

# A35 Brebemi



**SOCIETA' DI PROGETTO BREBEMI S.P.A.**

HALF-YEARLY REPORT

AS AT 30 June 2023



Shareholders	Number of shares	Share capital	% of share capital
Autostrade Lombarde S.p.A.	260,290,457	38,300,971	73.4562%
Aleatica SAU	88,661,212	13,046,235	25.0210%
Autostrade Centro Padane SpA	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%
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%
<b>Total</b>	<b>354,347,771</b>	<b>52,141,227</b>	<b>100%</b>



<b>SOCIETA' DI PROGETTO AUTOSTRADA DIRETTA BRESCIA MILANO S.P.A.</b>  <b>SHORTENED</b>  <b>SOCIETA' DI PROGETTO BREBEMI S.P.A.</b>	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
<b>BOARD OF DIRECTORS</b>	<i>Chairman of the Board of Directors</i> Gago De Pedro Joaquin  <i>Deputy Chairman</i> Bonomi Giuseppe  <i>Board Members</i> Magnoni Ruggero Moreno Cella Rafael Petruccioli Stefania Olivera Massò Pablo Caglio Ariela Milanesi Matteo  <i>General Manager</i> Milanesi Matteo
<i>The Board of Directors was appointed by the Shareholders' Meeting of 27 April 2023 and will remain in office until the approval of the 2025 financial statements.</i>	
<b>BOARD OF STATUTORY AUDITORS</b>	<i>Chairman</i> Salvini Angela (*)  <i>Standing auditors</i> Panteghini Paolo Rampino Pietro Paolo (**) Gnecchi Flavio Sanga Giovanni  <i>Alternate Auditors</i> Cossu Leonardo Ravicini Luciana
<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>	
<b>INDEPENDENT AUDITORS</b>	Deloitte & Touche S.p.A.
<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>	



## REPORT ON THE FIRST HALF OF 2023

### INTRODUCTION

This report accompanies the interim financial statements as at 30 June 2023. It has been drawn up in accordance with the provisions of OIC 30, also pursuant to Article 2381 of the Italian Civil Code and contains information on operations in the first half of 2023.

The Half-Yearly Report as at 30 June 2023 consists of the Balance Sheet, Income Statement, Cash Flow Statement and Additional Note, as required by Art. 2423 of the Italian Civil Code, are hereby submitted for your approval. These tables have been drawn up in accordance with the OIC 2016 national accounting standards implementing Legislative Decree 139/2015 published in the OJ of 4 September 2015.

Revenues from motorway operations showed a significant upward trend in the first half of 2023 compared to the same period in 2022; the main operating indicators (EBITDA EUR 42.4 million and Operating income EUR 35.0 million) are significantly positive, with a 18.7% and 22.0% increase, respectively, compared to the first half of 2022.

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 30 June 2023 compared with the corresponding data of the previous financial year can be summarized as follows:

	June 2023	June 2022	Variations
Revenues from motorway operations (*)	58,541,136	50,964,871	7,576,265
Other revenues	1,805,469	1,520,803	284,666
Operating costs (*)	(17,922,369)	(16,755,335)	(1,167,034)
<b>Gross operating margin (EBITDA)</b>	<b>42,424,236 70.3%</b>	<b>35,730,339 68.1%</b>	<b>6,693,897</b>
Amortisation, depreciation, provisions and reserves used	(7,417,460)	(7,029,656)	(387,804)
<b>Operating income (EBIT)</b>	<b>35,006,776 58.0%</b>	<b>28,700,683 54.7%</b>	<b>6,306,093</b>
Financial income	3,903,821	2,162	3,901,659
Bank financial charges	(51,332,292)	(41,892,234)	(9,440,058)
Financial charges shareholders loans	(4,634,843)	(8,318,629)	3,683,786
Release CFH reserve	(19,806,966)	(20,732,154)	925,188
Other financial charges	(42,791)	(86,601)	43,810
Value adjustments derivative instrum.	2,446,630	19,400,166	(16,953,536)
<b>Balance of financial management</b>	<b>(69,466,441)</b>	<b>(51,627,290)</b>	<b>(17,839,151)</b>
<b>Income before tax</b>	<b>(34,459,665)</b>	<b>(22,926,607)</b>	<b>(11,533,058)</b>
Income Taxes	(847,878)	4,943,995	(5,791,873)
<b>Profit/(Loss) for the period</b>	<b>(35,307,543)</b>	<b>(17,982,612)</b>	<b>(17,324,931)</b>

(\*) Amounts after the surcharge payable to ANAS (EUR 2,336 thousand as at 30/06/2023, EUR 2,069 thousand as at 30/06/2022).

The item "Revenues from motorway operations" totalled EUR 58.5 million (EUR 51.0 million as at 30 June 2022) and is broken down as follows:

	June 2023	June 2022	Variations
Net toll revenues	61,702,813	54,565,769	7,137,044
Surcharge payable to ANAS	(2,335,578)	(2,068,587)	(266,991)
Discounts and other adjustments	(826,099)	(1,532,311)	706,212
<b>Total motorway sector revenues</b>	<b>58,541,136</b>	<b>50,964,871</b>	<b>7,576,265</b>

The increase in "Net toll revenues" compared to June 2022, equal to EUR 7.1 million (+13.1%), is mainly related to the current economic recovery as well as to infrastructure and economic development along the infrastructure. It should also be noted that traffic trends in the first half of 2022 were still affected by the effects of the Covid-19 pandemic. The positive trend in motorway transits recorded during the first half of 2023 therefore allowed for a full recovery of overall traffic volumes to the levels existing prior to the restrictions introduced by the Covid-19 pandemic.

The increase in "Net toll revenues" is attributable to the increase in traffic volumes, since the tariff adjustment for the year 2023 was not recognised, as described in more detail in the relevant section of this report.

The following tables show the development of traffic volumes compared with the same period of the previous year:

Million vehicles/Km	Light vehicles			Heavy vehicles			Total vehicles		
	2023	2022	Δ%	2023	2022	Δ%	2023	2022	Δ%
January	29.15	21.86	33.3%	13.41	11.44	17.3%	42.57	33.30	27.8%
February	29.92	25.84	15.7%	13.89	13.13	5.8%	43.81	38.97	12.4%
March	34.57	28.58	21.0%	16.16	14.94	8.2%	50.73	43.52	16.6%
April	34.86	29.20	19.4%	13.70	13.15	4.2%	48.56	42.34	14.7%
May	35.80	31.81	12.5%	16.17	14.93	8.3%	51.97	46.74	11.2%
June	36.38	32.81	10.9%	15.82	14.79	6.9%	52.20	47.61	9.6%
<b>Total</b>	<b>200.68</b>	<b>170.11</b>	<b>18.0%</b>	<b>89.15</b>	<b>82.38</b>	<b>8.2%</b>	<b>289.82</b>	<b>252.49</b>	<b>14.8%</b>

"Other revenues", amounting to EUR 1.8 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 17.9 million, include EUR 14.3 million in service costs, EUR 0.1 million in costs for use of third party assets, EUR 1.8 million in other charges and EUR 1.7 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 for the first half of 2023 to the contractor under the management and maintenance contract, the



affiliate Argentea Gestioni S.c.p.A., amounts to EUR 11.7 million (EUR 11.0 million as at 30 June 2022).

The amount of other operating expenses includes EUR 1.5 million (EUR 1.3 million as at 30 June 2022) in concession and sub-concession fees to be paid to the Grantor under the Concession Agreement.

The gross operating margin (EBITDA) of EUR 42.4 million increased by EUR 6.7 million compared to the first half of 2022, mainly due to the positive traffic trend.

"Amortisation, depreciation, provisions and reserves used", amounting to EUR 7.4 million, refers entirely to the amortization and depreciation of fixed assets. As of 30 June 2023, the amortization and depreciation charge related to assets deriving from concession right amounted to EUR 7.3 million (EUR 6.9 million as at 30 June 2022) 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 69.5 million (EUR 51.6 as at 30 June 2022). Financial charges accrued and paid in the first half of 2023 amounted to EUR 36.4 million (EUR 22.8 as at 30 June 2022) while financial charges accrued but not paid amounted to EUR 36.9 million (EUR 28.8 as at 30 June 2022). Details of financial charges are provided below:

	June 2023	June 2022	Variations
<b>Financial income</b>	<b>3,903,821</b>	<b>2,162</b>	<b>3,901,659</b>
<b>Financial charges paid during the period</b>	<b>(36,444,854)</b>	<b>(22,820,394)</b>	<b>(13,624,460)</b>
<i>Bank financial charges and bonds</i>	<i>(32,118,804)</i>	<i>(18,690,865)</i>	<i>(13,427,939)</i>
<i>Swap differentials</i>	<i>(4,326,050)</i>	<i>(4,129,529)</i>	<i>(196,521)</i>
<b>Financial charges accrued but not paid</b>	<b>(36,925,409)</b>	<b>(28,809,058)</b>	<b>(8,116,351)</b>
<i>A3 financial charges</i>	<i>(11,990,246)</i>	<i>(11,542,956)</i>	<i>(447,290)</i>
<i>Junior financial charges</i>	<i>0</i>	<i>(5,808,485)</i>	<i>5,808,485</i>
<i>Financial charges shareholders loans</i>	<i>(4,634,843)</i>	<i>(8,318,629)</i>	<i>3,683,786</i>
<i>Financial charges bank bonds</i>	<i>(693,601)</i>	<i>(693,601)</i>	<i>0</i>
<i>Release CFH reserve</i>	<i>(19,806,966)</i>	<i>(20,732,154)</i>	<i>925,188</i>
<i>Value adjustments derivative instrum.</i>	<i>2,446,630</i>	<i>19,400,166</i>	<i>(16,953,536)</i>
<i>Other financial charges</i>	<i>(2,246,383)</i>	<i>(1,113,399)</i>	<i>(1,132,984)</i>
<b>Balance of financial management</b>	<b>(69,466,441)</b>	<b>(51,627,290)</b>	<b>(17,839,151)</b>

Pursuant to the relevant financial documentation, on each Interest Payment Date (30 June and 31 December) the Company is required to pay accrued interest and repay principal in respect of the different tranches of the bond, the bank loan and the hedging contracts.

The Compliance Certificate as at 31 December 2022, approved by the Board of Directors on 17 March 2023, showed that in the current six-month period and until the next calculation date of the financial covenants, the lock-up relating to distributions and payments in favour of Subordinated Secured tranche holders (so-called "Junior Bond") no longer applies. Therefore, as of the interest payment date of 30 June 2023, the Company paid principal and interest related to the Junior line that was subject to lock-up as of 8 October 2020 for a total amount of EUR 45.1 million.

Financial income includes EUR 3.2 million in positive differentials received for the period on outstanding hedging contracts while the remaining EUR 0.7 million refers to interest income accrued on short-term restricted bank deposits.

Financial charges to shareholders of EUR 4.6 million (EUR 8.3 as at 30 June 2022) include interest accrued on outstanding subordinated shareholder loans. The reduction compared to the same period of 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 and to the conversion on 19 April 2023 for a total amount of EUR 40.0 million.

The item "Value adjustments to derivative instrum." includes: (i) the positive fair value change in the ineffective component of derivative instruments, in particular the portion of the accrued annuity component pertaining to the period, and (ii) the negative fair value change related to the change in interest rates since the last valuation date (31 December 2022).

"Income Taxes" totalling EUR 0.8 million include: EUR 1.4 million for current taxes, EUR 0.1 million for the cost of the return of deferred tax assets recognised in the previous period, EUR 0.2 million for positive adjustments relating to taxes from previous years and EUR 0.5 million for income deriving from participation in the national tax consolidation scheme in place with the parent company Autostrade Lombarde S.p.A.

Deferred tax assets as of 30 June 2023, amounting to EUR 154.6 million, refer entirely to tax losses and the ACE allowance accrued until 31 December 2022 and for which there is currently a reasonable certainty of obtaining future taxable income that will absorb the losses carried forward, ensuring the full recoverability of the asset recognised. As a matter of prudence, the recognition of further amounts was suspended on the tax loss recognised in the half-year period pending the finalisation of the new Economic and Financial Plan which, it is recalled, envisages as the main rebalancing measure the extension of the concession to seven years, as well as in relation to the settlement of traffic volumes and the validation of the forecasts in this regard made by the Company.

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

	30/06/2023	31/12/2022	Variations
Intangible fixed assets	14,071	13,078	993
Tangible fixed assets	753,076	814,849	(61,773)
Assets deriving from concession right	1,637,352,191	1,644,475,871	(7,123,680)
Working capital	314,919,459	336,007,648	(21,088,189)
<b>Invested Capital</b>	<b>1,953,038,797</b>	<b>1,981,311,446</b>	<b>(28,272,649)</b>
Employees severance indemnity	1,193,312	1,178,100	15,212
<b>Invested capital after deducting provisions for medium and long-term risks and charges</b>	<b>1,951,845,485</b>	<b>1,980,133,346</b>	<b>(28,287,861)</b>
Share Capital	52,141,227	52,141,227	0
Share premium reserve	21,230,078	21,230,078	0
Other reserves	253,000,000	213,000,000	40,000,000
Cash flow hedges reserve	(190,901,136)	(202,935,199)	12,034,063
Profit (loss) carried forward	(225,971,687)	(185,958,161)	(40,013,526)
Profit (loss) for the period	(35,307,543)	(40,013,526)	4,705,983
<b>Shareholders' Equity</b>	<b>(125,809,061)</b>	<b>(142,535,581)</b>	<b>16,726,520</b>
Net financial indebtedness	2,077,654,546	2,122,668,927	(45,014,382)
<b>Own capital and loan capital</b>	<b>1,951,845,485</b>	<b>1,980,133,346</b>	<b>(28,287,862)</b>

The change in the item "Working Capital" compared to the previous period is essentially attributable to the collection of the 2023 portion of the public contribution under Addendum No. 3 on 8 June 2023.

The increase in the item "Other Reserves" refers to the issue of Participative Financial Instruments finalised on 19 April 2023.

"Net financial indebtedness" as at 30 June 2023 is broken down as follows:

	30/06/2023	31/12/2022	Variations
Cash and cash equivalents	94,459,136	141,433,967	(46,974,831)
Receivables from interconnected companies	37,986,593	28,958,113	9,028,480
Derivative financial instruments assets	12,576,694	13,803,955	(1,227,261)
Current payables to bondholders	(32,861,154)	(73,795,601)	40,934,447
Current bank payables	(13,538,700)	(11,964,920)	(1,573,780)
Payables to interconnected companies	(826,218)	(1,090,352)	264,134
<b>Net current available funds</b>	<b>97,796,351</b>	<b>97,345,162</b>	<b>451,189</b>
Payables to banks	(261,389,276)	(268,335,155)	6,945,880
Payables to bondholders	(1,632,057,676)	(1,635,295,865)	3,238,189
Derivative financial instruments liabilities	(78,712,362)	(78,419,929)	(292,433)
Payables to "Banks Bond"	(61,473,709)	(60,780,109)	(693,600)
Payables to shareholders for loans	(141,817,874)	(177,183,031)	35,365,157
<b>Non-current financial indebtedness</b>	<b>(2,175,450,897)</b>	<b>(2,220,014,089)</b>	<b>44,563,193</b>
<b>Net financial indebtedness</b>	<b>(2,077,654,546)</b>	<b>(2,122,668,927)</b>	<b>45,014,382</b>

The item "Cash and cash equivalents" as at 30 June 2023 includes, among other things:

- the amounts deposited in the "Debt Service Reserve" account, constituted for the amount of EUR 40.5 million, and in the "Maintenance Reserve" account, constituted for the amount of EUR 28.4 million. These sums, deposited in accordance with the "Common Terms Agreement" of 15 October 2019, may be used by the Company exclusively to fulfil its obligations to pay the debt service or maintenance costs where the company does not have the relevant resources arising from operations.
- EUR 11.4 million in residual cash from the enforcement of the Performance Bond to be used to pay the amounts still to be disbursed on expropriation activities.

The changes in "Payables for bondholders" are as follows: (i) the repayment of principal for the instalment due in the first half of 2023, including principal and interest related to the junior line that were subject to lock-up as of 8 October 2020 (EUR 58.1 million); (ii) the capitalisation of accrued interest on the A3 line (EUR 12.0 million); (iii) the release of Transaction Costs for the period (EUR 1.9 million).

The change in "Bank payables" is attributable: (i) for EUR 5.6 million, to the repayment of the instalment due in the first half of 2023 on the Senior Loan; (ii) for EUR 0.7 million, to interest accrued and not paid on the loan deriving from the agreement with the Banks that have issued the Performance Bond; (iii) for EUR 0.3 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 4.6 million and the conversion of part of the principal and interest accrued into "Participative Financial Instruments" in April 2023 for a total of EUR 40.0 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 30 June 2023.

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

During the first half of 2023, the shareholder Aleatica SAU consolidated its interest in the Company by acquiring 11,000,000 shares in the Company from the parent company Autostrade Lombarde S.p.A., thus increasing its shareholding from 21.91% to 25.02%.

**GOING CONCERN PRINCIPLE**

The Half-yearly report as at 30 June 2023 has been prepared on a going concern basis, based on 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 are expected to 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 currently available liquidity. The cash flows of the second half of 2023 and the first half of 2024 are also represented in the Economic and Financial Plan updated to 30 June 2023 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 half-yearly situation as of 30 June 2023 show losses carried forward of EUR 225,971,687 and a loss for the period of EUR 35,307,543. The available reserves that can be used to cover accumulated losses amount to a total of EUR 274,230,078, thus the limit established by Art. 2446 of the Italian Civil Code is complied with. Shareholders' equity as of 30 June 2023 was negative for EUR 125,809,061. 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 30 June 2023, there were shareholders' loans totalling EUR 141,817,874 that might be offset 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.

**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.

Lastly, on 9 June 2022, Brebemi granted CAL a new Economic and Financial Plan (2022 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 2022

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 2022 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;
- 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.

Further discussions were then carried out between CAL and Brebemi at the end of which, without prejudice to their own arguments, CAL and the Concession holder shared and signed on 11 September an agreement, the effectiveness of which is subject, *inter alia*, to the approval of their respective Boards of Directors, in which a new solution was defined for updating the economic and financial plan, partially amending the 2022 Economic and Financial Plan (the "2023 Economic and Financial Plan").

The 2023 Economic and Financial Plan, similarly to the 2022 version, envisages as the main rebalancing measure the extension of the duration of the concession by seven years, while maintaining the final indemnity envisaged in Addendum No. 3, equal to EUR 1,205 million, unchanged. The new agreement acknowledges and does not affect the appeals filed by Brebemi against ART resolution 87/2021 and, like the 2022 Economic and Financial Plan, provides for the recovery of the lower revenues recorded in 2020 as a result of Covid-19.

The agreement and the attached Economic and Financial Plan were approved by the Board of Directors of the company on 18 September 2023.

## **TOLL CHARGES**

As specified in the financial statements dossier as at 31 December 2022, 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:

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

**$\Delta P$**  is the planned inflation rate. For 2023, the planned inflation rate indicated in the Economic and Financial Document 2022 (an excerpt of which is attached) 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<sup>2</sup> 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. This notice was later challenged; the appeal is yet to be discussed on the merits.

## **MOTORWAY OPERATION**

### **Accidents**

In the first half of 2023, the overall accident rate was 34.7 and the fatality rate was 0.00, 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.

	<b>1st half of 2023</b>	<b>2022</b>	<b>2021</b>
Total accidents	101	175	168
Accidents with damages	86	131	129
Accidents with injuries	15	44	39
No. of injured	16	81	57
Fatal accidents	0	0	0
No. of deaths	0	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 in the first half of 2023, 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.

## **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 the first half of 2023, the first two scheduled resurfacing works were carried out on approximately 2 km of deteriorated pavement along the right-hand 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.

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.

#### Toll collection

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

#### Green areas and Cleaning

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

#### Winter operations

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

#### Buildings

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

#### Miscellaneous supplies

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

In the first half of 2023, with regard to the maintenance of motorway facilities, activities continued as scheduled in the specific annual intervention plan.

With a view to energy efficiency, metal halide-type lighting fixtures were also replaced with LED technology in the forecourts of the Romano di L. and Liscate toll stations.

Measures were also put in place to contain energy consumption by optimising the operating hours of the winter heating and summer cooling systems, and work will be carried out in 2023 to reduce the operating hours of the lighting systems.

### Service Areas

In April 2023, the operator Ewiva activated 8 plug-in recharging stations for 300KW electric/hybrid vehicles, (4 in the Adda Nord service area and 4 in the Adda Sud service area) positioned under 2 roof canopies equipped with photovoltaic panels.

### **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.

During the first months of 2023, work was carried out to adapt the toll warning and electronic toll warning signs at toll stations (toll booths).

#### Installation of new electric recharging infrastructure

During 2022, a project was drawn up for the installation of electric recharging stations for company cars in the car park of the A35 maintenance centre, adjacent to the Romano di Lombardia toll station. The project involves the installation of a 50 kW DC station and a 22 kW AC station; the project was approved by the CAL grantor as an extraordinary maintenance intervention. Civil and plant engineering works are expected to be completed by the end of 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 for the 'Safe Roads' programme. The programme is aimed at implementing a dynamic monitoring system for the remote control of bridges, viaducts and tunnels on the main road network. The non-repayable financing allocated to A35 Brebemi amounts to EUR 1.8 million.

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 on the following four constructions: Oglio viaduct, Brescia direction, Muzza viaduct, Milan direction, and Treviglio artificial tunnel, Milan and Brescia direction.

Consistent with the schedule shared with MIT, work began in the first four months of 2023 and is expected to 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.

In particular, the "Arena del Futuro" project was developed, with the participation of ABB, Electreon, FIAMM Energy Technology, IVECO, IVECO Bus, Mapei, Pizzarotti, Milan Polytechnic, Prysmian, Stellantis, TIM, University of Roma Tre and University of Parma for the development of an innovative zero-emission mobility system for people and goods along motorway transport corridors.

The project involved:

- the construction of a 1,050-metre asphalt ring powered by 1MW of electrical power, named "Arena del Futuro", located in a private area of the A35 motorway near the Chiari Ovest exit;
- the application of "Dynamic Wireless Power Transfer" technology to different ranges of electric vehicles in static and dynamic environments;
- advanced connectivity through 5G and IoT (Internet of Things) technologies to ensure maximum road safety and optimise the productivity of commercial vehicles;
- the optimisation of road surfaces to make them more durable and not alter the efficiency of inductive charging.

With regard to project progress, simulation tests were carried out in the first half of 2023 on some bus lines in the city of Genoa in order to study how the system would work in the case of installation on city routes.

In June 2023, a series of activities were executed to update the plant's management software, and the activities required to power the "S-WPT" (Static wireless power transfer) induction charging system were carried out.

With regard to the environmental aspects of the project, based on the inventory data collected by our Partners and the simulations carried out by the University of Parma in the first half of 2023, the first results regarding the Global Warming Potential (GWP) of the construction phase were obtained and are currently being validated.

In the first half of 2023, the University of Parma also carried out further test runs, with the system's supply voltage at the final value of 670V, with the aim of detecting the efficiency of electricity transmission from the grid to the available vehicles (Fiat 500e and Iveco Bus).

UNIROMA 3 University also held sessions with several vehicles on the track, Iveco Bus, Fiat500E and Fiat 500X trying out different driving modes such as acceleration, braking and overtaking. The results are currently being processed and will be used for the final calibration of the model with which UNIROMA3 will evaluate the emission contributions in the transitional period.

### **MAGNETIC FIELD VALUES - COLLABORATION WITH JRC RESEARCH INSTITUTE**

Tests for electromagnetic field (EMF) measurements began in July 2022 with our partner Milan Polytechnic.

Measurements were conducted on board the specially equipped IVECO BUS electric vehicle with three receivers to capture energy from the test track powered at a voltage of 620V DC.

During the first half of the year, in particular in February 2023, the first tests were carried out with JRC (Joint Research Centre, a study body of the European Community responsible for defining the standards to be adopted in the drafting of European legislation) in order to define a measurement protocol that would provide reliable data and verify compliance with European legislation. For this reason, for the sake of completeness and comparison tests were conducted using two different instruments than those used by the Milan Polytechnic.

Also in this case, measurements were taken at different transit speeds of both vehicles (an electric bus and a citycar) and at different positions and heights.

The JRC test sessions took place at the ultimate voltage of 670 V DC.

### **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.

The agreements with the electronic toll operators Dkw (heavy vehicles), Axxes (light and heavy vehicles) and Unipoltech (light and heavy vehicles) are operational.

The contract for the provision of the electronic toll service with TollTickets and Telepass was also signed during the year.

The Verification of Regular Service (VRS) of the service provider DKV is continuing, and the activities of the service providers Tollticket and Telepass are about to start.

The Verification of Conformity of the Correct Operation (VCCF) is continuing for the operator AS24. 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.

## **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 7 in total and are detailed below:

- five relating to the estimated indemnities payable to private parties affected by expropriation procedures;
- 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 eight disputes which cannot be classified under a single legal basis, are shortly described below:

- (i) 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;

- (ii) 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";
- (iii) 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);
- (iv) 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;
- (v) 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;

(vi) 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 (v) above. The appeal is yet to be discussed on the merits;

(vii) 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;

(viii) a civil action notified by an agricultural company to the Company and to Consorzio BBM, concerning a request for restoration and compensation for damages allegedly caused by hydraulic canalization works carried out by Consorzio BBM in the course of the Motorway construction works. The first hearing has been scheduled.

## **INVESTOR RELATIONS**

Pursuant to the relevant financial documentation, on each Interest Payment Date (30 June and 31 December) the Company is required to pay accrued interest and repay principal in respect of the different tranches of the bond, the bank loan and the hedging contracts.

The Compliance Certificate as at 31 December 2022, resolved by the Board of Directors on 17 March 2023, showed that in the current six-month period and until the next calculation date of the financial covenants, the lock-up relating to distributions and payments in favour of Subordinated Secured tranche holders (so-called "Junior Bond") will no longer apply. Therefore, as of the interest payment date of 30 June 2023, the Company paid principal and interest that was subject to lock-up as of 8 October 2020 for a total amount of EUR 45,090,641.

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 2023, DBRS Morningstar announced that the issuer rating and the rating on the "senior secured" debt of Società di Progetto Brebemi S.p.A. were confirmed at "BB (high)" with a "Stable" Trend.

On 14 July 2023 Fitch Rating announced that the rating on the "senior secured" debt of Società di Progetto Brebemi S.p.A. was confirmed at "BB+" with a Negative outlook.

**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.

Consistently with the group's strategies, a materiality analysis was prepared, 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. The Plan is therefore a group strategic tool, in line with the guidelines of the parent company Aleatica, which aims to quantify and systematise the initiatives already underway on these issues and develop new ones in accordance also with the objectives of Agenda 2030.

Major projects in 2023 include the launch of a policy and actions to protect Biodiversity in the areas within the company's remit, which includes the installation of 2 apiaries equipped with monitoring systems and the planting of 50 nectariferous species.

A further important project concerns the reuse of recycled asphalt produced by motorway milling to create a specific mix to be used for the resurfacing of wearing courses, with a view to the circular economy of reducing the use of virgin materials and limiting waste production.

**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 second audit cycle during the first half of 2023, which concerned accounts receivable and toll management.

## Staff

With reference to the information on staff, the following table shows the breakdown of staff for the first half of 2023 compared to the previous year and the average number of staff members:

Staff composition	30/06/2023	31/12/2022	Variations	Average 2023	Average 2022
Executives	4	5	(1)	5	5
Managers	8	7	1	8	6
Employees	20	20	0	21	22
<b>Total</b>	<b>32</b>	<b>32</b>	<b>0</b>	<b>34</b>	<b>33</b>

## Information on Corporate Certifications

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".

The group-wide ("corporate") certification, which will replace expired and expiring certifications, is expected to be implemented by the end of 2023.

## Research and development activities

No research and development costs were incurred in the course of 2023.

### 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	165,000
Autostrade Lombarde S.p.A.	Secondment of staff	27,614
Argentea Gestioni S.c.p.A.	Chargeback costs for services	218,118
Argentea Gestioni S.c.p.A.	Secondment of staff	53,534
<i>Services supplied by Group companies to Società di Progetto Brebemi S.p.A.</i>		
Autostrade Lombarde S.p.A.	Participative financial instruments	190,729,089
Autostrade Lombarde S.p.A.	Shareholders' loans	105,087,576
Autostrade Lombarde S.p.A.	Financial charges	3,623,159
Autostrade Lombarde S.p.A.	Supply of services	18,131
Argentea Gestioni S.c.p.a.	O&M global service contract fee	11,732,570
Argentea Gestioni S.c.p.a.	Chargeback costs for services not included in the O&M fee	638,440

The costs equal to EUR 11,732,570 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	61,597,378
Aleatica S.A.U.	Shareholders' loans	36,359,908
Aleatica S.A.U.	Financial charges	1,000,392
Aleatica S.A.U.	Costs for services	152,548

### 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 30 June 2023 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, the Ministry of Infrastructure and Transport, and the Transport Regulatory Authority and are updated each year, as provided under the current Concession Agreement and current legislation. 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.

From this perspective, the global economic growth outlook still shows significant vulnerabilities mainly related to inflationary dynamics and the potential economic slowdown caused by restrictive monetary policies adopted by the major central banks to combat price growth.

Last but not least, the price volatility of energy components and raw materials that took place in the course of 2022, together with the instability of the geopolitical scenario caused by the Russian-Ukrainian conflict might still 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.

# A35 Brebemi



## HALF-YEARLY REPORT

AS AT 30 June 2023

Balance sheet

Income Statement

Cash flow statement

**BALANCE SHEET - ASSETS**

Amounts in euro		30/06/2023	31/12/2022
<b>Fixed assets, with separate indication of leased assets:</b>			
<b>I</b>	<b>Intangible fixed assets</b>		
4)	Concessions, licences, trademarks and similar rights	14,071	13,078
	<b>Total</b>	<b>14,071</b>	<b>13,078</b>
<b>II</b>	<b>Tangible fixed assets</b>		
1)	Land and buildings	620,154	664,063
3)	Industrial and commercial equipment	5,807	7,259
4)	Other assets	127,115	143,527
6)	Fixed assets under construction and advances (assets deriving from concession right)	2,212,678	2,191,468
7)	Assets deriving from concession right	1,635,139,513	1,642,284,403
	<b>Total</b>	<b>1,638,105,267</b>	<b>1,645,290,720</b>
<b>III</b>	<b>Financial fixed assets</b>		
4)	Derivative financial instruments assets	12,576,694	13,803,955
	<b>Total</b>	<b>12,576,694</b>	<b>13,803,955</b>
	<b>Total fixed assets</b>	<b>1,650,696,032</b>	<b>1,659,107,753</b>
<b>C</b>	<b>Current assets</b>		
<b>II</b>	<b>Receivables</b>		
1)	From customers		
	- due within the next financial year	233,817	335,340
4)	From parent companies		
	- due within the next financial year	116,905	118,484
	- due beyond the next financial year	6,621,535	6,117,187
5)	From companies subject to the control of the parent companies		
	- due within the next financial year	165,348	242,060
5-bis)	Tax receivables		
	- due within the next financial year	587,878	2,993,085
5-ter)	Deferred tax assets		
	- due beyond the next financial year	214,807,519	218,751,923
5 - quater)	To others		
	- due within the next financial year	20,795,284	20,862,358
	- due beyond the next financial year	93,233,345	112,216,841
6)	From interconnected companies	37,986,593	28,958,113
	<b>Total</b>	<b>374,548,224</b>	<b>390,595,391</b>
<b>IV</b>	<b>Cash and cash equivalents</b>		
1)	Bank and postal deposits	93,785,356	140,603,357
3)	Cash and valuables on hand	673,780	830,610
	<b>Total</b>	<b>94,459,136</b>	<b>141,433,967</b>
	<b>Total current assets</b>	<b>469,007,360</b>	<b>532,029,358</b>
<b>D</b>	<b>Accruals and deferrals</b>		
a)	Accrued income	31,158	0
b)	Prepaid expenses	1,461,604	1,694,821
	<b>Total</b>	<b>1,492,762</b>	<b>1,694,821</b>
<b>TOTAL ASSETS</b>		<b>2,121,196,154</b>	<b>2,192,831,932</b>

**BALANCE SHEET - LIABILITIES**

Amounts in euro		30/06/2023	31/12/2022
<b>A Shareholders' Equity</b>			
I	Share Capital	52,141,227	52,141,227
II	Share premium reserve	21,230,078	21,230,078
VI	Other reserves, indicated separately	253,000,000	213,000,000
VII	Cash flow hedges reserve	(190,901,136)	(202,935,199)
VIII	Profit (loss) carried forward	(225,971,687)	(185,958,161)
IX	Profit (loss) for the year	(35,307,543)	(40,013,526)
<b>Total</b>		<b>(125,809,061)</b>	<b>(142,535,581)</b>
<b>B Provisions for risks and charges</b>			
3)	Derivative financial instruments liabilities	78,712,362	78,419,929
<b>Total</b>		<b>78,712,362</b>	<b>78,419,929</b>
<b>C Employee severance indemnity</b>		<b>1,193,312</b>	<b>1,178,100</b>
<b>Payables</b>			
<b>D</b>			
1)	Bonds		
	- due within the next financial year	32,861,154	73,795,601
	- due beyond the next financial year	1,632,057,676	1,635,295,865
3)	Payables to shareholders for loans		
	- due beyond the next financial year	141,817,874	177,183,031
4)	Payables to banks		
	- due within the next financial year	13,538,700	11,964,920
	- due beyond the next financial year	322,862,985	329,115,264
5)	Payables to other lenders		
	- due within the next financial year	300,341	300,341
	- due beyond the next financial year	0	0
7)	Trade payables		
	- due within the next financial year	1,936,314	1,415,811
11)	Payables to parent companies		
	- due within the next financial year	7,926	0
11 - bis)	Payables to companies subject to the control of the parent companies		
	- due within the next financial year	11,389,550	17,233,431
	- due beyond the next financial year	3,936,215	3,893,448
12)	Tax payables:		
	- due within the next financial year	2,912,339	611,416
13)	Payables to social security institutions		
	- due within the next financial year	164,049	153,587
14)	Other payables:		
	- due within the next financial year	2,283,700	3,707,790
	- due beyond the next financial year	4,246	4,188
15)	Payables to Interconnected Companies	826,218	1,090,352
<b>Total</b>		<b>2,166,899,287</b>	<b>2,255,765,045</b>
<b>E Accruals and deferrals</b>			
b)	Deferred income	200,254	4,439
<b>Total</b>		<b>200,254</b>	<b>4,439</b>
<b>TOTAL LIABILITIES</b>		<b>2,121,196,154</b>	<b>2,192,831,932</b>

**INCOME STATEMENT**

Amounts in euro		June 2023	June 2022
<b>A Value of Production</b>			
1)	Revenues from sales and services	60,876,714	53,033,458
5)	Other revenues and income	1,805,469	1,520,803
<b>Total</b>		<b>62,682,183</b>	<b>54,554,261</b>
<b>B Costs of Production</b>			
6)	For raw materials, ancillary goods, consumables and goods for resale	(31,567)	(37,887)
7)	For services	(14,311,694)	(13,248,655)
8)	For use of third party assets	(133,736)	(143,834)
9)	For staff		
a)	Wages and salaries	(1,199,610)	(1,245,056)
b)	Social security contributions	(379,575)	(397,467)
c)	Employees severance indemnity	(84,663)	(111,289)
e)	Other costs	(13,378)	(15,498)
<b>Total</b>		<b>(1,677,226)</b>	<b>(1,769,310)</b>
10)	Amortization, depreciation and write-downs		
a)	Amortisation of intangible fixed assets	(5,423)	(5,220)
b)	Depreciation of tangible fixed assets		
	- depreciation of technical assets	(67,572)	(81,141)
	- depreciation of assets deriving from concession right	(7,344,465)	(6,943,295)
<b>Total</b>		<b>(7,417,460)</b>	<b>(7,029,656)</b>
14)	Other operating expenses	(4,103,724)	(3,624,236)
<b>Total</b>		<b>(27,675,407)</b>	<b>(25,853,578)</b>
<b>Difference between value and costs of production</b>		<b>35,006,776</b>	<b>28,700,683</b>
<b>C Financial income and charges</b>			
16)	Other financial income		
d)	Income other than above:		
	- From others	3,903,821	2,162
<b>Total</b>		<b>3,903,821</b>	<b>2,162</b>
17)	Interest and other financial expenses:		
c)	To parent companies	(3,623,159)	(6,502,856)
e)	To others	(72,193,709)	(64,526,761)
<b>Total</b>		<b>(75,816,868)</b>	<b>(71,029,617)</b>
17-bis)	Foreign exchange gains and losses	(24)	(1)
<b>Total</b>		<b>(71,913,071)</b>	<b>(71,027,456)</b>
<b>D Adjustments to financial assets value</b>			
18)	Revaluations:		
d)	Of derivative financial instruments	4,442,169	19,400,166
19)	Write-downs:		
d)	Of derivative financial instruments	(1,995,539)	0
<b>Total</b>		<b>2,446,630</b>	<b>19,400,166</b>
<b>Pre-tax profit</b>		<b>(34,459,665)</b>	<b>(22,926,607)</b>
20)	Income taxes for the year		
a)	Current taxes	(1,389,983)	(1,143,132)
b)	Deferred tax assets/liabilities	(144,174)	4,383,689
c)	Taxes from previous years	181,931	570,652
d)	Income related to participation in the tax consolidation	504,348	1,132,786
<b>Total</b>		<b>(847,878)</b>	<b>4,943,995</b>
<b>21)</b>	<b>Profit (loss) for the year</b>	<b>(35,307,543)</b>	<b>(17,982,612)</b>

**CASH FLOW STATEMENT**

Amounts in euro thousands	30/06/2023	30/06/2022
<b>A. Cash flows from operations</b>		
Profit (loss) for the year	(35,307,543)	(17,982,612)
<i>Adjustments for non-monetary items that did not have a balancing entry in net working capital:</i>		
Depreciation and amortization:		
- intangible fixed assets	5,423	5,220
- tangible fixed assets	67,572	81,141
- asset deriving from concession right	7,344,465	6,943,295
Net change in Employees severance indemnity	15,212	77,562
Provisions (utilisations) for other risks and charges	19,800,617	20,732,154
Write-downs (revaluations) of financial assets	(2,446,630)	(19,400,166)
Adjustments for non-monetary items	0	0
<b>1. Cash flow before changes in NWC</b>	<b>(10,520,884)</b>	<b>(9,543,406)</b>
Changes in net working capital	(12,095,995)	(9,931,883)
<b>2. Cash flow after changes in NWC</b>	<b>(22,616,879)</b>	<b>(19,475,289)</b>
<i>Other adjustments:</i>		
Net change in deferred tax assets and liabilities	144,174	(4,383,689)
<b>Cash flow from operations (A)</b>	<b>(22,472,705)</b>	<b>(23,858,978)</b>
<b>B. Cash flows from investing activities</b>		
(Investments in intangible fixed assets)	(6,416)	(6,416)
(Investments in tangible fixed assets)	(5,800)	(8,911)
(Investments in asset deriving from concession right)	(1,237,289)	(6,161,044)
(Investments in non-current financial assets)	0	0
Capital contributions received	20,000,000	20,000,000
Payables to suppliers of fixed assets	963,671	796,131
<b>Cash flow from investing activities (B)</b>	<b>19,714,166</b>	<b>14,619,760</b>
<b>C. Cash flows from financing activities</b>		
<i>Loan capital:</i>		
Increase (decrease) in short-term financial liabilities	(39,360,667)	13,824,288
Increase (decrease) in medium/long-term financial liabilities	(9,490,468)	(5,361,957)
Increase (decrease) in shareholders' loan	(35,365,157)	(56,681,370)
<i>Own capital:</i>		
Other changes in financial liabilities (*)	40,000,000	65,000,000
<b>Cash flow from financing activities (C)</b>	<b>(44,216,292)</b>	<b>16,780,961</b>
Increase (decrease) in cash and cash equivalents (A±B±C)	(46,974,831)	7,541,743
<b>Initial cash and cash equivalents</b>	<b>141,433,967</b>	<b>131,072,477</b>
Bank and postal deposits	140,603,357	130,194,860
Cash and valuables on hand	830,610	877,617
<b>Final cash and cash equivalents</b>	<b>94,459,136</b>	<b>138,614,220</b>
Bank and postal deposits	93,785,356	137,978,246
Cash and valuables on hand	673,780	635,974
<b>Additional information:</b>	<b>30/06/2023</b>	<b>30/06/2022</b>
Interest received/(paid) in the period	(39,603,071)	(45,221,742)
(Income taxes paid) in the period	(1,180,907)	(115,564)
Dividends received during the period	0	0

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

# A35 Brebemi



HALF-YEARLY REPORT

AS AT 30 June 2023

Additional note

## INTRODUCTION

The half-yearly report at 30 June 2023 has been drawn up in compliance with the Italian Civil Code, as amended in order to implement Legislative Decree No. 139/2015, interpreted and supplemented by the Accounting Principles issued by the Italian Accounting Body (OIC), and consists of the Balance Sheet, Income Statement, Cash Flow Statement and Additional Note.

The half-yearly report as at 30 June 2023 is consistent with the results of the accounting records and was drawn up in compliance with Arts. 2423, 2423-ter, 2424, 2424-bis, 2425, 2425-bis, 2425-ter of the Italian Civil Code, in accordance with the drafting principles laid down by Article 2423-bis(1) of the Italian Civil Code, and the valuation criteria laid down by Article 2426 of the Italian Civil Code. With regard to the standards used to draw up this report, 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 report has been drawn up in units of EUR, without decimals.

This note consists of five parts: the first part explains the criteria adopted for drawing up the half-yearly report, the second and third parts, including the information required by Arts. 2427 and 2427 bis of the Italian Civil Code, describe and comment on the main changes, compared to the same period in 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 Half-yearly report as at 30 June 2022 has been prepared on a going concern basis, based on 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 currently available liquidity. The cash flows of the second half of 2023 and the first half of 2024 are also represented in the Economic and Financial Plan updated to 30 June 2023 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 half-yearly situation as of 30 June 2023 show losses carried forward of EUR 225,971,687 and a loss for the period of EUR 35,307,543. The available reserves that can be used to cover accumulated losses amount to a total of EUR 274,230,078, thus the limit established by Art. 2446 of the Italian Civil Code is complied with. Shareholders' equity as of 30 June 2023 was negative for EUR 125,809,061. 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 30 June 2023, there were shareholders' loans totalling EUR 141,817,874 that might be offset 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.

**VALUATION CRITERIA**

The accounting standards and evaluation criteria applied in drawing up the half-yearly report as at 30 June 2023 are the same as those used to draw up the financial statements as at 31 December 2022.

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

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

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

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

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

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

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

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

### **Assessing recoverability of tangible and intangible fixed assets**

According to OIC 9 "Write-downs for impairment losses of tangible and intangible fixed assets", the Company assesses at each reporting date whether there is any indication that a fixed asset may be impaired. If this indicator exists, the Company estimates the recoverable amount of the asset and records a write-down only if the latter is lower than

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

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

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

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

For the Financial Statements for the year ended 31 December 2022, the Company carried out an internal analysis to quantify the recoverable amount of the assets recognised in the Financial Statements, with particular reference to assets deriving from concession right. Taking into account the assumptions underlying the 2019-2039 economic and financial plan, the value in use resulting from the impairment test carried out did not show the need to reduce the value of the assets tested.

The Economic and Financial Plan used 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 taxes, deferred tax assets and liabilities**

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 1,638,105,267 (EUR 1,645,290,720 as at 31/12/22), includes EUR 1,635,139,513 (EUR 1,642,284,403 as at 31/12/22) in fixed assets related to assets deriving from concession right, and is net of the depreciation fund equal to EUR 102,654,706 (EUR 95,310,241 as at 31/12/22) and the public capital contribution.

The item "Land and buildings" of EUR 2,195,448, net of the related depreciation fund of EUR 1,575,294, refers to the building used as the Company's headquarters.

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

For a more detailed picture of the changes that occurred during the year, with regard to all categories of tangible fixed assets, please refer to the specific table in annex 2.

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

**Assets deriving from concession right**

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

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

<b>B II 6) Fixed assets under construction and advances (Assets deriving from concession right)</b>	<b>30/06/2023</b>	<b>31/12/2022</b>
ERS (Electric Road System) project	2,182,678	2,191,468
Dynamic monitoring for remote control of bridges, viaducts and tunnels (2022 RRP)	30,000	0
<b>Total</b>	<b>2,212,678</b>	<b>2,191,468</b>

<b>B II 7) Assets deriving from concession right</b>	<b>30/06/2023</b>	<b>31/12/2022</b>
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	348,045,291	346,941,978
Sums available to the General Contractor	85,291,932	85,291,932
General expenses and other amounts available	92,938,451	92,889,338
Other capitalized costs	33,257,040	33,257,040
A35 - A4 Interconnection	53,850,695	53,849,426
Other assets deriving from concession right	414,643	352,259
Reserves and additional construction costs	44,508,569	44,508,569
Public capital grant	(313,233,345)	(312,216,841)
Financial amortization	(102,654,706)	(95,310,241)
<b>Assets deriving from concession right</b>	<b>1,635,139,513</b>	<b>1,642,284,403</b>

"Fixed assets under construction and advances" include costs incurred until 30 June 2023 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 348.0 million out of the total EUR 357.4 million established in the current Economic Expenditure Framework. The amount also includes advances paid to the General Contractor for 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 30 June 2023, a total of EUR 313,233,345 is recorded at amortized cost in order to take into account the time factor relating to the collection of the long-term portion (2023-2029). The effect of the discounting back of the long-term portion for a total of EUR 6,766,655 was deducted from the item Receivables for grants to be collected.

The item "Financial amortization and depreciation" of EUR 102,654,706 includes the allocation of differentiated amortization quotas in accordance with the provisions of the Concession Agreement's Economic and Financial Plan, as better specified in the section on valuation criteria of this note.

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

The amount as at 30 June 2023 refers to contributions made to the following entities:

<b>Beneficiary</b>	<b>Description of agreement</b>	<b>Amount agreed</b>	<b>Amount paid</b>
Agreement between Province of Brescia – CAL S.p.A. – RFI S.p.A. – Società di Progetto Brebemi S.p.A. – Consorzio B.B.M.	Agreed design solution to maintain the east-west link in view of disposal of the former SS11	1,231,841	1,231,841
Consorzio di gestione del Parco Regionale del Serio	Environmental compensation work to be carried out by the Park	1,430,000	1,057,468
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
<b>Total</b>		<b>12,617,239</b>	<b>11,694,455</b>

The residual amount still to be disbursed to Local Authorities, equal to EUR 922,784, is shown in the section on the commitments undertaken by the Company as at 30 June 2023.

**Financial fixed assets****Derivative financial instruments assets**

<b>Description</b>	<b>30/06/2023</b>	<b>31/12/2022</b>
Derivative financial instruments assets	12,576,694	13,803,955
<b>Total</b>	<b>12,576,694</b>	<b>13,803,955</b>

The amount recorded at 30 June 2023 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:

<b>Description</b>	<b>30/06/2023</b>	<b>31/12/2022</b>
Due in less than 1 year	233,817	335,340
Due in more than 1 year	0	0
<b>Total</b>	<b>233,817</b>	<b>335,340</b>

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**

<b>Description</b>	<b>30/06/2023</b>	<b>31/12/2022</b>
Service Contract Credit	116,905	118,484
Credit for participation in the tax consolidation	6,621,535	6,117,187
<b>Total</b>	<b>6,738,440</b>	<b>6,235,671</b>

The amount of EUR 6,621,535 (EUR 6,117,187 as of 31/12/2022) refers to the transfer of the tax benefit to the parent company, equal to the IRES (corporate income tax) for 2012, 2013, 2021, 2022 and 2023, 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 165,348 (EUR 242,060 as at 31/12/2022) relates entirely to receivables for services supplied to Argentea Gestioni S.c.p.A.

**Tax receivables**

This item can be broken down as follows:

<b>Description</b>	<b>30/06/2023</b>	<b>31/12/2022</b>
VAT credits	50,414	2,642,773
IRAP credits	291,899	287,997
IRES credits	202,369	13,302
Other tax receivables	43,196	49,013
<b>Total</b>	<b>587,878</b>	<b>2,993,085</b>

The IRAP credits refer to the transformation of the ACE (Aid to Economic Growth) surplus into a tax credit that can be used to offset IRAP payments.

IRES credits mainly include withholding taxes recognised in connection with interest income accrued on bank deposits. The increase compared to 31 December 2022 is related to the increase in interest rates and the short-term use of liquidity by the Company.

### Deferred tax assets

This item can be broken down as follows:

Description	30/06/2023	31/12/2022
Previous years' tax losses	149,855,706	139,258,918
Tax losses in the year	0	10,650,790
ACE (Aid to Economic Growth)	4,667,244	4,753,635
Other temporary differences	0	3,780
Fair value of derivative instruments	60,284,569	64,084,800
<b>Total</b>	<b>214,807,519</b>	<b>218,751,923</b>

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

Deferred tax assets as of 30 June 2023, amounting to EUR 154.6 million, refer entirely to tax losses and the ACE allowance accrued until 31 December 2022 and for which there is currently a reasonable certainty of obtaining future taxable income that will absorb the losses carried forward, ensuring the full recoverability of the asset recognised. As a matter of prudence, the recognition of further amounts was suspended on the tax loss recognised in the half-year period pending the finalisation of the new Economic and Financial Plan which, it is recalled, envisages as the main rebalancing measure the extension of the concession to seven years, as well as in relation to the settlement of traffic volumes and the validation of the forecasts in this regard made by the Company.

### Other receivables

This item can be broken down as follows:

Description	30/06/2023	31/12/2022
<b>Due in less than 1 year</b>	<b>20,795,284</b>	<b>20,862,358</b>
Security deposits	366	141
Public grant to be paid	20,000,000	20,000,000
Other receivables due in less than 12 months	794,918	862,217
<b>Due in more than 1 year</b>	<b>93,233,345</b>	<b>112,216,841</b>
Public grant to be paid	93,233,345	112,216,841
<b>Total</b>	<b>114,028,629</b>	<b>133,079,199</b>

The public contribution to be collected refers to the provisions of the Economic and Financial Plan attached to Addendum No. 3 to the Concession Agreement in relation to the total contribution of EUR 260 million, divided into annual instalments of EUR 20 million from 2017 to 2029. It is broken down as follows.

The short-term portion of EUR 20,000,000 refers to the year 2024 to be collected. The 2023 portion was collected on 8 June 2023.

The long-term portion of EUR 93,233,345 refers to the years 2025 to 2029 for a total of EUR 100,000,000. 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 30 June 2023 is equal to EUR 6,766,655.

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 July 2023; receivables from users for non-payment.

### **Receivables from interconnected companies**

This item, equal to EUR 37,986,593 (EUR 28,958,113 as at 31/12/22), represents the credit relationships deriving from the amounts collected for tolls by the interconnected companies on behalf of Brebemi and to be allocated as at 30 June 2023.

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

### **Cash and cash equivalents**

At 30 June 2023, this grouping was composed as follows:

<b>Description</b>	<b>30/06/2023</b>	<b>31/12/2022</b>
Banks accounts	93,785,356	140,603,357
Cash on hand	673,780	830,610
<b>Total</b>	<b>94,459,136</b>	<b>141,433,967</b>

The item "Cash and cash equivalents" as at 30 June 2023 includes, among other things:

- the amounts deposited in the "Debt Service Reserve" account, constituted for the amount of EUR 40.5 million, and in the "Maintenance Reserve" account, constituted for the amount of EUR 28.4 million. These sums, deposited in accordance with the "Common Terms Agreement" of 15 October 2019, may be used by the Company exclusively to fulfil its obligations to pay the debt service or maintenance costs where the company does not have the relevant resources arising from operations.
- EUR 11.4 million in residual cash from the enforcement of the Performance Bond to be used to pay the amounts still to be disbursed on expropriation activities.

The reduction compared to 31 December 2022 relates to payments made for the debt maturing on 30 June 2023 as well as the payment of principal and interest that were subject to lock-up as of 8 October 2020 on the Subordinated Secured tranche (the so-called "Junior Bond").

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

## ACCRUALS AND DEFERRALS

As at 30 June 2023, the item Prepaid expenses is broken down as follows:

Description	30/06/2023	31/12/2022
Fees for guarantees	23,811	47,283
Insurance	174,143	286,914
Sundry	154,966	153,522
Prepayment service areas grant	784,739	812,514
Prepayment costs incurred for refinancing transaction	323,945	394,588
<b>Total</b>	<b>1,461,604</b>	<b>1,694,821</b>

The item "Prepayment service areas grant" refers to the suspended portion of the subsidy paid during 2018 to the sub-concessionaires managing the Adda Nord and Adda Sud service areas. The amount paid will be issued annually in relation to the duration of the relevant agreements in force until their expiry in 2027. The quota referring to the next 12 months is equal to EUR 56,009, the quota beyond 12 months is EUR 728,730.

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 EUR 466,402 with coverage until 2025. The quota referring to the next 12 months is equal to EUR 142,848, the quota beyond the following period is EUR 181,097.

## 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 30 June 2023 consists of 354,347,771 common shares, for a total of EUR 52,141,227.

### Other reserves, indicated separately

The amount as of 30 June 2023 of EUR 253,000,000 (EUR 213,000,000 as of 31/12/2022) refers to the Participative Financial Instruments subscribed, of which EUR 40,000,000 subscribed on 19 April 2023.

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

Owner	30/06/2023		31/12/2022	
	Number of Participative Financial Instruments	Overall value	Number of Participative Financial Instruments	Overall value
Autostrade Lombarde S.p.A.	190,729,089	190,729,089	160,100,617	160,100,617
Aleatica SAU	61,597,378	61,597,378	52,331,765	52,331,765
C.M.B. Società Cooperativa	673,533	673,533	567,618	567,618
<b>Total</b>	<b>253,000,000</b>	<b>253,000,000</b>	<b>213,000,000</b>	<b>213,000,000</b>

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 190,901,136 (EUR 202,935,199 at 31/12/22) 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 60,284,569 (EUR 64,084,799 as at 31/12/22).

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 251,185,705 (EUR 267,019,998 at 31/12/2022) 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 291,962,231 (EUR 311,769,198 at 31/12/2022), as well as the positive effective component, equal to EUR 40,776,527 (EUR 44,749,200 at 31/12/2022) accrued on the new IRS in place at the end of the year.

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



<b>Reserve for expected cash flow hedges</b>	<b>30/06/2023</b>	<b>31/12/2022</b>
<b>Opening balance</b>	<b>(267,019,998)</b>	<b>(350,802,341)</b>
Increase (Decrease) due to changes in Fair Value	(796,034)	41,749,998
Increase (Decrease) for release to income statement of interest differentials accrued during the year	(3,176,640)	652,061
Increase (Decrease) for release to income statement of effectiveness accrued on terminated hedging relationships	19,806,967	41,380,284
<b>Gross closing balance</b>	<b>(251,185,705)</b>	<b>(267,019,998)</b>
Fiscal effect	60,284,569	64,084,799
<b>Net closing balance</b>	<b>(190,901,136)</b>	<b>(202,935,199)</b>

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

## PROVISIONS FOR RISKS AND CHARGES

As at 30 June 2023 this grouping is composed as follows:

<b>Description</b>	<b>30/06/2023</b>	<b>31/12/2022</b>
Derivative financial instruments liabilities	78,712,362	78,419,929
<b>Total</b>	<b>78,712,362</b>	<b>78,419,929</b>

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

## EMPLOYEE SEVERANCE INDEMNITY (TFR)

As at 30 June 2023, this item amounted to EUR 1,193,312 (EUR 1,178,100 as at 31/12/22).

Movements during the year were as follows:

<b>Balance as at 31 December 2022</b>	<b>1,178,100</b>
Allocation for the year	47,046
Advance payments	0
Utilisation for personnel in the year	(31,834)
<b>Balance as at 30 June 2023</b>	<b>1,193,312</b>

**PAYABLES**

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

**Bond issues**

This item amounts to EUR 1,664,918,830 (EUR 1,709,091,466 at 31/12/2022) and is broken down as follows:

Line	Nominal amount at issue	Interest Rate	Fixed rate / Spread	Disbursement date	Maturity	Residual debt 30/06/2023
A1 - Senior Amortizing	15,000,000	Euribor 6m	3.188%	22-Oct-19	31 December 2038	13,898,269
A2 - Senior Amortizing	934,000,000	Fixed	3.375%	22-Oct-19	31 December 2038	878,528,264
A3 - Senior Secured - Zero Coupon	557,965,333	Fixed	3.875%	22-Oct-19	22 January 2042	630,128,274
Subordinated Extendable to 2042 - Junior	172,000,000	MAX[Euribor 6m;0%]	6.500%	22-Oct-19	31 December 2029	142,364,023
<b>Total</b>	<b>1,678,965,333</b>					<b>1,664,918,830</b>

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

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

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

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

Line	Residual debt 31/12/2022	Transaction Costs 31/12/2022	Refunds	Accrued liability	Transaction Costs of the period	Residual debt 30/06/2023
A1	14,499,003	(493,461)	(124,677)	0	17,404	13,898,269
A2	902,804,602	(17,056,595)	(7,763,190)	0	543,447	878,528,264
A3	630,016,702	(12,002,512)	0	11,990,246	123,839	630,128,274
Junior	195,573,284	(4,249,557)	(50,209,985)	0	1,250,281	142,364,023
<b>Total</b>	<b>1,742,893,591</b>	<b>(33,802,125)</b>	<b>(58,097,852)</b>	<b>11,990,246</b>	<b>1,934,971</b>	<b>1,664,918,830</b>

As of the interest payment date of 30 June 2023, the Company paid principal and interest that was subject to lock-up as of 8 October 2020 for a total amount of EUR 45,090,641, in favour of Subordinated Secured tranche holders (so-called "Junior Bond"). The Compliance Certificate as at 31 December 2022, resolved by the Board of Directors on 17 March 2023, showed in fact that in the current six-month period and until the next calculation date of the financial covenants, the lock-up relating to distributions and payments will no longer apply.

The total amount as at 30 June 2023, equal to EUR 1,664,918,830, is also divided between the amount to be paid within the next financial year and the amount to be paid beyond it, according to the following details:

Line	Outstanding debt 30/06/2023	Short Term (Within 12 Months)	Long Term (Over 12 Months)
A1	13,898,269	300,928	13,597,341
A2	878,528,264	18,737,864	859,790,400
A3	630,128,274	0	630,128,274
Junior	142,364,023	13,822,362	128,541,661
<b>Total</b>	<b>1,664,918,830</b>	<b>32,861,154</b>	<b>1,632,057,676</b>

### Payables to shareholders for loans

As at 30 June 2023, this grouping refers to payables due after one year and is broken down as follows:

Owner	Payable			Interests			Total
	Amount 31/12/22	PFI conversions	Amount 30/06/2023	Amount 31/12/22	Accrued 2023	Amount 30/06/2023	
Autostrade Lombarde	66,261,745	(30,628,472)	35,633,273	65,831,144	3,623,159	69,454,303	105,087,576
Aleatica	20,045,261	(9,265,613)	10,779,648	24,579,868	1,000,392	25,580,260	36,359,908
C.m.b.	229,138	(105,915)	123,223	235,874	11,292	247,166	370,389
<b>Total</b>	<b>86,536,144</b>	<b>(40,000,000)</b>	<b>46,536,144</b>	<b>90,646,886</b>	<b>4,634,843</b>	<b>95,281,729</b>	<b>141,817,873</b>

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.

As described in the introduction to this Half-Yearly Report, in April 2023 part of the receivables due from shareholders for a total of EUR 40,000,000 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 336,401,685 (EUR 341,080,184 at 31/12/2022) and is broken down as follows:

Line	Nominal amount at issue	Interest Rate	Fixed rate / Spread	Residual debt 30/06/2023
Senior Amortizing – Loan	307,000,000	Euribor 6m	2.600%	274,927,976
Banks Bond Creditors	55,181,487	Fixed	2.500%	61,473,709
<b>Total</b>	<b>362,181,487</b>			<b>336,401,685</b>

Payables to banks	Residual debt 31/12/2022	Initial Transaction Costs	Refunds	Accrued liability	Transaction Costs of the period	Residual debt 30/06/2023
Senior	284,458,120	(4,158,045)	(5,640,720)	0	268,621	274,927,976
Banks Bond Creditors	60,780,109	0	0	693,600	0	61,473,709
<b>Total</b>	<b>345,238,229</b>	<b>(4,158,045)</b>	<b>(5,640,720)</b>	<b>693,600</b>	<b>268,621</b>	<b>336,401,685</b>

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

On 24 June 2019, the Company signed an agreement with the banks issuing the EPC Performance Guarantee during 2018, Consorzio BBM and the shareholders Impresa Pizzarotti and CCC. The agreement governs relations between the parties in respect of the EUR 55.2 million payable due to EPC Banks following the Performance Bond enforcement in order to define the repayment conditions. The agreement provides that the total amount of EUR 55.2 million is to be repaid in cash, including the annual interest accrued at the fixed rate of 2.5% as at 31 December 2028. However, the Company is entitled to

extend the final repayment date to 30 June 2036 and subsequently to 31 December 2042, making repayment subject to the remaining cash availability after the commitments arising from the financial documents relating to the bond loans and the senior loan. Under the agreement the parties are entitled to agree that, instead of being repaid, the payable may be converted into share capital.

### **Payables to other lenders**

As of 30 June 2023, 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 as at 30 June 2023 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.

### **Trade payables**

The total amount of EUR 1,939,314 (EUR 1,415,811 as at 31/12/2022) comprises payables to suppliers related to ordinary activities and other current investments.

### **Payables to parent companies**

"Payables to parent companies" as at 30 June 2023 amounted to EUR 7,926 and related to payables for services provided by Autostrade Lombarde S.p.A..

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

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

<b>Description</b>	<b>30/06/2023</b>	<b>31/12/2022</b>
<b>Due in less than 1 year</b>	<b>11,389,550</b>	<b>17,233,431</b>
O&M fee due in less than 12 months	10,886,970	16,885,958
Other payables to Argentea	502,580	347,473
<b>Due in more than 1 year</b>	<b>3,936,215</b>	<b>3,893,448</b>
O&M fee due in more than 12 months	3,936,215	3,893,448
<b>Total</b>	<b>15,325,765</b>	<b>21,126,879</b>

The amount due within 12 months for a total of EUR 11,389,550 (EUR 17,233,431 as at 31/12/22) mainly refers to as yet unpaid fees accrued for the O&M contract. The decrease from 31 December 2022 is attributable to the portion of the consideration accrued last year and paid to Argentea in January 2023.

The amount beyond 12 months for a total of EUR 3,936,215 (EUR 3,893,448 as at 31/12/2022) 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 30 June 2023 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 3,936,215 minus the discounting amount, equal to EUR 63,785.

### Tax payables

Tax payables amount to EUR 2,912,339 (EUR 611,416 as at 31/12/22) and are broken down as follows:

Description	30/06/2023	31/12/2022
Withholding tax payables	124,370	162,899
Current tax payables	479,565	448,517
VAT payables	2,308,404	0
<b>Total</b>	<b>2,912,339</b>	<b>611,416</b>

The VAT debt balance was paid on 14 July 2023.

### Payables to social security institutions

This item, amounting to EUR 164,049 (EUR 153,587 as at 31/12/22), relates to the payables as at 30/06/2022 to these institutions for the shares borne by the company.

### Other payables

The item breaks down as follows:

Description	30/06/2023	31/12/2022
<b>Due in less than 1 year</b>	<b>2,283,700</b>	<b>3,707,790</b>
Payables to employees	310,592	392,683
Payables for concession fees and surcharges	1,670,177	2,841,221
Payables for area between Motorway and Railroad	73,397	73,397
Other payables	167,433	389,663
<b>Due in more than 1 year</b>	<b>4,246</b>	<b>4,188</b>
Withholding tax payables	4,246	4,188
<b>Total</b>	<b>2,287,946</b>	<b>3,711,978</b>

The debt to the Grantor for concession fees and surcharges accrued as at 31 December 2022 was paid in March 2023. The liability as at 30 June 2023 includes the amount accrued in the first half of 2023.

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 826,218 (EUR 1,090,352 as at 31/12/22), 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 60,876,714 and are broken down as follows:

<b>Description</b>	<b>June 2023</b>	<b>June 2022</b>
Net toll revenues	59,367,235	52,496,474
Surcharge payable to ANAS	2,335,578	2,068,587
Toll discounts	(46,397)	(1,629,348)
Other toll revenues	66,572	73,170
Other adjustments	(846,274)	24,576
<b>Total</b>	<b>60,876,714</b>	<b>53,033,458</b>

The increase in "net toll revenues", net of the amount of the surcharge payable to ANAS, equal to EUR 6.7 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.

The item "Other adjustments" includes the settlement of amounts relating to discount facilities from previous years.

**Other revenues and income**

This item breaks down as follows:

<b>Description</b>	<b>June 2023</b>	<b>June 2022</b>
Service contract with Autostrade Lombarde S.p.A.	165,000	165,000
Secondment of staff	81,148	75,752
Recovery of costs Argentea Gestioni S.c.p.A.	218,118	181,267
Recovery of charges for exceptional transport procedure and non-payment of tolls	247,760	220,242
Recovery of collection charges	669,256	572,522
Service area royalties	174,778	142,422
Miscellaneous	249,409	163,598
<b>Total</b>	<b>1,805,469</b>	<b>1,520,803</b>

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 the concession holder A58 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 30 June 2023, this item amounted to EUR 31,567 (EUR 37,887 as at 30/06/2022) and includes costs for fuel, stationery and consumables.

### Costs for services

This item breaks down as follows:

Description	June 2023	June 2022
<b>Costs for services relating to assets deriving from concession right (A)</b>	<b>12,643,890</b>	<b>11,804,871</b>
O&M Argentea Gestioni contract management	11,732,570	11,019,071
Insurance	135,355	135,488
Electricity	584,631	521,106
Other operating expenses	191,333	129,206
<b>Other costs for services (B)</b>	<b>1,667,804</b>	<b>1,443,785</b>
Directors' fees	227,275	131,036
Statutory Auditors Fees	44,855	43,638
Other fees	7,800	5,200
Independent auditors' fees	49,101	36,502
Communication, advertising, events	78,756	116,578
Utilities	35,561	37,971
Travel, subsistence and entertainment costs	37,522	26,707
IT Services	135,824	75,790
Other operating expenses	188,951	191,184
Other personnel costs	61,394	36,119
Consultancy	686,784	638,115
Bank costs and guarantee fees	113,980	104,943
<b>Total (A) + (B)</b>	<b>14,311,694</b>	<b>13,248,655</b>

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

The item "Electricity" includes the cost of electricity consumption of the motorway section. Despite the significant increase in the cost of energy components that characterised the current period, the cost incurred by the company remained substantially in line with that of the previous year, as the company contracted the cost of raw materials throughout 2023.

The item "Communication, advertising, events" includes the costs related to the advertising campaign developed 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, 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 133,736 (EUR 143,834 as at 30/06/22) and breaks down as follows:

Description	June 2023	June 2022
Car rentals	72,535	81,409
Photocopier rentals	11,067	10,178
Property rentals	50,134	52,247
<b>Total</b>	<b>133,736</b>	<b>143,834</b>

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

#### Costs of personnel

This cost item breaks down as follows:

Description	June 2023	June 2022
Wages and salaries	1,199,610	1,245,056
Social security contributions	379,575	397,467
Employees severance indemnity	84,663	111,289
Other costs	13,378	15,498
<b>Total</b>	<b>1,677,226</b>	<b>1,769,310</b>

The item, which stands at EUR 1.677.226, 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:

	June 2023	June 2022	Variations	2023 Average
Executives	4	5	(1)	5
Managers	8	7	1	8
Employees	20	20	0	21
<b>Totals</b>	<b>32</b>	<b>32</b>	<b>0</b>	<b>34</b>

**Amortization, depreciation and write-downs**

"Depreciation and amortization" amounted to EUR 7,417,460 (EUR 7,029,656 at 30/06/2022) and refer to the following categories:

<b>Description</b>	<b>June 2023</b>	<b>June 2022</b>
<b>Intangible fixed assets (A)</b>	<b>5,423</b>	<b>5,220</b>
Concessions, licences, trademarks and similar rights	5,423	5,220
<b>Tangible fixed assets (B)</b>	<b>67,572</b>	<b>81,141</b>
Land and buildings	43,909	43,909
Plants and machinery	1,452	1,452
Others	22,211	35,780
<b>Depreciation of assets deriving from concession right (C)</b>	<b>7,344,465</b>	<b>6,943,295</b>
<b>Total (A+B+C)</b>	<b>7,417,460</b>	<b>7,029,656</b>

"Depreciation of assets deriving from concession right" for EUR 7,344,465 were recorded at different amortization/depreciation rates in accordance with the provisions of the Economic and Financial Plan attached to the Concession Agreement, as explained in greater detail in the section on valuation criteria contained in these notes.

**Other operating expenses**

This item breaks down as follows:

<b>Description</b>	<b>June 2023</b>	<b>June 2022</b>
<b>Fees (A)</b>	<b>3,837,761</b>	<b>3,391,996</b>
Concession fee under Art. 1(1020) of Italian Law No. 296/06	1,424,814	1,259,932
Sub-concession fees	77,369	63,477
Fee under Article 19(9-bis) Italian Decree Law 78/09	2,335,578	2,068,587
<b>Other charges (B)</b>	<b>265,963</b>	<b>232,240</b>
Various taxes and duties	44,874	36,184
Membership fees	93,328	89,064
Agreement fees payable	37,633	35,611
Losses for non-payment of tolls	68,679	63,283
Other costs	20,339	8,017
Donations, gifts and offers	1,110	81
<b>Total (A+B)</b>	<b>4,103,724</b>	<b>3,624,236</b>

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

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

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

## FINANCIAL INCOME AND EXPENSES

### Other financial income

Other financial income breaks down as follows:

Description	June 2023	June 2022
Other interest income	0	1,928
Interest income on bank deposits	727,181	234
Swap differentials	3,176,640	0
<b>Total</b>	<b>3,903,821</b>	<b>2,162</b>

Financial income includes EUR 3,176,640 in positive differentials received for the period on outstanding hedging contracts while the remaining EUR 727,181 refers to interest income accrued on short-term restricted bank deposits and current liquidity.

### Interest and other financial expenses

This item breaks down as follows:

Description	June 2023	June 2022
<b>To parent companies</b>		
Interest expense shareholders' loan	3,623,159	6,502,856
<b>To credit institutions</b>		
Interest expense loans	44,802,647	36,735,833
Swap differentials	4,326,050	4,129,529
<b>To others</b>		
Release CFH reserve	19,806,966	20,732,154
Interest expense shareholders' loans	1,011,684	1,814,517
Interest expense amortized cost	2,246,359	1,113,397
Others	3	1,331
<b>Total</b>	<b>75,816,868</b>	<b>71,029,617</b>

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 the first half of 2023 is negative for EUR 19,806,966 and de facto integrates the effects generated by the interest differentials accrued on the IRS, which were negative for a total of EUR 4,326,050.

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

<b>Description</b>	<b>June 2023</b>	<b>June 2022</b>
<b>Interest expense on bonds</b>		
A1 - Senior Amortizing - FRN	431,117	195,548
A2 - Senior Amortizing - Fixed	15,234,828	15,456,624
A3 - Senior Secured - Zero Coupon	11,990,246	11,542,956
Subordinated Extendable - Junior	8,779,410	5,808,485
<b>Interest expense on bank loans</b>		
Senior Amortizing – Loan	7,673,446	3,038,620
Bank Loans Bonds	693,601	693,601
<b>Total</b>	<b>44,802,647</b>	<b>36,735,833</b>

The increase in financial charges payable was mainly related to the increase in Euribor rates recorded in the first half of 2023, which affected the determination of interest expenses on the variable rate Tranche A1 lines, the Junior Tranche and the Senior Loan. This effect was offset by positive swap differentials recognised in financial income.

## **ADJUSTMENTS TO FINANCIAL ASSETS VALUE**

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

This item amounts to EUR 4,442,169 (EUR 19,400,166 as at 30/06/2022) 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 change from the previous period is also attributable to the change in both short-term and long-term interest rates that occurred in the course of 2022.

**INCOME TAXES FOR THE YEAR**

This item amounts to EUR 847,878 (EUR 4,943,995 as at 30/06/2022). The tax burden is broken down as follows:

- current IRAP taxes EUR 1,389,983 (EUR 1,143,132 at 30/06/2022);
- cost for adjustment to deferred tax assets EUR 144,174 (income EUR 4,383,689 as at 30/06/2022);
- positive tax adjustments relating to the previous year EUR 181,931 (EUR 570,652 at 30/06/2022);
- income related to participation in tax consolidation EUR 504,348 (EUR 1,132,786 as at 30/06/2022).

Deferred tax assets as of 30 June 2023, amounting to EUR 154.6 million, refer entirely to tax losses and the ACE allowance accrued until 31 December 2022 and for which there is currently a reasonable certainty of obtaining future taxable income that will absorb the losses carried forward, ensuring the full recoverability of the asset recognised. As a matter of prudence, the recognition of further amounts was suspended on the tax loss recognised in the half-year period pending the finalisation of the new Economic and Financial Plan which, it is recalled, envisages as the main rebalancing measure the extension of the concession to seven years, as well as in relation to the settlement of traffic volumes and the validation of the forecasts in this regard made by the Company.

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:

<b>Description</b>	<b>June 2023</b>	<b>June 2022</b>
Directors' fees	227,275	131,036
Statutory Auditors fees	44,855	43,638

**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:

<b>Description</b>	<b>June 2023</b>	<b>June 2022</b>
Auditing the financial statements and proper accounting	16,701	12,502
Other services	32,400	24,000
<b>Total</b>	<b>49,101</b>	<b>36,502</b>

"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 30 June 2022 and 31 December 2022 and the verification of equity solidity indices in accordance with the obligations imposed by the relevant agreements.

**Commitments undertaken by the Company**

"Insurance policies guaranteeing payment to third parties" refer 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. On 7 December 2022, the guarantee was issued to cover the year 2023 for a total of EUR 3,621,792.

As at 30 June 2023 other commitments totalling EUR 922,785 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	70,106,656	EURIBOR 6M	0.123%	(32,791,237)
IRS	Unicredit	10 October 2019	31 December 2038	46,737,771	EURIBOR 6M	0.157%	(36,839,915)
IRS	Intesa San Paolo (formerly UBI)	10 October 2019	31 December 2038	49,464,141	EURIBOR 6M	0.103%	(9,081,206)
IRS	MPS	10 October 2019	31 December 2038	47,516,734	EURIBOR 6M	0.072%	8,205,116
IRS	Banco BPM	10 October 2019	31 December 2038	25,316,292	EURIBOR 6M	0.072%	4,371,578
<b>Total</b>				<b>239,141,594</b>			<b>(66,135,664)</b>

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

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

Hedging relationships designated for accounting purposes with reference to derivatives extinguished early, 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**

As better described in the specific paragraph of the 2023 half-yearly report, CAL and Brebemi shared and signed on 11 September an agreement, the effectiveness of which is subject to the approval of their respective Boards of Directors, in which a new solution was defined for updating the economic and financial plan, partially amending the 2022 Economic and Financial Plan (the "2023 Economic and Financial Plan").

The agreement and the attached Economic and Financial Plan were approved by the Board of Directors of the company on 18 September 2023.

**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).

<b>ALEATICA SAU (Amounts in euro/000)</b>	<b>31/12/2022</b>
<b>BALANCE SHEET</b>	
Tangible fixed assets	232
Intangible fixed assets	574
Non-current investments in group and associated companies	2,561,365
Non-current financial assets	24,653
Deferred tax assets	49
<b>Total non-current assets</b>	<b>2,586,873</b>
Cash and cash equivalents	312,772
Trade receivables from Group and associated companies	22,211
Other current assets	35,601
<b>Total current assets</b>	<b>370,584</b>
<b>TOTAL ASSETS</b>	<b>2,957,457</b>
Share Capital	167,455
Reserves and profit carried forward	1,536,432
<b>Total Shareholders' Equity</b>	<b>1,703,887</b>
Non-current payables to group and associated companies	686,633
Payables to banks	338,747
Other financial payables	51
Deferred tax liabilities	40,614
<b>Total non-current liabilities</b>	<b>1,066,045</b>
Trade payables	3,401
Other payables	7,514
Current payables to group and associated companies	73,218
Payables to banks	61,808
Other financial payables	41,106
Current tax liabilities	478
<b>Total current liabilities</b>	<b>187,525</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>2,957,457</b>
<b>INCOME STATEMENT</b>	
<b>31/12/2022</b>	
Financial income and charges	(53,727)
Adjustments to financial assets value	(62)
Operating income	51,687
Other operating costs	(75,286)
Taxes	2,927
<b>Profit (Loss) for the year</b>	<b>(74,461)</b>

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.
5. Statement of monthly data on toll traffic.
6. Statement of monthly data on toll traffic by vehicle class.
7. Statement of deferred tax assets.

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	158,048	(144,970)	13,078	6,416	-	-	-	(5,423)	164,464	(150,393)	14,071	
Others	421,712	(421,712)	-	-	-	-	-	-	421,712	(421,712)	-	
Totals	631,735	(618,657)	13,078	6,416	-	-	-	(5,423)	638,151	(624,080)	14,071	

<b>Società di Progetto Brebemi S.p.A.</b> <i>Statement of the changes in "Tangible fixed assets"</i>											
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
<b>Land and buildings</b>											
Buildings	2,195,448	(1,531,385)	664,063	-	-	-	-	(43,909)	2,195,448	(1,575,294)	620,154
Total	2,195,448	(1,531,385)	664,063	-	-	-	-	(43,909)	2,195,448	(1,575,294)	620,154
<b>Industrial and commercial equipment</b>											
Motorway maintenance equipment	646,414	(639,155)	7,259	-	-	-	-	(1,452)	646,414	(640,607)	5,807
Total	646,414	(639,155)	7,259	-	-	-	-	(1,452)	646,414	(640,607)	5,807
<b>Others</b>											
Office equipment	46,151	(25,573)	20,578	-	-	(746)	746	(2,420)	45,405	(27,247)	18,158
Furniture	214,638	(204,169)	10,469	-	-	-	-	(874)	214,638	(205,043)	9,595
Electro-accounting machines	276,217	(199,396)	76,821	5,800	-	-	-	(13,294)	282,017	(212,690)	69,327
Temporary test areas	170,041	(170,041)	0	-	-	-	-	-	170,041	(170,041)	0
Technical equipment	342,885	(307,225)	35,659	-	-	-	-	(5,624)	342,885	(312,849)	30,035
Total	1,049,932	(906,404)	143,527	5,800	-	(746)	746	(22,212)	1,054,986	(927,870)	127,115
<b>Fixed assets under construction and advances</b>											
Junctions and motorway works	2,191,468	0	2,191,468	30,790	-	(9,580)	-	-	2,212,678	0	2,212,678
	0	0	0	-	-	-	-	-	0	0	0
Total	2,191,468	0	2,191,468	30,790	0	(9,580)	-	-	2,212,678	0	2,212,678
<b>Assets deriving from concession right</b>											
Junctions and motorway works	2,049,459,224	(95,310,240)	1,954,148,984	1,153,694	-	-	-	(7,344,465)	2,050,612,918	(102,654,704)	1,947,958,214
Public capital grant	(312,216,840)	0	(312,216,840)	-	-	(1,016,504)	-	-	(313,233,344)	0	(313,233,344)
Other assets deriving from concession right	352,259	0	352,259	62,385	-	-	-	-	414,643	0	414,643
Total	1,737,594,643	(95,310,240)	1,642,284,403	1,216,079	-	(1,016,504)	-	(7,344,465)	1,737,794,217	(102,654,704)	1,635,139,513
<b>Totals</b>	<b>1,743,730,632</b>	<b>(98,439,912)</b>	<b>1,645,290,720</b>	<b>1,252,669</b>	<b>0</b>	<b>(1,026,830)</b>	<b>746</b>	<b>(7,412,038)</b>	<b>1,743,956,471</b>	<b>(105,851,203)</b>	<b>1,638,105,267</b>

<b>Società di Progetto Brebemi S.p.A.</b> <i>Statement of the changes in Shareholders' Equity</i>							
<b>Description of changes</b>	<b>SHARE CAPITAL</b>	<b>SHARE PREMIUM RESERVE</b>	<b>OTHER RESERVES</b>	<b>CASH FLOW HEDGES RESERVE</b>	<b>PROFITS(LOSSES) CARRIED FORWARD</b>	<b>RESULT FOR THE PERIOD</b>	<b>TOTAL</b>
<b>Balance as at 31 December 2020</b>	<b>52,141,227</b>	<b>21,230,078</b>	<b>80,000,000</b>	<b>(307,179,029)</b>	<b>(24,121,150)</b>	<b>(95,758,771)</b>	<b>(273,687,645)</b>
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)
<b>Balance as at 31 December 2021</b>	<b>52,141,227</b>	<b>21,230,078</b>	<b>148,000,000</b>	<b>(266,609,780)</b>	<b>(119,879,921)</b>	<b>(66,078,240)</b>	<b>(231,196,636)</b>
Allocation of 2021 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)
<b>Balance as at 31 December 2022</b>	<b>52,141,227</b>	<b>21,230,078</b>	<b>213,000,000</b>	<b>(202,935,199)</b>	<b>(185,958,161)</b>	<b>(40,013,526)</b>	<b>(142,535,581)</b>
Allocation of 2022 result	-	-	-	-	(40,013,526)	40,013,526	-
Changes in Share capital	-	-	-	-	-	-	-
Changes in Reserves	-	-	40,000,000	12,034,063	-	-	52,034,063
Result for the period	-	-	-	-	-	(35,307,543)	(35,307,543)
<b>Balance as at 30 June 2023</b>	<b>52,141,227</b>	<b>21,230,078</b>	<b>253,000,000</b>	<b>(190,901,136)</b>	<b>(225,971,687)</b>	<b>(35,307,543)</b>	<b>(125,809,061)</b>

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 30.06.2023	Possibility of use	Available portion	Summary of uses in the three previous years			
				For loss coverage	For capital increase	For distribution	For other reasons
<b>Share Capital</b>	52,141,227		-				
<b>Capital reserves</b>							
Share premium reserve	21,230,078	A,B,C	21,230,078				
Participative financial instruments	253,000,000	B	253,000,000				
<b>Profit reserves</b>							
Profit/(Loss) carried forward	(225,971,687)		-				
Profit/(Loss) for the period	(35,307,543)		-				
Cash flow hedges reserve (*)	(190,901,136)		-				
<b>Total</b>	<b>(125,809,061)</b>		<b>274,230,078</b>	<b>0</b>			

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

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



**MONTHLY PAYING TRAFFIC DATA**

Annex 5

## LIGHT TRAFFIC (km travelled)

Month	30/06/2023	30/06/2022	30/06/2021
January	29,154,754	21,864,051	15,261,571
February	29,915,156	25,844,757	20,573,377
March	34,569,903	28,579,815	17,418,412
April	34,858,111	29,196,016	19,493,388
May	35,797,561	31,811,538	27,807,687
June	36,380,795	32,813,483	30,042,364
<b>TOTAL</b>	<b>200,676,280</b>	<b>170,109,660</b>	<b>130,596,799</b>

## HEAVY TRAFFIC (km travelled)

Month	30/06/2023	30/06/2022	30/06/2021
January	13,413,871	11,439,777	9,991,116
February	13,889,858	13,127,961	11,384,587
March	16,156,638	14,937,308	12,775,224
April	13,697,007	13,148,066	12,139,684
May	16,170,813	14,933,096	13,061,635
June	15,820,231	14,794,237	13,943,656
<b>TOTAL</b>	<b>89,148,418</b>	<b>82,380,445</b>	<b>73,295,902</b>

## TOTAL TRAFFIC (km travelled)

Month	30/06/2023	30/06/2022	30/06/2021
January	42,568,625	33,303,828	25,252,687
February	43,805,014	38,972,718	31,957,964
March	50,726,541	43,517,123	30,193,636
April	48,555,118	42,344,082	31,633,072
May	51,968,374	46,744,634	40,869,322
June	52,201,026	47,607,720	43,986,020
<b>TOTAL</b>	<b>289,824,698</b>	<b>252,490,105</b>	<b>203,892,701</b>

**MONTHLY PAYING TRAFFIC DATA**

Annex 6

**Km/1000 travelled by vehicle class**

Month	A		B		3		4		5		Total	
	30/06/2023	30/06/2022	30/06/2023	30/06/2022	30/06/2023	30/06/2022	30/06/2023	30/06/2022	30/06/2023	30/06/2022	30/06/2023	30/06/2022
January	29,155	21,864	5,733	4,868	909	733	653	607	6,119	5,232	42,569	33,304
February	29,915	25,845	6,099	5,775	946	864	615	683	6,230	5,805	43,805	38,973
March	34,570	28,580	7,115	6,457	1,097	990	703	772	7,241	6,718	50,727	43,517
April	34,858	29,196	6,226	5,830	899	880	604	618	5,968	5,820	48,555	42,344
May	35,798	31,812	7,286	6,651	1,085	1,030	696	714	7,105	6,539	51,968	46,745
June	36,381	32,813	7,074	6,637	1,064	999	691	712	6,991	6,447	52,201	47,608
<b>Total</b>	<b>200,676</b>	<b>170,110</b>	<b>39,532</b>	<b>36,218</b>	<b>6,000</b>	<b>5,495</b>	<b>3,962</b>	<b>4,106</b>	<b>39,654</b>	<b>36,560</b>	<b>289,825</b>	<b>252,490</b>

Società di Progetto Brebemi S.p.A. Statement of deferred tax assets								
Description	Opening balance 31 dicembre 2022		Movements				Final balance 30 giugno 2023	
	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	580,245,492	139,258,918	44,153,282	10,596,789	0	0	624,398,774	149,855,707
Tax losses for the period	44,378,291	10,650,790	(44,378,291)	(10,650,790)	0	0	0	0
ACE (Aid to Economic Growth)	19,806,813	4,753,635	(359,964)	(86,391)	0	0	19,446,849	4,667,244
Other temporary differences	15,750	3,780	(15,750)	(3,780)	0	0	0	0
Fair value of derivative instruments	267,019,998	64,084,800	0	0	(15,834,293)	(3,800,230)	251,185,705	60,284,568
<b>Deferred tax assets</b>	<b>911,466,345</b>	<b>218,751,923</b>	<b>(600,724)</b>	<b>(144,172)</b>	<b>(15,834,293)</b>	<b>(3,800,230)</b>	<b>895,031,328</b>	<b>214,807,519</b>



# A35 Brebemi



Brescia, September 28, 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 Semi-Annual Financial Statements for the year ended June 30, 2023, provide a true and fair view of the Company's financial position and operations as at June 30, 2023.

**Società di Progetto Brebemi S.p.A.**

The General Manager

Matteo Milanesi

A handwritten signature in black ink, appearing to read "M. Milanesi", with a horizontal line extending to the right.

Soggetta alla direzione e coordinamento  
di ALEATICA SAU

Sede: Via Somalia, 2/4 – 25126 Brescia  
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[www.brebemi.it](http://www.brebemi.it)



*This document contains a translation in English of the report in Italian "Relazione Semestrale al 30 giugno 2023" 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*