «31 December 2023». The aforementioned provision also establishes that the deadline for the adjustment of motorway tariffs relating to the years 2020 and 2021 and those relating to all the years included in the new regulatory period is postponed until the definition of the procedure for updating the economic-financial plans prepared in accordance with the resolutions adopted pursuant to Article 16, paragraph 1, of Decree-Law No. 109 of 2018, by the Transport Regulatory Authority. Taking into account that for Brebemi S.p.A. the conditions set forth in the aforementioned regulations are met, it is hereby stated that the conditions for the recognition of the tariff adjustment as of 1 January 2023 do not exist, based on the request made by the Company. In accordance with the principle of continuity, the recovery of any tariff changes that may have been applicable since the start of the current regulatory period is ensured under the relevant regulations".*

The Company, similarly to its appeal filed against the MIMS measure referring to the 2022 tariff adjustment, on 21 February 2023 filed an appeal with the Regional Administrative Court of Lazio against the measure of the Ministry of Transport and Sustainable Mobility of 4 January 2023, as it believes it is, like the previous one, detrimental to Brebemi's interests and rights. A hearing on the merits of the appeal is yet to be held.

MOTORWAY OPERATION

Please find below the total transits recorded in the financial year 2022, broken down by method of payment:

Methods of payment	2022	2021
Telepass	80.7%	82.8%
Cash	8.1%	8.1%
Bank cards	7.8%	7.4%
EETS/ETS-HV	2.3%	0.6%
Prepaid Viacard	0.2%	0.3%
Other	0.9%	0.8%
Total	100.0%	100.0%

The above figures are in line with the trend in the use of automated payment systems, including the European Electronic Toll Service.

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

Accidents

In 2022, the overall accident rate was 33.4 (35.9 in the previous year) and the fatality rate was 0.00 (0.00 in the previous year), calculated per 100 million km travelled.

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

	2022	2021
Total accidents	175	168
Accidents with damages	131	129
Accidents with injuries	44	39
No. of injured	81	57
Fatal accidents	0	0
No. of deaths	0	0

The Traffic Police, which is the exclusive permanent surveillance and first intervention body on the motorway for the purposes of safety and fluidity of traffic, carried out continuous patrols during 2022, 24 hours a day, 365 days a year, in accordance with the agreement signed with the Concession Holder.

The supervision by Traffic Wardens of all the applicable sections is equally non-stop - 24/24, 365 days/year.

With regard to road safety issues, two important initiatives that took place in 2022 are worth mentioning:

- As part of its collaboration agreement on anti-drug policies and the protection of public health by preventing and combating accidents caused by the use of drugs and alcohol abuse, promoted by the Presidency of the Council of Ministers, on 11 June 2022 A35 Brebemi, in agreement with the Lombardy Traffic Police Unit, carried out a control campaign from 0:00 to 6:00 a.m., using an accredited mobile laboratory, and which covered all vehicles travelling along the A35 motorway, northbound carriageway in the direction of Milan;
- In order to improve rescue and assistance services to protect citizens, A35 Brebemi, in cooperation with the Prefecture of Bergamo, organised an initiative on 9 October 2022 involving all territorial organisations operating along the motorway route. A scenario of a critical event with blocked traffic was represented as foreseen in the Emergency Management Plan; specifically, a collision between a heavy goods vehicle and two light vehicles along the Treviglio Tunnel was simulated.

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.

Ordinary maintenance work

The most significant ordinary maintenance works mainly concerned the restoration of deteriorated parts of the motorway pavement, 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 2022, resurfacing of scheduled sections of deteriorated pavement was carried out for approximately 13 km, located along both the slow lane and the overtaking lane.

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.

During 2022 work continued to remove the deteriorated paint, with subsequent repainting, on the seismic isolators of the south side piles of the CV009, CV010 and CV011 overpasses, relating to the A35 overpass spans.

As a result of the inspections on all the works, no critical issues were detected along the motorway network under concession.

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 highway's safety performance, the following specific actions were implemented in FY 2022:

- works aimed at ensuring greater visibility for the elements that make up the toll lanes: at the Romano di Lombardia, Treviglio e Caravaggio toll booths, the bumpers were painted with white elastomeric paint and a protective acrylic finish with fluorinated compounds. The intervention was completed with the installation of a yellow reflective strip of the lowest part.

Toll collection

It includes all maintenance and operation activities with regard to tolling facilities, including emergency response. During January, the project to adapt the toll terminals for the contactless reading of Visa and MasterCard credit cards was completed.

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 2022, with regard to the maintenance of motorway facilities, activities continued as scheduled in the specific annual intervention plan.

With a view to energy efficiency, SAP-type lighting fixtures were replaced with others using LED technology at the Calcio and Chiari Ovest toll stations; such replacement is expected to continue at the Liscate and Romano di Lombardia toll stations in early 2023.

Service Areas

In 2022, following the awarding to the company EWIWA of the tender for the installation and commissioning of 8 plug-in recharging stations for 300KW electric/hybrid vehicles (4 in Service Areas in the North and 4 in the South), with annexed 2 roof canopies equipped with photovoltaic panels, the civil and plant engineering works were completed and the supply and commissioning of the recharging infrastructure is expected to be activated in the early months of 2023.

Extraordinary maintenance work

Modification of electronic toll signs

The vertical signs indicating the reserved lanes for "Electronic Toll System" customers at the Barriers and toll booths of the motorway were changed following the introduction of Article 19 of Legislative Decree No. 153 of 5 November 2021, implementing Directive (EU) 2019/520, of the European Parliament and of the Council, of 19 March 2019, which extends the electronic toll system to additional operators in addition to "Telepass", on which the signs to date were configured.

In the course of the year 2022, the toll warning and electronic toll warning signs for the Liscate, Chiari est and Castegnato barriers were upgraded and will be installed in early 2023 at the remaining toll stations (toll booths).

Installation of new electric recharging infrastructure

During the year 2022, a project was drafted for the installation of electric recharging stations for company cars in the car park of the A35 maintenance centre, near the Romano di Lombardia toll booth: the project envisages the installation of a 50 kW DC station and a 22 kW AC station; the project was then sent to and approved by the CAL grantor as an extraordinary maintenance intervention.

Civil and plant engineering works are scheduled to be completed by 2023.

Sensor installation for remote bridge control

The National Plan for investments supplementing the National Recovery and Resilience Plan, referred to in Decree Law No. 59 of 6 May 2021, converted with amendments by Law No. 101 of 1 July 2021, allocated funding in the amount of EUR 450 million to the Safe Roads programme - Implementation of a dynamic monitoring system for the remote control of bridges, viaducts and tunnels on the main road network: an amount of EUR 1.8 million was allocated to A35 Brebemi. In the year 2022, in accordance with what was agreed and approved by MIT and ANSFISA, the executive project was prepared for the installation of sensors in four areas, namely the Oglio viaduct in the direction of Brescia, the Muzza viaduct in the direction of Milan and the Treviglio Artificial Gallery in the direction of Milan and Brescia and the process for assigning the project to a partner started by December 2022.

In the timetable shared with MIT, work will start by the first four months of 2023 and be completed by December 2023.

ERS (ELECTRIC ROAD SYSTEM) TECHNOLOGY

As part of its commitment to reducing environmental pollution, combating climate change, decarbonisation and reducing CO2 emissions, Brebemi has taken an active part in researching innovative and efficient technologies aimed at the electrification of the motorway network.

During the first half of 2022, the electrical quantities of the power supply and distribution system were monitored and measured, and measurements were also taken on vehicles.

Agreements to test the system with Orio al Serio Airport and the Transport and Mobility Company of the city of Genoa were finalised in 2022.

As part of these agreements, typological road sections of interest to the new partners were prepared within the test circuit. Specifically, the work involved four sections of the plant with the resurfacing of the flooring and the power transmission terminals.

During the second half of the year, the supply voltage of the distribution plant was increased from 620V to 670V and the stability of the system was verified.

During the same period, compatibility tests were carried out between the system and electromedical devices, such as pacemakers, making sure that functionality was not affected.

In December, an agreement was signed with the JRC (Joint Research Centre), a study body of the European Community that is responsible for defining the standards to be adopted in the drafting of European regulations. Measurements of electromagnetic field levels will be scheduled in early 2023 to verify compliance with European regulations.

With regard to environmental aspects, it should be noted that the assessment of the impacts and benefits of the ERS DWPT system has been underway since early 2022 through the identification of the INPUT data needed to set up the analyses of the University of Parma and UniRoma3 University, the project's scientific partners.

In particular, the main objective of the Roma3 University is to estimate the overall reduction in emissions of the entire car fleet on the road over the years until it is completely replaced by electric vehicles. The effects, in terms of emissions, of the interaction between the different vehicle types (plug-in, conventional, ERS-DWPT) will then be analysed. In fact, the various driving cycles configure different motion phenomena resulting in different and varying emission levels over the years. The objective is to evaluate in the transitional period the percentage of emission reduction that will be achieved progressively in the different scenarios also in the light of these phenomena.

The University of Parma, instead, is in charge of an LCA-type analysis with the objective of assessing not only the reduction in emissions due to the ERS DWPT system, but overall the impacts/benefits that the system might generate in relation to different vehicle fuelling technologies, structuring the analysis according to the impact categories generated in the various environmental areas, e.g. Land Use, Use of Raw Materials, Global Warming Potential, etc.

In the second half of 2022, the first track tests were started, which were used by UNIROMA to collect data for the calibration and confirmation of its calculation model and by UNIPARMA for its LCA analysis with particular reference to the DOWNSTREAM phase (use and end of life).

Testing is designed to detect the efficiency of electricity transmission from the grid to the vehicles in the Arena del Futuro (Fiat 500e and Iveco Bus).

Further testing and verification days with the Universities, the JRC (Joint Research Centre), the airport and ATM Genoa are planned for 2023.

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) ensures the interoperability of electronic toll services across the entire motorway network in the European Union. EETS allows 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 facilitates traffic conditions for road users as it improves traffic flows and reduces traffic congestion.

As of 31 December 2022, the agreements with the electronic toll operators Dkw (heavy vehicles), Axxes (light and heavy vehicles) and Unipoltech (light and heavy vehicles) were operational

Controls as to the conformity of the correct operation (VCCF) for the AS24 operator (SIT-MP apparatus) are being planned, while Telepass has submitted a request to proceed with the VCCF of a new apparatus for the SET service.

The testing activities for Tollticket (SET), DKV (SET) and Mooney (SET), for which VRS (Verification of Regular Service) tests are being planned with the other concession holders, have been completed.

In order to comply with the European Community's Decision, the activities of the specific working groups, set up within Aiscat, continued during the period, regarding the implementation of the European electronic toll system and the Interoperable Electronic Toll Service.

USER TARIFF REDUCTIONS

The "Green Vehicle Discount A35-A58" tariff concession has been extended to the end of 2023. The 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.

A 30% discount is also in place for motorbikes using the "Telepass" electronic toll systems. The initiative, launched in 2017 by the Ministry of Infrastructure and Transport, was endorsed by the entire interconnected motorway sector.

TECHNICAL AND ADMINISTRATIVE FINAL TESTS

The Provisional Testing Certificates issued by Testing Committees no. 1, no. 2 and no. 3 (on 23 April 2020, 30 September 2020 and 23 June 2021, respectively), valid within the framework of the relations between the Grantor CAL and the Concession Holder Brebemi, and between the Concession Holder Brebemi and the General Contractors (Consorzio BBM and Interconnessione Scarl), concerning the works covered by CIPE Resolutions no. 42/2009 and 19/2016, were definitively approved by a resolution of the Company's Board of Directors (with regard only to the relations between the Concession Holder Brebemi and the aforesaid General Contractors) on 23 July 2021. The same resolution also confirmed the granting to the said General Contractors of the amounts set forth in the Minutes of Agreement signed on 12 March 2021 and 17 May 2021. On 23 July 2021 the Company also sent to the Grantor CAL both the aforementioned resolution of the Board of Directors of the Company and the aforementioned Minutes of Agreement, as well as Testing Certificate no. 3, duly signed by the Company, in order to receive

from the Grantor the final approval of the 3 Testing Certificates valid within the framework of the relations between the Grantor CAL and the Concession Holder Brebemi.

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.

Following the approval of Addendum No. 3 to the Concession Agreement, the charges for the direct acquisition of land or buildings were increased 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 2022, Brebemi incurred costs for expropriation indemnities and taxes amounting to EUR 350,614,833.96 (of which EUR 345,824,240.96 for the Motorway and EUR 4,790,593.00 for the Interconnection Modification).

LEGAL ACTIVITIES AND LITIGATION**A. Disputes related to expropriation procedures**

Ongoing litigation cases, concerning expropriation procedures carried out for the acquisition of the areas necessary for Motorway construction, are ten in total and are detailed below:

- eight relating to the estimated indemnities payable to private parties affected by expropriation procedures (four brought by Brebemi and four by private parties);
- one, at the third instance, relating to the remuneration due to one of the three technicians constituting the so-called Technical Three-Member Group that was activated, in accordance with the law, for the determination of an expropriation indemnity (the exorbitant indemnity request was strongly reduced, in acceptance of Brebemi's position, both in first and second instance);
- an appeal before the Court of Cassation brought by Brebemi against the determination by the Lombardy Regional Tax Commission of the registration tax relating to the transfer of ownership of the expropriated property. The first instance case arose from nine notices of liquidation challenged by Brebemi on the assumption that the 9% tax rate was to be used rather than the 12% rate applied by the Revenue Office. Brebemi's argument was moreover upheld by the Court of Cassation, in an order dated 20 November 2020, in the context of another similar appeal brought by the Concession Holder itself.

No specific provisions have been made for risks due to the obligations and liabilities contractually assumed by Consorzio BBM, the General Contractor of the motorway construction work.

B. Other disputes

Another seven disputes which cannot be classified under a single legal basis, are shortly described below:

- a civil action brought by Consorzio COINE (the contractor of Consorzio BBM), before the Court of Appeal of Bologna, to ascertain the provisions entered by the latter in the works accounts. Brebemi, which was not a party to the contractual relationship between COINE and Consorzio BBM, was involved in the proceedings as it was held jointly and severally liable for Consorzio BBM's non-payment of sums claimed by Consorzio COINE. Regardless of the outcome of the proceedings, Brebemi has obtained an extensive disclaimer from Consorzio BBM. The first-instance ruling, issued and filed on 14 May 2021 by the Court of Bologna, held in any case that Brebemi could not stand as defendant and ordered Consorzio BBM, Impresa Pizzarotti and CCC, on a joint and several basis, to pay compensation to COINE (in an amount lower than that of the

- original claim). Finally, Consorzio COINE brought an appeal against the first instance ruling. The case is yet to be discussed on the merits;
- an administrative case brought by Brebemi, with an appeal to the Lazio Regional Administrative Court, challenging Ministerial Decree. no. 298 of 07 August 2017, implementing Italian Legislative Decree no. 35/11, setting out the criteria for the payment of the tariff for road infrastructure classification and inspection activities (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. This payment was made with the express reservation of reimbursement in the event of a successful appeal. However, the dispute, which was initiated on the basis of a common approach defined by the motorway industry, may soon be closed due to "peremption";
 - a civil lawsuit brought by Brebemi with a writ of summons before the Court of Parma, challenging injunction No. 588/2020 obtained by the company "Tubosider" (the contractor of Consorzio BBM) for the payment of EUR 1,645,641.35, i.e., the amount contractually withheld by the General Contractor to secure proper performance of the entrusted activities. Brebemi claimed that it lacked capacity to be used as it was not involved in the contractual relationship between Consorzio BBM and Tubosider. As a result of the separate lawsuit that was brought following the appeal against the injunction by Consorzio BBM, the company Tubosider obtained payment of the aforesaid amount (thus eliminating the concrete risk that the Company might be ordered to pay it by way of joint and several liability);
 - an administrative lawsuit brought by the Transport Regulatory Authority (ART) with an appeal to the Council of State against the sentence issued on 31 March 2022 by the Regional Administrative Court of Piedmont (TAR), with which the parameters used by ART to calculate the WACC for the new Brebemi investments were annulled due to the lack of adequate technical reasons. The case, which derives from an appeal filed by Brebemi for the purpose of challenging ART resolution no. 87 of 17 June 2021 - concerning the *"Conclusion of the procedure initiated by resolution no. 30/2021, for the Approval of the tariff system related to the Concession Agreement"* - is yet to be discussed on the merits;
 - an administrative lawsuit brought by Brebemi, with an appeal to the Regional Administrative Court of Lazio, to challenge the communication with which the Ministry of Infrastructure and Sustainable Mobility, on 31 December 2021, suspended the annual tariff adjustment of the concession pertaining to 2022. The Ministry, in particular, held that *"failing the regulatory preconditions represented by the existence of a current Economic and Financial Plan, the requests for tariff updating related to the concession holders BreBeMi S.p.A. and Pedemontana Lombarda S.p.A. were not deemed admissible"*. Brebemi's appeal is based on the illegitimacy of the ministerial measure, since it lacks adequate grounds and is in any case clearly in conflict with the provisions of the law and the Concession Agreement, which expressly provide for the annual adjustment of toll rates according to a well-defined procedure. No provision, whether conventional or statutory, allows the annual increase of motorway tolls to be excluded if

the rebalancing procedure of the Economic and Financial Plan has commenced and not yet been completed. The appeal is yet to be discussed on the merits;

- a further appeal was brought by Brebemi to the Regional Administrative Court of Lazio, to challenge the communication with which the Ministry of Infrastructure and Sustainable Mobility, on 04 January 2023, suspended the annual tariff adjustment of the concession pertaining to 2023. The communication was challenged for the same reasons as stated in point (viii) above. The appeal is yet to be discussed on the merits;
- a lawsuit brought by the Municipality of Caravaggio, before the Court of Cassation, to challenge the second instance ruling issued by the Lombardy Regional Tax Commission; this ruling upheld Brebemi's appeal against the first instance ruling of the Bergamo Provincial Tax Commission (with which the Company had been sentenced to pay three IMU tax notices of liquidation issued by the Municipality of Caravaggio relating to areas expropriated for the construction of the motorway). In short, according to Brebemi, the Municipality of Caravaggio considered that the above-mentioned notices, referring to the years 2013-2014-2015, concerned agricultural land, even though since the approval of the Preliminary Project for the motorway, which took place in 2005, such areas should instead be considered to be excluded from any private use, being intended for the construction of a public work. The appeal is yet to be discussed on the merits.

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., 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 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 (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.

INVESTOR RELATIONS

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 31 December 2021 and 30 June 2022, notified the fulfilment of the "Restricted Payment Condition" for the Junior Notes. The interest and principal due on 30 June 2022 and 31 December 2022, respectively, amounting to EUR 12.1 million and EUR 8.8 million, respectively, were not repaid.

On 7 July 2022, the Company submitted a STID Proposal to the holders of the 1,205,000,000 Class A3 Senior Secured Zero Coupon Bonds maturing in 2042.

With this STID Proposal, the Company requested the Class A3 Bondholders to consent to the extension of the expiry date of the Concession Agreement entered into between the Company and Concessioni Autostradali Lombarde S.p.A. (the "Grantor") on 1 August 2007 (as amended and supplemented from time to time) for a maximum of seven (7) years. The extension of the expiry date of the Concession Agreement is one of the levers underlying the rebalancing of the economic and financial plan relating to the Concession Agreement for the next regulatory period.

The effectiveness of this extension will only occur to the extent that the rebalancing of the Economic and Financial Plan agreed upon between the Company and the Grantor is actually approved by all competent authorities and becomes effective pursuant to the applicable regulations, also by virtue of the conclusion between the Company and the Grantor of a fourth addendum to the Concession Agreement.

On 28 July 2022, the Class A3 Senior Secured Zero Coupon Bonds maturing in 2042 approved the STID Proposal submitted on 7 July 2022.

CREDIT RATING

On 13 June 2022, DBRS Morningstar announced that the issuer rating and the rating on the "senior secured" debt of Società di Progetto Brebemi S.p.A. were downgraded from "BBB (low)" to "BB (high)". DBRS Morningstar also changed the Trend from "Negative" to "Stable".

On 27 October 2022, Fitch Ratings revised the Outlook on the "Senior Secured" debt of Società di Progetto Brebemi S.p.A. from "Stable" to "Negative", confirming the "BB+" level.

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 22 June 2022.

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 2022 financial year, the verification and control activities for which it is responsible.

Environment and Sustainability

During 2022, A35 Brebemi took steps to define a sustainable development process.

In particular, in accordance with DSA-Norm 01- Aleatica's Sustainability Standard, a Materiality Analysis was prepared. In fact, the aforementioned standard lists among the specific duties of each Business Unit that of drawing up a Materiality Analysis and, on the basis of its results, drafting a Sustainability Plan.

The materiality analysis is in fact an analysis aimed at identifying which sustainability aspects are the most relevant, i.e. material, for the company and its stakeholders, with reference to the thematic areas of sustainability (economic, social and environmental sustainability). The analysis was prepared according to specific international reporting criteria (GRI) and through industry benchmark analyses, workshops and interviews with external and internal stakeholders.

The material topics defined in the analysis outlined projects and initiatives that were themselves included in the Sustainability Strategic Plan with a 5-year time span, approved in 2022. The projects concern both the material issues identified by the materiality analysis and the 5 Pillars of Aleatica and the 2030 Agenda Goals.

The implementation and development of the Sustainability Plan is expected to start in the course of 2023.

Internal Audit

As part of the integration into the Aleatica Group, on 20 July 2021 the Board of Directors of Società di Progetto Brebemi S.p.A. approved the Group's Regulatory System and its application within the Company.

Following the adoption of the new regulatory system, the Internal Audit function of the parent company Aleatica started and completed the first audit cycle during the first half of 2022.

Staff

With reference to the information on staff, the following table shows the breakdown of staff for the 2022 financial year compared to the previous year and the average number of staff members:

Staff composition	31/12/2022	31/12/2021	Variations	2022 Average
Executives	5	4	1	5
Managers	7	6	1	6
Employees	20	22	(2)	22
Total	32	32	0	33

As of 1 March 2022, the position of Director of Human Resources came on board.

During 2022, the Company continued to implement the training plan with regard to both compulsory initiatives and the development of professional skills and knowledge. In total, 33 people were trained, for a total of 1,241.5 hours of which: 80 related to safety, 342.5 hours of technical training and 819 of non-technical training.

Information on Corporate Certifications

With regard to information concerning the integrated Quality Management System, it should be noted that the Company carries out its activities in full compliance with the provisions on Health and Safety in the Workplace.

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.11) on 15 December 2022. 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, 21 May 2019 and 23 May 2022. The last surveillance audit by TÜV (Certifying Body) integrated with the certification on Health and Safety in the Workplace, was concluded on 9 April 2022 with the issue of a conformity assessment to the UNI EN ISO 9001:2015 and UNI ISO 45001:2018 standards, both valid until 26 May 2025, without any change in the scope of application, namely "Design and management of the Brescia-Milan Motorway under Concession".

Research and development activities

No research and development costs were incurred in the course of 2022.

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

The following should be noted in this respect:

Counterparty	Type of transaction	Amount
<i>Services supplied by Società di Progetto Brebemi</i>		
<i>S.p.A. to Group companies</i>		
Autostrade Lombarde S.p.A.	Supply of services	330,000
Autostrade Lombarde S.p.A.	Secondment of staff	58,472
Argentea Gestioni S.c.p.A.	Chargeback costs for services	373,034
Argentea Gestioni S.c.p.A.	Secondment of staff	101,673
<i>Services supplied by Group companies to Società di Progetto Brebemi S.p.A.</i>		
Autostrade Lombarde S.p.A.	Participative financial instruments	160,100,617
Autostrade Lombarde S.p.A.	Shareholders' loans	132,092,890
Autostrade Lombarde S.p.A.	Financial charges	11,015,889
Autostrade Lombarde S.p.A.	Supply of services	31,112
Argentea Gestioni S.c.p.a.	O&M global service contract fee	21,967,670
Argentea Gestioni S.c.p.a.	Chargeback costs for services not included in the O&M fee	1,107,694

The costs equal to EUR 21,967,670 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.	Participative financial instruments	52,331,765
Aleatica S.A.U.	Shareholders' loans	44,625,129
Aleatica S.A.U.	Financial charges	3,039,909
Aleatica S.A.U.	Costs for services	253,673

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

The Company identified both risks related to specific business factors and financial risks through a Risk Assessment process that incorporated the best practices and procedures defined in the Aleatica Group. 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 2022 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 concession holder 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 and IT 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, despite the widespread distribution of vaccines, is still likely to have a significant downward effect on global growth.

The Russian-Ukrainian conflict and the resulting price volatility of energy components and raw materials that took place in the course of 2022 together with the significant inflationary dynamics might have negative effects on the company's fixed costs.

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

Although the impact of the Covid-19 pandemic on the economy has greatly diminished, there remains a macroeconomic and geopolitical environment characterised by significant uncertainty related to both the development of the Russian-Ukrainian conflict and the significant inflationary pressure, which caused an annual price growth of more than 11% in 2022.

This might have, also as a consequence of the interest rate increase by the European central bank, an economic impact on business both in terms of operating costs and as a result of the potential impact on traffic volumes following a possible contraction in economic growth.

With regard to A35 Brebemi, it should be noted that traffic volumes in 2022 showed a continuous and significant improvement, as well as, with regard to light vehicles, full recovery of the traffic volumes expected before the Covid19 emergency (+0.4% vs. 2019), while heavy vehicles showed a 20.4% increase compared to 2019. Overall traffic volumes are expected to grow also in 2023 compared to 2022. Based on budgeted cash flows and currently available liquidity, the Company expects also to be able to cover its financial needs.

As extensively reported in the previous paragraphs, it is hoped that the approval process for the new economic and financial plan will finally be finalised in the course of 2023.

Brescia, 24 March 2023

The Chairman
of the Board of Directors
Francesco Bettoni



A35 Brebemi

FINANCIAL STATEMENTS

AS AT 31 December 2022

Balance sheet

Income Statement

Cash flow statement

BALANCE SHEET - ASSETS

Amounts in euro		31/12/2022	31/12/2021
Fixed assets, with separate indication of leased assets:			
I	Intangible fixed assets		
4)	Concessions, licences, trademarks and similar rights	13,078	12,643
	Total	13,078	12,643
II	Tangible fixed assets		
1)	Land and buildings	664,063	751,881
3)	Industrial and commercial equipment	7,259	10,162
4)	Other assets	143,527	150,420
6)	Fixed assets under construction and advances (assets deriving from concession right)	2,191,468	3,561,855
7)	Assets deriving from concession right	1,642,284,403	1,648,392,193
	Total	1,645,290,720	1,652,866,511
III	Financial fixed assets		
4)	Derivative financial instruments assets	13,803,955	936,735
	Total	13,803,955	936,735
	Total fixed assets	1,659,107,753	1,653,815,889
C	Current assets		
II	Receivables		
1)	From customers		
	- due within the next financial year	335,340	420,581
4)	From parent companies		
	- due within the next financial year	118,484	108,272
	- due beyond the next financial year	6,117,187	4,437,606
5)	From companies subject to the control of the parent companies		
	- due within the next financial year	242,060	267,081
5-bis)	Tax receivables		
	- due within the next financial year	2,993,085	775,094
5-ter)	Prepaid taxes		
	- due beyond the next financial year	218,751,923	228,289,556
5 - quater)	From others		
	- due within the next financial year	20,862,358	20,576,874
	- due beyond the next financial year	112,216,841	129,889,757
6)	From interconnected companies	28,958,113	27,472,940
	Total	390,595,391	412,237,761
IV	Cash and cash equivalents		
1)	Bank and postal deposits	140,603,357	130,194,860
3)	Cash and valuables on hand	830,610	877,617
	Total	141,433,967	131,072,477
	Total current assets	532,029,358	543,310,238
D	Accruals and deferrals		
b)	Prepaid expenses	1,694,821	1,571,833
	Total	1,694,821	1,571,833
	TOTAL ASSETS	2,192,831,932	2,198,697,960

BALANCE SHEET - LIABILITIES

Amounts in euro		31/12/2022	31/12/2021
A Shareholders' Equity			
I	Share Capital	52,141,227	52,141,227
II	Share premium reserve	21,230,078	21,230,078
VI	Other reserves, indicated separately	213,000,000	148,000,000
VII	Cash flow hedges reserve	(202,935,199)	(266,609,780)
VIII	Profit (loss) carried forward	(185,958,161)	(119,879,921)
IX	Profit (loss) for the year	(40,013,526)	(66,078,240)
Total		(142,535,581)	(231,196,636)
B Provisions for risks and charges			
3)	Derivative financial instruments liabilities	78,419,929	138,669,969
Total		78,419,929	138,669,969
C Employee severance indemnity		1,178,100	1,049,023
D Payables			
1)	Bonds		
	- due within the next financial year	73,795,601	46,330,831
	- due beyond the next financial year	1,635,295,865	1,638,268,266
3)	Payables to shareholders for loans		
	- due beyond the next financial year	177,183,031	228,023,046
4)	Payables to banks		
	- due within the next financial year	11,964,920	9,517,000
	- due beyond the next financial year	329,115,264	339,070,822
5)	Payables to other lenders		
	- due within the next financial year	300,341	0
	- due beyond the next financial year	0	68,162
7)	Trade payables		
	- due within the next financial year	1,415,811	1,201,202
11)	Payables to parent companies		
	- due within the next financial year	0	24,488
11 - bis)	Payables to companies subject to the control of the parent companies		
	- due within the next financial year	17,233,431	13,058,465
	- due beyond the next financial year	3,893,448	6,720,942
12)	Tax payables:		
	- due within the next financial year	611,416	3,046,799
13)	Payables to social security institutions		
	- due within the next financial year	153,587	142,964
14)	Other payables:		
	- due within the next financial year	3,707,790	3,779,798
	- due beyond the next financial year	4,188	4,096
15)	Payables to Interconnected Companies	1,090,352	918,723
Total		2,255,765,045	2,290,175,604
E Accruals and deferrals			
b)	Deferred income	4,439	0
Total		4,439	0
TOTAL LIABILITIES		2,192,831,932	2,198,697,960

INCOME STATEMENT

Amounts in euro		2022	2021
A Value of Production			
1)	Revenues from sales and services	109,513,920	98,461,109
5)	Other revenues and income	3,434,514	2,695,326
Total		112,948,434	101,156,435
B Costs of Production			
6)	For raw materials, ancillary goods, consumables and goods for resale	(70,653)	(68,699)
7)	For services	(26,981,981)	(25,846,532)
8)	For use of third party assets	(283,189)	(262,738)
9)	For staff		
a)	Wages and salaries	(2,396,616)	(2,338,292)
b)	Social security contributions	(729,933)	(675,554)
c)	Employees severance indemnity	(268,479)	(179,789)
e)	Other costs	(31,141)	(20,507)
Total		(3,426,169)	(3,214,142)
10)	Amortization, depreciation and write-downs		
a)	Amortisation of intangible fixed assets	(12,672)	(10,552)
b)	Depreciation of tangible fixed assets		
-	depreciation of technical assets	(161,007)	(161,491)
-	depreciation of assets deriving from concession right	(13,886,591)	(12,977,212)
Total		(14,060,270)	(13,149,255)
14)	Other operating expenses	(7,515,956)	(6,804,769)
Total		(52,338,218)	(49,346,135)
Difference between value and costs of production		60,610,216	51,810,300
C Financial income and charges			
16)	Other financial income		
d)	Income other than above:		
-	From others	202,500	463,935
Total		202,500	463,935
17)	Interest and other financial expenses:		
c)	To parent companies	(11,015,889)	(17,266,041)
e)	To others	(130,984,988)	(130,515,640)
Total		(142,000,877)	(147,781,681)
17-bis)	Foreign exchange gains and losses	(249)	(292)
Total		(141,798,626)	(147,318,038)
D Adjustments to financial assets value			
18)	Revaluations:		
d)	Of derivative financial instruments	30,721,552	10,529,630
Total		30,721,552	10,529,630
Pre-tax profit		(50,466,858)	(84,978,108)
20)	Income taxes for the year		
a)	Current taxes	(2,367,031)	(2,074,759)
b)	Deferred/ prepaid taxes	10,570,130	18,077,658
c)	Taxes from previous years	570,652	503,778
d)	Income related to participation in the tax consolidation	1,679,581	2,393,191
Total		10,453,332	18,899,868
21)	Profit (loss) for the year	(40,013,526)	(66,078,240)

CASH FLOW STATEMENT

Amounts in euro thousands	31/12/2022	31/12/2021
A. Cash flows from operations		
Profit (loss) for the year	(40,013,526)	(66,078,240)
<i>Adjustments for non-monetary items that did not have a balancing entry in net working capital:</i>		
Depreciation and amortization:		
- intangible fixed assets	12,672	10,552
- tangible fixed assets	161,007	161,491
- asset deriving from concession right	13,886,591	12,977,212
Net change in Employees severance indemnity	129,077	113,014
Provisions (utilisations) for other risks and charges	41,386,635	42,803,030
Write-downs (revaluations) of financial assets	(30,721,552)	(10,529,630)
Adjustments for non-monetary items	0	(461,746)
1. Cash flow before changes in NWC	(15,159,096)	(21,004,317)
Changes in net working capital	(5,763,372)	(11,009,438)
2. Cash flow after changes in NWC	(20,922,468)	(32,013,755)
<i>Other adjustments:</i>		
Net change in deferred tax assets and liabilities	(10,570,130)	(17,975,083)
Cash flow from operations (A)	(31,492,598)	(49,988,839)
B. Cash flows from investing activities		
(Investments in intangible fixed assets)	(13,107)	(13,016)
(Investments in tangible fixed assets)	(63,393)	(32,197)
(Investments in asset deriving from concession right)	(8,735,498)	(5,411,697)
(Investments in non-current financial assets)	0	0
Capital contributions received	20,000,000	20,000,000
Payables to suppliers of fixed assets	(410,468)	410,468
Cash flow from investing activities (B)	10,777,534	14,953,558
C. Cash flows from financing activities		
<i>Loan capital:</i>		
Increase (decrease) in short-term financial liabilities	29,912,690	25,249,026
Increase (decrease) in medium/long-term financial liabilities	(12,927,959)	(5,575,261)
Increase (decrease) in shareholders' loan	(50,908,177)	(45,760,317)
<i>Own capital:</i>		
Other changes in financial liabilities (*)	65,000,000	68,000,000
Cash flow from financing activities (C)	31,076,554	41,913,448
Increase (decrease) in cash and cash equivalents (A±B±C)	10,361,490	6,878,167
Initial cash and cash equivalents	131,072,477	124,194,310
Bank and postal deposits	130,194,860	123,474,879
Cash and valuables on hand	877,617	719,431
Final cash and cash equivalents	141,433,967	131,072,477
Bank and postal deposits	140,603,357	130,194,860
Cash and valuables on hand	830,610	877,617
Additional information:	31/12/2022	31/12/2021
Interest received/(paid) in the period	(46,522,587)	(45,221,742)
(Income taxes paid) in the period	(2,552,217)	(115,564)
Dividends received during the period	0	0

(*) Issuance of Equity Financial Instruments following the conversion of debts deriving from Shareholders' loans.



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FINANCIAL STATEMENTS

AS AT 31 December 2022

Additional note

INTRODUCTION

The Financial Statements for the year that ended on 31 December 2022 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 2022 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 2022 have been prepared on a going concern basis, based on the economic and financial results shown in 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 by the Ministry of

Infrastructure and Transport and subsequent publication in the Official Journal, as well as in consideration of the subsequent updates to the economic and financial plan prepared by the directors as part of the refinancing operation, adjusted to reflect changes occurring after the date of drawing up of the financial plan. In this regard, the Financial Statements take into account also the agreement reached with the grantor CAL in relation to the updating of the economic and financial plan for which the relevant approval procedure has started with the competent authorities.

As regards short-term financial requirements, these will be met, based on the cash flows generated during the year as provided for in the budget approved by the Board of Directors on 19 December 2022 and in consideration of liquidity available as at 31 December 2022. The cash flows of 2023 are also represented in the Economic and Financial Plan updated to 31 December 2022 for the calculation of the financial covenants, which are in line with the financial documentation.

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

The Financial Statements for the year ended 31 December 2022 show losses carried forward of EUR 185,958,161 and a loss for the period of EUR 40,013,526. The available reserves that can be used to cover accumulated losses amount to a total of EUR 234,230,078, thus the limit established by Art. 2446 of the Italian Civil Code is complied with. Shareholders' equity as of 31 December 2022 was negative for EUR 142,535,581. 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.

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), through the conversion of subordinated shareholder loans, where sufficient. In this regard, it should be noted that, as of 31 December 2022, there were shareholders' loans totalling EUR 177,183,031 that might be converted when the Company's Board of Directors issues Participative Financial Instruments in order to keep shareholders' equity within the limits established by the commitments undertaken.

In a meeting held on 24 March 2023, the Board of Directors thus decided to issue 40,000,000 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.

VALUATION CRITERIA

The accounting standards and evaluation criteria applied in drawing up the Financial Statements as at 31 December 2022 are the same as those used to draw up the Financial Statements as at 31 December 2021.

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

Tangible 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, 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.

Although no indicators of impairment have been identified, for the Financial Statements for the year ended 31 December 2022 the Company, just like for previous periods, 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 2023-2040 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 was 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 period.

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 1,645,292,720 (EUR 1,652,866,511 as at 31/12/2021), includes EUR 1,642,284,403 (EUR 1,648,392,193 as at 31/12/2021) in fixed assets related to assets deriving from concession right, and is net of the depreciation fund equal to EUR 95,310,241 (EUR 81,423,650 as at 31/12/2021) and the public capital contribution.

The item "Land and buildings" of EUR 2,195,448, net of the related depreciation fund of EUR 1,531,385, 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 II 6) Fixed assets under construction and advances (Assets deriving from concession right)	31/12/2022	31/12/2021
Advances	0	2,000,000
Other capitalized costs	2,191,468	1,561,855
Total	2,191,468	3,561,855

B II 7) Assets deriving from concession right	31/12/2022	31/12/2021
Motorway	1,034,195,098	1,034,195,098
Financial charges	247,459,891	247,459,891
Interference resolution	111,065,954	111,065,954
Acquisition of expropriated areas or properties and temporary occupations	346,941,978	337,424,158
Sums available to the General Contractor	85,291,932	85,291,932
General expenses and other amounts available	92,889,338	92,361,731
Other capitalized costs	33,257,040	33,257,040
A35 - A4 Interconnection	53,849,426	53,849,798
Other assets deriving from concession right	352,259	291,429
Reserves and additional construction costs	44,508,569	44,508,569
Public capital grant	(312,216,841)	(309,889,757)
Financial amortization	(95,310,241)	(81,423,650)
Assets deriving from concession right	1,642,284,403	1,648,392,193

"Fixed assets under construction and advances" include costs incurred until 31 December 2022 in connection with the Electric Road System project, totalling EUR 2.2 million.

The item "Acquisition of expropriated areas or properties and temporary occupations" includes the sums incurred to date for completion of the expropriation activities, which amount to EUR 346.9 million out of the total EUR 357.4 million established in the current Economic Expenditure Framework. The amount also includes expenses related to technical procedures connected with expropriation activities. The resources needed to pay the amounts still payable are covered by the residual available cash resulting from the enforcement of the Performance Bond.

The public contribution to plants, obtained for a total of EUR 320,000,000, was recognized in 2016 with the effectiveness of Addendum No. 3 to the Concession Agreement. As at 31 December 2022, a total of EUR 312,216,841 is recorded at amortized cost in order to take

into account the time factor relating to the collection of the long-term portion (2024-2029). The effect of the discounting back of the long-term portion for a total of EUR 7,783,159 was deducted from the item Receivables for grants to be collected.

The item "Financial amortization and depreciation" of EUR 95,310,241 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 2022 refers to contributions made to the following entities:

Beneficiary	Description of agreement	Amount agreed	Amount paid
Agreement between Province of Brescia - CAL S.p.A. - RFI S.p.A. - Società di Progetto Brebemi S.p.A. - Consorzio B.B.M.	Agreed design solution to maintain the east-west link in view of disposal of the former SS11	1,231,841	1,231,841
Consorzio di gestione del Parco Regionale del Serio	Environmental compensation work to be carried out by the Park	1,430,000	1,008,356
Parco Adda Nord	Environmental compensation work to be carried out by the Park	1,495,000	944,747
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		1,144,399	1,144,399
Total		12,617,239	11,645,342

The residual amount still to be disbursed to Local Authorities, equal to EUR 971,898, is shown in the section on the commitments undertaken by the Company as at 31 December 2022.

Financial fixed assets**Derivative financial instruments assets**

Description	31/12/2022	31/12/2021
Derivative financial instruments assets	13,803,955	936,735
Total	13,803,955	936,735

The amount recorded at 31 December 2022 includes the positive fair value of derivative financial instruments outstanding at the end of the year; specifically, this value is attributable to the 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 customers

This item can be broken down by maturity as follows:

Description	31/12/2022	31/12/2021
Due in less than 1 year	335,340	420,581
Due in more than 1 year	0	0
Total	335,340	420,581

This item refers primarily to receivables due from oil and catering companies for royalties assessed at the end of the period.

Receivables from parent companies

Description	31/12/2022	31/12/2021
Service Contract Credit	118,484	108,272
Credit for participation in the tax consolidation	6,117,187	4,437,606
Total	6,235,671	4,545,878

The amount of EUR 6,117,187 (EUR 4,437,606 as of 31/12/2021) refers to the transfer of the tax benefit to the parent company, equal to the IRES (corporate income tax) for 2012, 2013, 2021 and 2022, 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 242,060 (EUR 267,081 as at 31/12/2021) relates entirely to receivables for services supplied to Argentea Gestioni S.c.p.A.

Tax receivables

This item can be broken down as follows:

Description	31/12/2022	31/12/2021
VAT credit	2,642,773	50,414
IRAP credit	287,997	721,604
Other tax receivables	62,315	3,076
Total	2,993,085	775,094

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	31/12/2022	31/12/2021
Previous years' tax losses	139,258,918	121,368,226
Tax losses in the year	10,650,790	17,866,818
ACE (Aid to Economic Growth)	4,753,635	4,676,667
Other temporary differences	3,780	185,283
Fair value of derivative instruments	64,084,800	84,192,562
Total	218,751,923	228,289,556

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 the most recent plan, the operating activity will be able to ensure the complete recoverability of the asset recorded.

Other receivables

This item can be broken down as follows:

Description	31/12/2022	31/12/2021
Due in less than 1 year	20,862,358	20,576,874
Security deposits	141	19,091
Public grant to be paid	20,000,000	20,000,000
Other receivables due in less than 12 months	862,217	557,783
Due in more than 1 year	112,216,841	129,889,757
Public grant to be paid	112,216,841	129,889,757
Total	133,079,199	150,466,631

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 2023 to be collected. The 2022 portion was collected on 7 June 2022.

The long-term portion of EUR 112,216,841 refers to the years 2024 to 2029 for a total of EUR 120,000,000. 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 (2024-2029).

The effect of discounting the long-term portion as at 31 December 2022 is equal to EUR 7,783,159.

The item "other receivables" includes: receivables for costs paid in advance in relation to expropriations; receivables arising from payments made by users with credit/debit cards and collected in January 2023; receivables from users for non-payment.

Receivables from interconnected companies

This item, equal to EUR 28,958,113 (EUR 27,472,940 as at 31/12/2021), 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 2022.

The amount also includes receivables from operators of the electronic toll service for tolls pertaining to December 2022 and collected in January 2023.

Cash and cash equivalents

At 31 December 2022, this grouping was composed as follows:

Description	31/12/2022	31/12/2021
Banks accounts	140,603,357	130,194,860
Cash on hand	830,610	877,617
Total	141,433,967	131,072,477

The item "Cash and cash equivalents" as at 31 December 2022 includes, among other things:

- the amounts deposited in the "Debt Service Reserve" account, constituted for the amount of EUR 37.5 million, and in the "Maintenance Reserve" account, constituted for the amount of EUR 27.5 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. In February 2022 part of the "Debt Service Reserve" account, amounting to a total of EUR 17.8 million, was released on the basis of the forecasts in the underlying financial documentation, which defines the amount to be set up as equal to: (i) up to and including December 31, 2021, 9 months of debt service; or (ii) at any time after December 31, 2021, 6 months of debt service.
- EUR 11.5 million in residual cash from the enforcement of the Performance Bond to be used to pay the amounts still to be disbursed on expropriation activities.

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

ACCRUALS AND DEFERRALS

As at 31 December 2022 this grouping is composed as follows:

Description	31/12/2022	31/12/2021
Fees for guarantees	47,283	45,383
Insurance	286,914	15,929
Sundry	153,522	104,953
Prepayment service areas grant	812,514	868,522
Prepayment costs incurred for refinancing transaction	394,588	537,046
Total	1,694,821	1,571,833

The item "Prepayment service areas grant" refers to the suspended portion of the subsidy paid during 2018 to the sub-concessionaires managing the Adda Nord and Adda Sud service areas. The amount paid will be issued annually in relation to the duration of the relevant agreements in force until their expiry in 2027. The quota referring to the next 12 months is equal to EUR 56,009, the quota beyond 12 months is EUR 756,505.

The prepayment costs incurred during the year in relation to the refinancing operation refer to the insurance called Public Offering of Securities Insurance (POSI) underwritten with a pool of insurers in connection with the bond issue for total EUR 466,402 with coverage until 2025. The quota referring to the next 12 months is equal to EUR 142,458, the quota beyond the following period is EUR 252,130.

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 2022 consists of 354,347,771 common shares, for a total of EUR 52,141,227.

Other reserves, indicated separately

The amount as of 31 December 2022 of EUR 213,000,000 (EUR 148,000,000 as of 31/12/2021) refers to the Participative Financial Instruments subscribed, of which EUR 65,000,000 subscribed on 22 April 2022.

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

Owner	31/12/2022		31/12/2021	
	Number of Participative Financial Instruments	Overall value	Number of Participative Financial Instruments	Overall value
Autostrade Lombarde S.p.A.	160,100,617	160,100,617	110,329,351	110,329,351
Aleatica SAU	52,331,765	52,265,415	37,227,097	37,227,097
C.M.B. Società Cooperativa	567,618	567,618	395,506	395,506
Banco BPM S.p.A.	0	0	48,046	48,046
Total	213,000,000	213,000,000	148,000,000	148,000,000

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 24 March 2023, the Board of Directors decided to issue 40,000,000 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.

Cash flow hedges reserve

This item has a negative balance of EUR 202,935,199 (EUR 266,609,780 at 31/12/2021) 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 64,084,799 (EUR 84,192,561 as at 31/12/2021).

As part of the refinancing of the Company's debt during 2019, the IRSs in place at the closing date 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 267,019,998 (EUR 350,802,341 at 31/12/2021) 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 311,769,198 (EUR 353,149,482 at 31/12/2021), as well as the positive effective component, equal to EUR 44,749,200 (EUR 2,347,141 at 31/12/2021) accrued on the new IRS in place at the end of the year.

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

Reserve for expected cash flow hedges	31/12/2022	31/12/2021
Opening balance	(350,802,341)	(404,182,932)
Increase (Decrease) due to changes in Fair Value	41,749,998	8,976,314
Increase (Decrease) for release to income statement of interest differentials accrued during the year	652,061	1,601,247
Increase (Decrease) for release to income statement of effectiveness accrued on terminated hedging relationships	41,380,284	42,803,030
Gross closing balance	(267,019,998)	(350,802,341)
Fiscal effect	64,084,799	84,192,561
Net closing balance	(202,935,199)	(266,609,780)

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 2022 this grouping is composed as follows:

Description	31/12/2022	31/12/2021
Derivative financial instruments liabilities	78,419,929	138,669,969
Total	78,419,929	138,669,969

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

The positive change from 31 December 2021 is also attributable to the increase in both short-term and long-term interest rates that occurred during the year.

EMPLOYEE SEVERANCE INDEMNITY (TFR)

As at 31 December 2022, this item amounted to EUR 1,178,100 (EUR 1,049,023 as at 31/12/2021). Movements during the year were as follows:

Balance as at 31 December 2021	1,049,023
Allocation for the year	197,418
Advance payments	0
Utilisation for personnel in the year	(51,175)
11% withholding tax on TFR revaluation	(17,166)
Balance as at 31 December 2022	1,178,100

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 1,709,091,466 (EUR 1,684,599,097 at 31/12/2021) and is broken down as follows:

Line	Nominal amount at issue	Interest Rate	Fixed rate / Spread	Disbursement date	Maturity	Residual debt 31/12/2022
A1 - Senior Amortizing	15,000,000	Euribor 6m	3.188%	22-Oct-19	31-Dec-38	14,005,542
A2 - Senior Amortizing	934,000,000	Fixed	3.375%	22-Oct-19	31-Dec-38	885,748,007
A3 - Senior Secured - Zero Coupon Subordinated	557,965,333	Fixed	3.875%	22-Oct-19	22-Jan-42	618,014,190
Extendable to 2042 - Junior	172,000,000	MAX[Euribor 6m;0%]	6.500%	22-Oct-19	31-Dec-29	191,323,727
Total	1,678,965,333					1,709,091,466

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	Residual debt 31/12/2021	Initial Transaction Costs	Refunds	Accrued liability	Transaction Costs of the period	Residual debt 31/12/2022
A1	14,710,086	(532,827)	(211,083)	0	39,366	14,005,542
A2	915,948,085	(18,390,145)	(13,143,483)	0	1,333,550	885,748,007
A3	606,514,274	(12,225,299)	0	23,502,428	222,788	618,014,190
Junior	183,458,909	(4,883,986)	0	12,114,375	634,429	191,323,727
Total	1,720,631,354	(36,032,257)	(13,354,566)	35,616,803	2,230,133	1,709,091,466

The total amount as at 31 December 2022, equal to EUR 1,709,091,466, 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 31/12/2022	Short Term (Within 12 Months)	Long Term (Over 12 Months)
A1	14,005,542	265,227	13,740,315
A2	885,748,007	16,514,842	869,233,165
A3	618,014,190	0	618,014,190
Junior	191,323,727	57,015,532	134,308,195
Total	1,709,091,466	73,795,601	1,635,295,865

As at 31 December 2022, the short-term portion of the Junior line includes:

- EUR 16,263,512, principal from 31/12/2020 to 31/12/2022;
- EUR 28,827,129, interest accrued from 31/12/2020 to 31/12/2022;
- EUR 11,924,891, principal due on 30/06/2023 and 31/12/2023.

The first two amounts were not subject to repayment based on the provisions included in the "Note Trust Deed".

Payables to shareholders for loans

As at 31 December 2022, this grouping refers to payables due after one year and is broken down as follows:

Owner	Payable				Interests				Total
	Amount 31/12/21	Transfers	PFI conversions	Amount 31/12/22	Amount 31/12/21	Accrued 2022	Transfers	Amount 31/12/22	
Autostrade Lombarde	116,033,011	0	(49,771,266)	66,261,745	54,815,255	11,015,889		65,831,144	132,092,890
C.m.b.	401,250	0	(172,112)	229,138	201,542	34,332	0	235,874	465,012
Aleatica	35,059,210	24,369	(15,038,318)	20,045,261	21,512,778	3,039,909	27,182	24,579,868	44,625,129
Total	151,493,471	24,369	(64,981,696)	86,536,144	76,529,575	14,090,130	27,182	90,646,887	177,183,031

According to the Capitalisation Agreement signed on 25 March 2013, the financing shareholders made specific commitments in relation to the conversion of shareholders' loans into capital of the Company.

In order to implement the "Security Trust and Intercreditor Deed" provisions, each lending shareholder signed an "Amended Subordinated Shareholders Loan" with the Company, undertaking to ensure that each loan disbursed and not yet repaid will be converted in full or in part into equity or participative financial instruments of the Company, if its shareholding structure experiences a direct change of control and/or if significant losses are incurred pursuant to Articles 2446 and 2447 of the Italian Civil Code, and in order to ensure that the Company maintains a minimum equity of at least EUR 100.000.000.

In April 2022 part of the receivables due from shareholders for a total of EUR 65,000,000 were converted into participative financial instruments in accordance with the specific shareholders' meeting resolutions and the commitments undertaken by the shareholders.

Payables to banks

This item amounts to EUR 341,080,184 (EUR 348,587,822 at 31/12/2021) and is broken down as follows:

Line	Nominal amount at issue	Interest Rate	Fixed rate / Spread	Residual debt 31/12/2022
Senior Amortizing – Loan	307,000,000	Euribor 6m	2.600%	280,300,075
Banks bond	55,181,487	Fixed	2.500%	60,780,109
Total	362,181,487			341,080,184

Payables to banks	Residual debt 31/12/2021	Initial Transaction Costs	Refunds	Accrued liability	Transaction Costs of the period	Residual debt 31/12/2022
Senior	293,952,500	(4,746,089)	(9,517,000)	22,620	588,044	280,300,075
Banks bond	59,381,411	0	0	1,398,698	0	60,780,109
Total	353,333,911	(4,746,089)	(9,517,000)	1,421,318	588,044	341,080,184

As part of the overall refinancing transaction, the Company signed also 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., 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 Banks bond 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

As of 31 December 2022, the item "Payables to other lenders" refers to the amount of EUR 300,341 collected in December 2022 for the resource allocation plan implemented by the Ministry of Infrastructure and Sustainable Mobility, for the implementation of a dynamic monitoring system for the remote control of bridges, viaducts and tunnels on the main road network, a complementary fund to the RRP published in Official Gazette, General Series no. 123 of 31 May 2022.

Based on the aforementioned allocation plan, Brebemi is the beneficiary of a total of EUR 1.8 million divided into annual instalments from 2021 to 2026. The amount collected in 2022 corresponds to the 2021 and 2022 instalments.

At the end of 2022, procedures were started for the awarding of the supply and installation of sensors according to the approved plan of interventions.

The total investment will be accounted for under fixed assets in assets deriving from concession right and the related contribution deducted from its value.

Payables to other lenders also changed as follows during the year:

Owner	Payable				Interests				Total
	Amount 31/12/21	Transfers	PFI conversions	Amount 31/12/22	Amount 31/12/21	Accrued 2022	Transfers	Amount 31/12/22	
Banco BPM S.p.A.	42,673	(24,369)	(18,304)	0	25,490	1,692	(27,182)	(0)	(0)
Total	42,673	(24,369)	(18,304)	0	25,490	1,692	(27,182)	(0)	(0)

Trade payables

The total amount of EUR 1,415,811 (EUR 1,201,202 as at 31/12/2021) comprises payables to suppliers related to ordinary activities and other current investments.

Payables to companies subject to the control of the parent companies

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

Description	31/12/2022	31/12/2021
Due in less than 1 year	17,233,431	13,058,465
O&M fee due in less than 12 months	16,885,958	12,507,345
Other payables to Argentea	347,473	551,120
Due in more than 1 year	3,893,448	6,720,942
O&M fee due in more than 12 months	3,893,448	6,720,942
Total	21,126,879	19,779,407

The amount due within 12 months for a total of EUR 17,233,431 (EUR 13,058,465 as at 31/12/2021) mainly refers to as yet unpaid fees accrued for the O&M contract to be liquidated in the course of the 2023 financial year. Compared to 31 December 2021, it includes the portion to be paid in the year 2023 in the amount of EUR 3,000,000, classified in the portion due in the short term.

The amount beyond 12 months for a total of EUR 3,893,448 (EUR 6,720,942 as at 31/12/2021) refers to the deferral provided for in the O&M contract of part of the fees for the years which will be paid on a deferred basis from 2024 until 2025. The payable as at 31 December 2022 of total EUR 4,000,000 was valued according to the amortized cost method, taking the time factor into account and entered as total EUR 3,893,448 minus the discounting amount, equal to EUR 106,552.

Tax payables

Tax payables amount to EUR 611,416 (EUR 3,046,799 as at 31/12/2021) and are broken down as follows:

Description	31/12/2022	31/12/2021
Withholding tax payables	162,899	164,157
Current tax payables	448,517	1,637,963
VAT payables	0	1,244,679
Total	611,416	3,046,799

The decrease compared to 31 December 2021 is attributable to the payment of the balance of the current tax liability made on 30 June 2022 and the balance of VAT payable not recognised in December 2022.

Payables to social security institutions

This item, amounting to EUR 153,587 (EUR 142,964 as at 31/12/21), relates to the payables as at 31/12/2022 to these institutions for the shares borne by the company.

Other payables

The item breaks down as follows:

Description	31/12/2022	31/12/2021
Due in less than 1 year	3,707,790	3,779,798
Payables to employees	392,683	287,872
Payables for concession fees and surcharges	2,841,221	2,816,775
Payables for area between Motorway and Railroad	73,397	359,426
Other payables	389,662	315,726
Due in more than 1 year	4,188	4,096
Withholding tax payables	4,188	4,096
Total	3,711,978	3,783,894

The debt to the Grantor for concession fees and surcharges accrued as at 31 December 21 was paid in March 2022. The liability as at 31 December 2022 includes the amount accrued during the financial year 2022.

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 1,090,352 (EUR 918,723 as at 31/12/21), 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 109,513,920 and are broken down as follows:

Description	2022	2021
Net toll revenues	107,586,695	97,171,312
Surcharge payable to ANAS	4,236,335	3,826,449
Toll discounts	(2,409,407)	(2,657,670)
Other toll revenues	154,140	141,281
Other adjustments	(53,842)	(20,263)
Total	109,513,920	98,461,109

The increase in "net toll revenues", net of the amount of the surcharge payable to ANAS, equal to EUR 10.4 million, is entirely attributable to the increase in traffic volumes. The increase in the item "Surcharge payable to ANAS" is closely related to the increase in traffic on the motorway section. The motorway sector revenue trends are described in detail in the "Economic and financial data" section of the Directors' Report.

The "Best Price" user tariff reduction offered in the form of a commercial discount ended on 30 October 2022. The "Green Vehicle Discount A35-A58" and "Motorcycle Discount" remain active.

Other revenues and income

This item breaks down as follows:

Description	2022	2021
Service contract with Autostrade Lombarde S.p.A.	330,000	330,000
Secondment of staff	160,145	39,313
Recovery of costs Argentea Gestioni S.c.p.A.	373,034	351,897
Recovery of charges for exceptional transport procedure and non-payment of tolls	390,070	233,394
Recovery of collection charges	1,216,648	1,045,998
Service area royalties	390,077	338,816
Miscellaneous	574,540	355,908
Total	3,434,514	2,695,326

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 for raw materials, ancillary goods, consumables and goods for resale**

As at 31 December 2022, this item amounted to EUR 70,653 (EUR 68,699 as at 31/12/2021) and includes costs for fuel, stationery and consumables.

Costs for services

This item breaks down as follows:

Description	2022	2021
Costs for services relating to assets deriving from concession right (A)	23,577,649	22,816,007
O&M Argentea Gestioni contract management	21,967,670	21,221,619
Other maintenance	0	68,275
Insurance	272,268	278,444
Electricity	1,040,326	1,028,559
Other operating expenses	297,385	219,111
Other costs for services (B)	3,404,332	3,030,525
Directors' fees	258,542	267,233
Statutory Auditors Fees	91,199	90,560
Other fees	11,700	14,492
Independent auditors' fees	50,252	57,120
Communication, advertising, events	199,309	206,731
Utilities	94,160	63,081
Travel, subsistence and entertainment costs	65,700	48,077
IT Services	202,582	168,842
Other operating expenses	391,291	360,021
Other personnel costs	74,474	93,179
Consultancy	1,717,403	1,451,756
Bank costs and guarantee fees	247,720	209,433
Total (A) + (B)	26,981,981	25,846,532

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 "Electricity" includes the cost of electricity consumption of the motorway section. Despite the significant increase in the cost of energy components in 2022, the cost incurred by the company remained broadly in line with that recorded in 2021. This result was made possible by the fact that the cost of the energy component was fixed for the whole of 2022, as well as by the electricity cost containment measures adopted by the government, in particular the reduction of general system charges.

The item "Communication, advertising, events" includes the costs related to the advertising campaign developed in the first half of 2022 to promote the use of the infrastructure as well as knowledge and advancement of the ERS (ELECTRIC ROAD SYSTEM) project.

The item "Consultancy" includes legal, technical, transport consultancy related to project financing management and to the rebalancing of the Economic and Financial Plan, consultancy for technical-legal activities related to infrastructure management as well as consultancy related to management activities.

Costs for use of third party assets

This item totals EUR 283,189 (EUR 262,738 as at 31/12/2021) and breaks down as follows:

Description	2022	2021
Car rentals	154,014	137,899
Photocopier rentals	20,904	20,386
Property rentals	108,271	104,453
Total	283,189	262,738

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	2022	2021
Wages and salaries	2,396,616	2,338,292
Social security contributions	729,933	675,554
Employees severance indemnity	268,479	179,789
Other costs	31,141	20,507
Total	3,426,169	3,214,142

The item, which stands at EUR 3,426,169, 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 Concession Holder Consortia of Motorways and Tunnels.

A breakdown by category of salaried employees is provided below:

	2022	2021	Variations	2022 Average
Executives	5	4	1	5
Managers	7	6	1	6
Employees	20	22	(2)	22
Total	32	32	0	33

It should be noted that as of 1 March 2022, the person in charge of the Human Resources department became a member of staff.

Amortization, depreciation and write-downs

"Depreciation and amortization" amounted to EUR 14,060,270 (EUR 13,149,255 at 31/12/2021) and refer to the following categories:

Description	2022	2021
Intangible fixed assets (A)	12,672	10,552
Concessions, licences, trademarks and similar rights	12,672	10,552
Tangible fixed assets (B)	161,007	161,491
Land and buildings	87,818	87,818
Plants and machinery	2,904	1,452
Others	70,285	72,221
Depreciation of assets deriving from concession	13,886,591	12,977,212
Total (A+B+C)	14,060,270	13,149,255

"Depreciation of assets deriving from concession right" for EUR 13,886,591 were recorded at different amortization/depreciation rates in accordance with the provisions of the Economic and Financial Plan attached to the Concession Agreement, as explained in greater detail in the section on valuation criteria contained in these notes.

Other operating expenses

This item breaks down as follows:

Description	2022	2021
Fees (A)	6,992,815	6,311,337
Concession fee under Art. 1(1020) of Italian Law No. 296/06	2,586,773	2,336,030
Sub-concession fees	169,707	148,858
Fee under Article 19(9-bis) Italian Decree Law 78/09	4,236,335	3,826,449
Other charges (B)	523,141	493,432
Various taxes and duties	87,689	70,342
Membership fees	194,927	193,788
Agreement fees payable	72,509	71,447
Losses for non-payment of tolls	140,277	111,200
Other costs	14,924	32,725
Donations, gifts and offers	12,815	13,930
Total (A+B)	7,515,956	6,804,769

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:

Description	2022	2021
Other interest income	2,889	33
Interest income on bank deposits	39,793	2,156
Positive swap differentials	159,818	0
Interest income amortized cost	0	461,746
Total	202,500	463,935

"Positive swap differentials" refer to interest received on outstanding hedging contracts. The positive change from 2021 is also attributable to the increase in both short-term and long-term interest rates that occurred during the year.

The item "Interest income amortized cost" as at 31 December 2021 refers to the recognition of the financial component of the advances granted to the General Contractor in previous years and repaid in 2021.

Interest and other financial expenses

This item breaks down as follows:

Description	2022	2021
To parent companies		
Interest expense shareholders' loan	11,015,889	17,266,041
To credit institutions		
Loan fees	0	564,979
Interest expense loans	75,495,448	73,097,248
Swap differentials	8,042,485	6,756,930
To others		
Release CFH reserve	41,380,284	42,803,030
Interest expense shareholders' loans	3,074,242	4,957,104
Interest expense amortized cost	2,990,682	2,319,769
Others	1,847	16,580
Total	142,000,877	147,781,681

The item "Release CFH reserve", includes the reclassification from Shareholders' Equity to the Income Statement of the hedging effects accrued on interest rate swap (IRS) contracts that were subject to early termination in 2019. The effect reclassified in the Income Statement as an adjustment to interest expense accrued during 2022 is negative for EUR 41,380,284 and de facto integrates the effects generated by the interest differentials accrued on the IRS.

"Interest expense on loans" is broken down as follows:

Description	2022	2021
Interest expense on bonds		
A1 - Senior Amortizing - FRN	450,447	401,583
A2 - Senior Amortizing - Fixed	30,810,464	31,175,104
A3 - Senior Secured - Zero Coupon	23,502,428	22,625,683
Subordinated Extendable - Junior	12,114,375	11,173,075
Interest expense on bank loans		
Senior Amortizing - Loan	7,219,036	6,323,105
Bank Loans Bonds	1,398,697	1,398,697
Total	75,495,448	73,097,248

ADJUSTMENTS TO FINANCIAL ASSETS VALUE

Revaluations of derivative financial instruments

This item amounts to EUR 30,721,552 (EUR 10,529,630 as at 31/12/2021) and includes the positive changes in Fair Value of the ineffective component of cash flow hedging derivatives.

More specifically, a number of the 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.

The positive change from the year 2021 is also attributable to the increase in both short-term and long-term interest rates that occurred during the year.

INCOME TAXES FOR THE YEAR

This item amounts to EUR 10,453,332 (EUR 18,899,868 as at 31/12/2021). The tax burden is broken down as follows:

- current IRAP taxes EUR 2,367,031 (EUR 2,074,759 at 31/12/2021);
- positive tax adjustments relating to the previous year EUR 570,652 (EUR 503,778 at 31/12/2021);
- income related to participation in tax consolidation EUR 1,679,581 (EUR 2,393,191 as at 31/12/2021);
- prepaid taxes EUR 10,570,130 (EUR 18,077,658 at 31/12/2021).

Positive tax adjustments relating to previous years result from the final recognition of the benefit of the "Decreto rilancio" (Decree-Law No. 34, Art. 24 of 19 May 2020) which can be used up to a maximum of 1.8 million. The Company had prudently suspended recognition in the year 2021 pending appropriate clarifications from the relevant authorities.

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).

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	2022	2021
Directors' fees	258,542	267,233
Statutory Auditors fees	91,199	90,560

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 Directors appointed by Aleatica SAU, 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	2022	2021
Auditing the financial statements and proper accounting	26,252	28,230
Other services	24,000	28,890
Total	50,252	57,120

"Other services" include the agreed procedures, carried out by Deloitte & Touche S.p.A., related to the verification of the half-yearly Compliance Certificates published in 2022 for the deadlines of 31 December 2021 and 30 June 2021.

Commitments undertaken by the Company

"Insurance policies guaranteeing payment to third parties" refers solely 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. The amount of the guarantee covering the year 2022 is EUR 3,490,965. On 7 December 2022, the guarantee was issued to cover the year 2023 for a total of EUR 3,621,792.

As at 31 December 2022 other commitments totalling EUR 971,898 have been made and refer to the remaining amount to be paid for agreements signed with Local Entities, as stated in the paragraph on tangible fixed assets.

Agreements not stated in the Balance Sheet

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

Information on the fair value of financial instruments

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

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

Contract Type	Counterparty	Date of signing	Maturity	Notional amount	Receive Leg	Pay Leg	MtM
IRS	Intesa San Paolo	10 October 2019	31 December 2038	71,330,023	EURIBOR 6M	0.123%	(32,658,191)
IRS	Unicredit	10 October 2019	31 December 2038	47,553,349	EURIBOR 6M	0.157%	(37,102,165)
IRS	Intesa San Paolo (formerly UBI)	10 October 2019	31 December 2038	50,327,294	EURIBOR 6M	0.103%	(8,659,570)
IRS	MPS	10 October 2019	31 December 2038	48,345,904	EURIBOR 6M	0.072%	9,005,789
IRS	Banco BPM	10 October 2019	31 December 2038	25,758,064	EURIBOR 6M	0.072%	4,798,166
Total				243,314,634			(64,615,971)

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, 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 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 principles 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

In addition to what is reported and indicated in the appropriate paragraphs of the Directors' Report in relation to the agreement with the grantor concerning the rebalancing of the economic and financial plan, there are no other significant events to be reported in the period between 31 December 2022 and today.

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 40,013,526, which it is proposed to carry forward on the basis of the following considerations:

- at 31 December 2022, there was a "Share premium reserve" of EUR 21,230,078 and a "Participative financial instruments reserve" of EUR 213,000,000; the reserves available to cover losses therefore total EUR 234,230,078;
- the total losses accruing as of 31 December 2022 amount to EUR 225,971,687; the residual amount, net of the reserves available for coverage, amounts to EUR 8,258,391, thus not exceeding the limits established by art. 2446 of the Italian Civil Code.
- in a meeting held today, the Board of Directors decided to issue 40,000,000 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

Management and coordination of the company pursuant to Article 2497 of the Italian Civil Code is exercised by Aleatica S.A.U.

Pursuant to Article 2497-bis, paragraph 4 of the Italian Civil Code, the following table summarises the key figures of the last financial statements (prepared in accordance with IAS/IFRS) approved by the above-mentioned parent company (as at 31 December 2021).

ALEATICA SAU (Amounts in euro/000)	31/12/2021
BALANCE SHEET	
Tangible fixed assets	394
Intangible fixed assets	724
Non-current investments in group and associated companies	2,515,461
Non-current financial assets	5,061
Deferred tax assets	94
Total non-current assets	2,521,734
Cash and cash equivalents	265,535
Trade receivables from Group and associated companies	62,557
Other current assets	24,241
Total current assets	352,333
TOTAL ASSETS	2,874,067
Share Capital	167,455
Reserves and profit carried forward	1,546,626
Total Shareholders' Equity	1,714,081
Non-current payables to group and associated companies	684,650
Payables to banks	340,180
Other financial payables	75
Deferred tax liabilities	35,241
Total non-current liabilities	1,060,146
Trade payables	2,481
Other payables	6,648
Current payables to group and associated companies	45,566
Payables to banks	4,296
Other financial payables	39,319
Current tax liabilities	1,530
Total current liabilities	99,840
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	2,874,067
INCOME STATEMENT	
31/12/2021	
Financial income and charges	(51,465)
Adjustments to financial assets value	(7,640)
Operating income	41,002
Other operating costs	(31,197)
Taxes	642
Profit (Loss) for the year	(48,658)

Although the parent company 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 2022.
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 2022.

Brescia, 24 March 2023

The Chairman
of the Board of Directors
Francesco Bettoni

Annex 1

Annex 1

Società di Progetto Brebemi S.p.A.												
Statement of the changes in "Intangible fixed assets"												
Description	Initial situation			Movements during the year						Final situation		
	Historical cost	(Depreciation Funds)	Initial balance	Increases	Other changes	Reclassifications	(Decreases)	(Amortization)	Historical cost	(Depreciation Funds)	Final balance	
				Historical cosmortization fund)								
Start-up and expansion costs	51,975	(51,975)	-	-	-	-	-	-	51,975	(51,975)	-	
Concessions, licences, trademarks and similar rights	144,941	(132,298)	12,643	13,107	-	-	-	(12,672)	158,048	(144,970)	13,078	
Others	421,712	(421,712)	-	-	-	-	-	-	421,712	(421,712)	-	
Totals	618,628	(605,985)	12,643	13,107	-	-	-	(12,672)	631,735	(618,657)	13,078	

Annex 2

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	Reclassifications	(Decreases)	Reversal of fund	(Depreciation)	Historical cost	(Depreciation Funds)	Final balance
Land and buildings											
Buildings	2,195,448	(1,443,567)	751,881	-	-	-	-	(87,818)	2,195,448	(1,531,385)	664,063
Total	2,195,448	(1,443,567)	751,881	-	-	-	-	(87,818)	2,195,448	(1,531,385)	664,063
Industrial and commercial equipment											
Motorway maintenance equipment	646,414	(636,252)	10,162	-	-	-	-	(2,904)	646,414	(639,155)	7,259
Total	646,414	(636,252)	10,162	-	-	-	-	(2,904)	646,414	(639,155)	7,259
Others											
Office equipment	42,630	(21,192)	21,438	3,640	-	(119)	-	(4,381)	46,151	(25,573)	20,578
Furniture	210,284	(196,260)	14,024	5,280	-	(926)	891	(8,800)	214,638	(204,169)	10,469
Electro-accounting machines	221,590	(178,342)	43,248	56,149	-	(1,522)	-	(21,054)	276,217	(199,396)	76,821
Temporary test areas	170,041	(170,041)	0	-	-	-	-	-	170,041	(170,041)	0
Technical equipment	342,885	(271,174)	71,710	-	-	-	-	(36,051)	342,885	(307,225)	35,659
Total	987,430	(837,009)	150,420	65,069	-	(2,567)	891	(70,286)	1,049,932	(906,404)	143,527
Fixed assets under construction and advances											
Junctions and motorway works	1,561,855	0	1,561,855	629,613	-	-	-	-	2,191,468	0	2,191,468
Advance payments	2,000,000	0	2,000,000	-	(2,000,000)	-	-	-	0	0	0
	0	0	0	-	-	-	-	-	0	0	0
Total	3,561,855	0	3,561,855	629,613	(2,000,000)	-	-	-	2,191,468	0	2,191,468
Assets deriving from concession right											
Junctions and motorway works	2,039,414,169	(81,423,649)	1,957,990,520	8,045,055	2,000,000	-	-	(13,886,591)	2,049,459,224	(95,310,240)	1,954,148,984
Public capital grant	(309,889,756)	0	(309,889,756)	-	-	(2,327,084)	-	-	(312,216,840)	0	(312,216,840)
Other assets deriving from concession right	291,429	0	291,429	60,830	-	-	-	-	352,259	0	352,259
Total	1,729,815,842	(81,423,649)	1,648,392,193	8,105,885	2,000,000	(2,327,084)	-	(13,886,591)	1,737,594,643	(95,310,240)	1,642,284,403
Totals	1,737,259,716	(84,393,204)	1,652,866,511	8,800,567	0	(2,329,651)	891	(14,047,598)	1,743,730,632	(98,439,912)	1,645,290,720

Annex 3

Società di Progetto Brebemi S.p.A. <i>Statement of the changes in Shareholders' Equity</i>							
Description of changes	SHARE CAPITAL	SHARE PREMIUM RESERVE	OTHER RESERVES	CASH FLOW HEDGES RESERVE	PROFITS(LOSSES) CARRIED FORWARD	RESULT FOR THE PERIOD	TOTAL
	I	II	VI	VII	VIII	IX	
Balance as at 31 December 2018	113,336,332	-	-	(251,809,892)	-	(37,183,065)	(175,656,625)
Allocation of 2018 result	-	-	-	-	(37,183,065)	37,183,065	-
Changes in Share capital	(62,195,105)	-	25,012,040	-	37,183,065	-	-
Changes in Reserves	-	-	-	(80,185,194)	-	-	(80,185,194)
Result for the financial year 2019	-	-	-	-	-	(49,133,190)	(49,133,190)
Balance as at 31 December 2019	51,141,227	-	25,012,040	(331,995,086)	-	(49,133,190)	(304,975,009)
Allocation of 2019 result	-	-	(25,012,040)	-	(24,121,150)	49,133,190	-
Changes in Share capital	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 period	-	-	-	-	-	(95,758,771)	(95,758,771)
Balance as at 31 December 2020	52,141,227	21,230,078	80,000,000	(307,179,029)	(24,121,150)	(95,758,771)	(273,687,645)
Allocation of 2020 result	-	-	-	-	(95,758,771)	95,758,771	-
Changes in Share capital	-	-	-	-	0	-	-
Changes in Reserves	-	-	68,000,000	40,569,249	-	-	108,569,249
Result for the period	-	-	-	-	-	(66,078,240)	(66,078,240)
Balance as at 31 December 2021	52,141,227	21,230,078	148,000,000	(266,609,780)	(119,879,921)	(66,078,240)	(231,196,636)
Allocation of 2020 result	-	-	-	-	(66,078,240)	66,078,240	-
Changes in Share capital	-	-	-	-	0	-	-
Changes in Reserves	-	-	65,000,000	63,674,581	-	-	128,674,581
Result for the period	-	-	-	-	-	(40,013,526)	(40,013,526)
Balance as at 31 December 2022	52,141,227	21,230,078	213,000,000	(202,935,199)	(185,958,161)	(40,013,526)	(142,535,581)

Annex 4

Società di Progetto Brebemi S.p.A.							
Nature, possibility of use and distributability of "Shareholders' equity" items and their use							
Nature and description of "Shareholders' equity" items	Amount as at 31.12.2022	Possibility of use	Available portion	Summary of uses in the three previous years			
				For loss coverage	For capital increase	For distribution	For other reasons
Share Capital	52,141,227		-				
Capital reserves							
Share premium reserve	21,230,078	A,B,C	21,230,078				
Participative financial instruments	213,000,000	B	213,000,000				
Profit reserves							
Profit/(Loss) carried forward	(185,958,161)		-				
Profit/(Loss) for the period	(40,013,526)		-				
Cash flow hedges reserve (*)	(202,935,199)		-				
Total	(142,535,581)		234,230,078	0			

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.

MONTHLY PAYING TRAFFIC DATA

Annex 5

LIGHT TRAFFIC (km travelled)

Month	31/12/2022	31/12/2021	31/12/2020
January	21,864,051	15,261,571	27,755,119
February	25,844,757	20,573,377	26,299,152
March	28,579,815	17,418,412	7,514,148
April	29,196,016	19,493,388	3,055,273
May	31,811,538	27,807,687	11,364,043
June	32,813,483	30,042,364	20,749,100
July	33,951,124	33,361,911	26,493,007
August	23,436,171	23,724,745	20,358,687
September	33,063,517	32,078,261	26,740,768
October	34,086,485	33,453,528	24,678,812
November	31,297,509	29,718,626	13,809,033
December	30,307,729	27,644,321	17,484,222
TOTAL	356,252,195	310,578,191	226,301,364

HEAVY TRAFFIC (km travelled)

Month	31/12/2022	31/12/2021	31/12/2020
January	11,439,777	9,991,116	10,965,056
February	13,127,961	11,384,587	11,205,581
March	14,937,308	12,775,224	8,363,958
April	13,148,066	12,139,684	6,032,354
May	14,933,096	13,061,635	9,331,187
June	14,794,237	13,943,656	10,716,295
July	14,819,456	14,738,527	12,339,639
August	10,775,553	10,172,213	8,496,938
September	14,872,072	14,503,344	12,009,619
October	14,577,582	14,534,953	12,493,414
November	14,765,199	14,656,165	11,487,012
December	13,151,743	13,341,717	11,315,487
TOTAL	165,342,050	155,242,821	124,756,540

TOTAL TRAFFIC (km travelled)

Month	31/12/2022	31/12/2021	31/12/2020
January	33,303,828	25,252,687	38,720,175
February	38,972,718	31,957,964	37,504,733
March	43,517,123	30,193,636	15,878,106
April	42,344,082	31,633,072	9,087,627
May	46,744,634	40,869,322	20,695,230
June	47,607,720	43,986,020	31,465,395
July	48,770,580	48,100,438	38,832,646
August	34,211,724	33,896,958	28,855,625
September	47,935,589	46,581,605	38,750,387
October	48,664,067	47,988,481	37,172,226
November	46,062,708	44,374,791	25,296,045
December	43,459,472	40,986,038	28,799,709
TOTAL	521,594,245	465,821,012	351,057,904

MONTHLY PAYING TRAFFIC DATA

Annex 6

Km/1000 travelled by vehicle class

Month	A		B		3		4		5		Total	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021
January	21,864	15,262	4,868	4,313	733	627	607	513	5,232	4,538	33,304	25,253
February	25,845	20,573	5,775	5,025	864	736	683	565	5,805	5,059	38,973	31,958
March	28,580	17,418	6,457	5,499	990	838	772	642	6,718	5,796	43,517	30,194
April	29,196	19,493	5,830	5,324	880	802	618	614	5,820	5,400	42,344	31,633
May	31,812	27,808	6,651	5,946	1,030	844	714	646	6,539	5,626	46,745	40,869
June	32,813	30,042	6,637	6,249	999	907	712	673	6,447	6,115	47,608	43,986
July	33,951	33,362	6,666	6,756	1,024	988	739	682	6,390	6,313	48,771	48,100
August	23,436	23,725	4,528	4,431	727	650	533	503	4,987	4,589	34,212	33,897
September	33,064	32,078	6,705	6,558	1,043	954	712	721	6,412	6,270	47,936	46,582
October	34,086	33,454	6,633	6,679	985	945	715	738	6,245	6,172	48,664	47,988
November	31,298	29,719	6,566	6,567	1,017	941	748	763	6,434	6,385	46,063	44,375
December	30,308	27,644	5,867	5,958	877	848	655	715	5,753	5,820	43,459	40,986
Total	356,252	310,578	73,183	69,305	11,168	10,079	8,208	7,775	72,782	68,083	521,594	465,821

Annex 7

Società di Progetto Brebemi S.p.A. Statement of prepaid taxes								
Description	Opening balance		Movements				Final balance	
	31 dicembre 2021		Income Statement		Shareholders' Equity		31 dicembre 2022	
	Amount of temporary differences - TAXABLE AMOUNT	TOTAL Deferred tax	Amount of temporary differences - TAXABLE AMOUNT	TOTAL Deferred tax	Amount of temporary differences - TAXABLE AMOUNT	TOTAL Deferred tax	Amount of temporary differences - TAXABLE AMOUNT	TOTAL Deferred tax
Previous years' tax losses	505,700,937	121,368,226	74,544,555	17,890,692	-	-	580,245,492	139,258,918
Tax losses for the period	74,445,076	17,866,818	(30,066,784)	(7,216,028)	-	-	44,378,291	10,650,790
ACE (Aid to Economic Growth)	19,486,114	4,676,667	320,699	76,968	-	-	19,806,813	4,753,635
Other temporary differences	772,013	185,283	(756,263)	(181,503)	-	-	15,750	3,780
Fair value of derivative instruments	350,802,341	84,192,562	-	-	(83,782,343)	(20,107,762)	267,019,998	64,084,800
Prepaid tax assets	951,206,480	228,289,556	44,042,207	10,570,129	(83,782,343)	(20,107,762)	911,466,345	218,751,923

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

To the shareholders
of
SOCIETA' DI PROGETTO BREBEMI S.p.A.

Dear Shareholders,

the draft financial statements as of and for the year ended 31 December 2022, submitted for your examination and consequent resolutions, have been submitted to us by the directors accompanied by the Management Report and consist of the Balance Sheet, Income Statement, Notes to the Accounts and Cash Flow Statement, prepared taking into account the amendments introduced by Legislative Decree no. 139 of 2015.

We have prepared this report pursuant to article 2429 (2) of the Italian Civil Code. To the best of our knowledge, we hereby confirm that, during the year, we have:

- monitored compliance with the law and the articles of association and compliance with the principles of sound administration, using our professional experience and generally accepted practice;
- attended shareholders' meetings and 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 openly imprudent, risky, in potential conflict of interest or such as to compromise the integrity of the company's assets;
- we have 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 its outlook, as well as on the most significant transactions, due to their size or characteristics, carried out by the company. We can reasonably confirm that the actions carried out are compliant with the law and the articles of association and are not openly imprudent, risky, in potential conflict of interest or in contrast with the resolutions passed by the shareholders or such to compromise the integrity of the company's assets. The disclosure required by article 2381 (5) of the Italian Civil Code was provided even more frequently than the statutory minimum term of six months;
- acquired knowledge of and supervised, to the extent of our remit, the adequacy of the company's organisational structure, which is adequate to meet operational requirements and ensure adequate risk safeguards;
- 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 Deloitte & Touche S.p.A., the independent auditors entrusted with the performance of the statutory audit of the accounts. In this respect, we have nothing to report.

The independent auditors issued their report on the financial statements on 6 April 2023 which included an unmodified opinion;

- met with the supervisory body, from which no critical issues emerged with respect to the proper implementation of the organisational model to be highlighted in this report. In this respect, the Board of Statutory Auditors notes that, in its meeting of 22 June 2023, the board of directors approved the update of the Organisational model drawn up pursuant to Legislative Decree no. 231/2001. We have also obtained the annual report drawn up by the supervisory body on 22 March 2023, which, upon completion of its activities for 2022, states that *“Upon completion of our activities for 2022, the supervisory board notes the following: no events/types of behaviour with potential crime risk were identified such to require the board of directors’ intervention; no reports of unsuitable behaviour were received”*;

- assessed and supervised, to the extent of our remit, the adequacy of the administrative and accounting system and, on the basis of the information provided by the independent auditors, the latter's reliability to fairly present operations. In this respect, we have nothing to report.

We also confirm that no complaints pursuant to article 2408 of the Italian Civil Code were received during the year and at the date of this report.

During our supervisory activity, as described above, no further significant facts were identified that would require disclosure in this report.

We confirm we received the draft financial statements as of and for the year ended 31 December 2022, accompanied by the Management Report, from the board of directors on 24 March 2023.

The draft financial statements as of and for the year ended 31 December 2022 made available to us include the following highlights:

Balance sheet

Assets

Intangible fixed assets	€	13,078
Tangible fixed assets	€	1,645,290,720
Financial fixed assets	€	13,803,955
Receivables	€	390,595,391
Cash and cash equivalents	€	141,433,967
Prepayments and accrued income	€	1,694,821
Total assets	€	2,192,831,932

Liabilities

Share capital	€	52,141,227
Share premium reserve	€	21,230,078
Other reserves, indicated separately	€	213,000,000
Cash flow hedge reserve	€	(202,935,199)
Losses carried forward	€	(185,958,161)
Net loss for the year	€	(40,013,526)
Total shareholders’ equity	€	(142,535,581)

Provisions for risks and charges	€	78,419,929
Employees severance indemnity	€	1,178,100
Payables	€	2,255,765,045
Accrued expenses and deferred income		4,439
Total liabilities	€	2,192,831,932

Income Statement

Value of production	€	112,948,434
Costs of production	€	(52,338,218)
Financial income and charges	€	(141,798,626)
Adjustments to financial assets value		30,721,552
Income taxes	€	10,453,332
Net loss for the year	€	(40,013,526)

We note the following with respect to the financial statements as of and for the year ended 31 December 2022:

- Since we have not been entrusted with the statutory audit of the accounts or the analytical control of their content, we have checked the general layout of the aforementioned document, its substantial compliance with the applicable regulatory provisions governing its preparation and structure and its correspondence with the facts and information we have become aware of. In this respect, we have nothing to report.
- The independent auditors have expressed their opinion on the compliance of the management report with the financial statements. We have nothing to report in this respect.
- To the best of our knowledge, in preparing the financial statements, the board of statutory auditors has not departed from the provisions of article 2423 (4) of the Italian Civil Code.
- As required by the law, we monitored the Company's financial reporting process.
- We have checked that the financial statements comply with the facts and information we have become aware of as a result of the performance of our duties. In this respect, we have nothing to report.
- We have nothing to report pursuant to article 2497-ter of the Italian Civil Code: during the year, the Company carried out a number of financial relations with the parent, Autostrade Lombarde S.p.A., Argentea Gestioni Scpa, a company controlled by the parent, and the shareholder Aleatica SAU. For additional information, reference should be made to the management report accompanying the financial statements.

The financial statements as of and for the year ended 31 December 2022 show losses carried forward of EUR 185,958,161 and a net loss for the year of EUR 40,013,526. The available reserves that can be used to cover accumulated losses total EUR 234,230,078. Therefore, the threshold established by articles 2446 and 2447 of the Italian Civil Code is complied with. At the reporting date, shareholders' equity was negative by EUR 142,535,581. In this respect, pursuant to applicable regulations, the cash flow hedge reserve is not considered in the calculation of shareholders' equity for the purposes of articles 2412, 2433, 2442, 2446 and 2447 of the Italian Civil Code.

Furthermore, pursuant to its commitments with its lenders, the Company is required to maintain shareholders' equity at a level not lower EUR 100,000,000 (net of the cash flow hedge reserve). Therefore, in its meeting of 24 March 2023, the board of directors decided to proceed with the issue of 40.000,000 Participatory Financial Instruments, starting the procedure and also establishing that the instruments not subscribed to by the shareholders would be released by offsetting against the receivables due from the Company by the parties to the respective Shareholder Loan Agreements.

Therefore, also considering the results of the activities performed by the independent auditors, described in the report accompanying the financial statements, you are invited to approve the financial statements as of and for the year ended 31 December 2022 as they stand, and we are in favour of the approval of the proposed resolutions put forward by the board of directors.

Brescia, 11 April 2023

For the Board of Statutory Auditors

Chairwoman Angela Salvini

**REPORT OF THE INDEPENDENT AUDIT FIRM
UNDER ART. 14 OF ITALIAN LEGISLATIVE DECREE NO. 39 OF 27 JANUARY 2010**

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We audited the financial statements of Società di Progetto Brebemi S.p.A. (the “Company”) consisting of the Balance Sheet as of 31 December 2022, the Income Statement, the Cash Flow Statement for the year then ended and the Notes to the Accounts.

In our opinion, the financial statements give a true and fair account of the financial and equity position of the Company as of 31 December 2022, of its economic result and cash flows for the year then ended in accordance with the Italian regulations on the preparation of financial statements.

Elements underpinning our opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA Italy). Our responsibilities under these standards are further described in *Responsibilities of the External Audit Firm for Auditing the Annual Financial Statements* section of this report. We are independent of the Company in accordance with the rules and principles on ethics and independence that apply in the Italian legal system to the audit of financial statements. We believe that we obtained sufficient and appropriate evidence on which to ground our opinion.

Information reminder

As described by the Directors in the “Going Concern” section of the Management Report and the Notes to the Accounts, it is recalled that the Shareholders' Equity as of 31 December 2022 is negative for approximately EUR 143 million, although this does not give rise to the situations regulated by Arts. 2446 and 2447 of the Italian Civil Code since the negative cash flow hedges reserve must not be considered in the calculation of the Shareholders' Equity for these purposes. The Directors also recall that, pursuant to the Company's commitments with its lenders, the Company is required to maintain shareholders' equity at a level not lower than EUR 100 million (net of the cash flow hedge reserve); therefore, on 24 March 2023, the Board of Directors decided to proceed with the issue of 40,000,000 Participatory Financial Instruments, corresponding to EUR 40 million, as reported in more detail in the Notes to the Accounts.

Our opinion is unqualified in this respect.

Responsibility of the Directors and the Board of Statutory Auditors for the financial statements

The Directors are responsible for preparing financial statements that give a true and fair account in accordance with the Italian legislation governing the criteria for their preparation and, within the statutory deadlines, for that part of the internal control they deem necessary to ensure the preparation of financial statements that do not contain material misstatements 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 preparing the annual financial statements, for the appropriateness of the use of the going concern standard as well as for adequate disclosures on this issue. The Directors use the going concern basis in preparing the financial statements unless they believe that the conditions for the Company's liquidation or for discontinuance of operations are met or they have no realistic alternative to such choices.

The Board of Statutory Auditors is responsible for monitoring the process of preparing the Company's financial disclosures within the statutory deadlines.

Responsibility of the external audit firm for auditing the financial statements

Our objectives are to obtain reasonable assurance that the financial statements, taken as a whole, do not contain material misstatements due to fraud or unintentional conduct or events, and to issue an audit report containing our opinion. Reasonable assurance means a high level of certainty which, however, does not mean that an audit performed in accordance with International Standards on Auditing (ISA Italy) will always detect a material misstatement, if any. Misstatements can derive from fraud or unintentional conduct or events and are considered material if they can reasonably be expected, individually or collectively, to influence users' economic decisions based on the financial statements.

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

- We identified and assessed the risks of material misstatement in the financial statements due to fraud or unintentional conduct or events; we defined and performed audit procedures in response to such risks; and we obtained sufficient and appropriate evidence on which to ground our opinion. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement resulting from unintentional conduct or events, since fraud may involve collusion, falsification, intentional omission, misrepresentations or forcing of internal control.
- We acquired an understanding of internal control relevant to the audit for the purpose of planning adequate audit procedures in these specific circumstances rather than of giving an opinion on the effectiveness of the Company's internal control.
- We assessed the appropriateness of the accounting standards used and the reasonableness of the accounting estimates made by the Directors, including the related disclosures.
- We reached a conclusion on the appropriateness of the Directors' use of the going concern basis and, based on the evidence obtained, on the possible presence of any material uncertainty about events or circumstances casting significant doubt about the Company's ability to continue as a going concern. In case of any material uncertainty, we are required to draw attention in the audit report to the relevant financial statement disclosures, or, if such disclosures are inadequate, to mention this in our opinion. Our conclusions are based on the evidence collected 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 assessed the presentation, structure and content of the financial statements as a whole, including the relevant disclosures, and whether the financial statements presented the underlying transactions and events in such a way as to give an accurate account.

We communicated to those responsible for the Company's governance, identified at an appropriate level as required by ISA Italy, several issues including, inter alia, the planned scope and timing of the audit and our significant findings, including any significant internal control gaps identified during the audit.

REPORT ON OTHER LEGAL AND REGULATORY PROVISIONS

Opinion pursuant to art. 14(2) e) of Italian Legislative decree 39/10.

The Directors of Società di Progetto Brebemi S.p.A. are responsible for preparing the Management Report of Società di Progetto Brebemi S.p.A. as of 31 December 2022, including its consistency with the corresponding financial statements and its compliance with the law.

We carried out the procedures indicated in Auditing Standard (SA Italy) no. 720B in order to give 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 2022 and its compliance with the law, and to issue a statement on any material misstatements.

In our opinion, the Management Report is consistent with the financial statements of Società di Progetto Brebemi S.p.A. as of 31 December 2022 and has been prepared in accordance with the law.

With respect to the statement regulated by art. 14. (2) e) of Italian Legislative Decree 39/10, issued on the basis of our knowledge and understanding of the company and its environment as acquired during the audit, we have nothing to report.

DELOITTE & TOUCHE S.p.A.

[Signature]

Alessandro Puccioni

Director of Audit

Turin, 6 April 2023



A35 Brebemi

Brescia, April 27, 2023

The undersigned MATTEO MILANESI born in PAVIA on March 23, 1970 and with business address at via Somalia 2/4 - 25126 Brescia Italian Tax Code BTTFNC48M23M070V, acting as GENERAL MANAGER 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, 2022, provide a true and fair view of the Company's financial position and operations as at December 31, 2022.

Società di Progetto Brebemi S.p.A.

The General Manager

Matteo Milanese

Soggetta alla direzione e coordinamento
di ALEATICA SAU

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This document contains a translation in English of the report in Italian “Bilancio d’esercizio al 31 dicembre 2022” 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