

A35 Brebemi



ALEATICA

FINANCIAL STATEMENTS

as at 31 December 2023

The shareholding structure as at 31 December 2023, the same as at the date of approval of this document, is shown below.

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%
Total	354,347,771	52,141,227	100.0000%

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

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A35 Brebemi



DIRECTORS' REPORT

as at 31 December 2023

INTRODUCTION

Dear Shareholders,

the 2023 Financial Statements, consisting of the Balance Sheet, Income Statement, Cash Flow Statement and Additional Note, as required by Art. 2423 of the Italian Civil Code and also accompanied by the Directors' Report, drawn up pursuant to Art. 2428 of the Italian Civil Code, are hereby submitted for your approval. These tables have been drawn up in accordance with the OIC 2016 national accounting standards implementing Legislative Decree 139/2015 published in the OJ of 4 September 2015.

Revenues from motorway operations showed a significant upward trend compared to 2022 (+13.7%).

The main operating indicators – positive Gross Operating Margin EUR 87.9 million and positive Operating Income EUR 73.0 million– increased compared to the previous year, expressing the same trend as revenues from motorway operations. The negative income before tax reflects the recognition of amortization and depreciation for a total of EUR 14.8 million, financial charges and income for a total of EUR 139.6 million, of which EUR 66.4 actually paid. The result for the year shows a loss of EUR 69.4 million.

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

MAIN INCOME STATEMENT, BALANCE SHEET AND CASH FLOW DATA

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

The key figures of the Income Statement as at 31 December 2023 compared with the corresponding data of the previous financial year can be summarized as follows:

	December 2023	December 2022	Variations
Revenues from motorway operations (*)	119,717,558	105,277,585	14,439,973
Other revenues	3,807,432	3,434,514	372,918
Operating costs (*)	(35,668,498)	(34,041,616)	(1,626,882)
Gross operating margin (EBITDA)	87,856,492 71.1%	74,670,483 68.7%	13,186,009
Amortisation, depreciation, provisions and reserves used	(14,834,221)	(14,060,270)	(773,951)
Operating income (EBIT)	73,022,271 59.1%	60,610,213 55.8%	12,412,058
Financial income	9,611,752	202,500	9,409,252
Bank financial charges	(103,593,191)	(86,356,264)	(17,236,927)
Financial charges shareholders loans	(7,739,466)	(14,091,823)	6,352,357
Release of Cash flow hedge reserve	(39,656,661)	(41,380,284)	1,723,623
Other financial charges	(85,041)	(172,755)	87,714
Value adjustments derivative instrum.	1,922,416	30,721,552	(28,799,136)
Balance of financial management	(139,540,191)	(111,077,074)	(28,463,117)
Income before tax	(66,517,920)	(50,466,861)	(16,051,059)
Income Taxes	(2,850,788)	10,453,332	(13,304,120)
Profit/(Loss) for the period	(69,368,708)	(40,013,529)	(29,355,179)

(*) Amounts after the surcharge payable to ANAS (EUR 4,740 thousand as at 31/12/2023, EUR 4,236 thousand as at 31/12/2022).

The item "Revenues from motorway operations" totalled EUR 119.7 million (EUR 105.3 million as at 31 December 2022) and is broken down as follows:

	December 2023	December 2022	Variations
Net toll revenues	125,234,279	111,823,030	13,411,249
Surcharge payable to ANAS	(4,740,134)	(4,236,335)	(503,799)
Discounts and other adjustments	(776,586)	(2,309,110)	1,532,524
Total motorway sector revenues	119,717,559	105,277,585	14,439,974

The increase in "Net toll revenues" compared to December 2022, equal to EUR 13.4 million (+12.0%), 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 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%	15.83	14.79	7.0%	52.21	47.61	9.7%
July	38.84	33.95	14.4%	16.30	14.82	10.0%	55.14	48.77	13.1%
August	26.19	23.44	11.8%	11.91	10.78	10.5%	38.10	34.21	11.4%
September	36.84	33.06	11.4%	16.02	14.87	7.7%	52.86	47.94	10.3%
October	37.79	34.09	10.9%	16.89	14.58	15.9%	54.68	48.66	12.4%
November	34.14	31.30	9.1%	16.09	14.77	9.0%	50.23	46.06	9.1%
December	34.35	30.31	13.3%	13.91	13.15	5.8%	48.26	43.46	11.0%
Total	408.83	356.25	14.8%	180.27	165.34	9.0%	589.10	521.59	12.9%

- "Other revenues", amounting to EUR 3.8 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" totalling EUR 35.7 million include:

- EUR 28.2 million in costs for services;
- EUR 0.2 million in costs for use of third party assets and other charges,
- EUR 3.4 million in costs of personnel;
- EUR 3.7 million in other operating expenses (after the surcharge of EUR 4.7 million).

The amount of service costs is mainly attributable to costs related to the operation and maintenance of assets deriving from concession right. Specifically, the consideration paid in 2023 to the contractor under the management and maintenance contract, the affiliate Argentea Gestioni S.c.p.A., amounts to EUR 23.3 million (EUR 22.0 million as at 31 December 2022).

The amount of other operating expenses includes EUR 3.1 million (EUR 2.8 million as at 31 December 2022) in concession and sub-concession fees to be paid to the Grantor under the Concession Agreement.

The gross operating margin (EBITDA) of EUR 87.9 million increased by EUR 13.2 million compared to the financial year 2022, mainly due to the growth in toll revenues.

"Amortisation, depreciation, provisions and reserves used", amounting to EUR 14.8 million, refers entirely to the amortization and depreciation of fixed assets. As of 31 December 2023, the amortization and depreciation charge related to assets deriving from concession right amounted to EUR 14.7 million (EUR 13.9 million as at 31 December 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 139.5 million (EUR 111.1 million as at 31 December 2022). Financial charges and income accrued and paid during 2023 amounted to EUR 56.8 million (EUR 46.3 as at 31 December 2022) while financial charges accrued but not

paid amounted to EUR 82.7 million (EUR 64.8 as at 31 December 2022). Details of financial charges are provided below:

	December 2023	December 2022	Variations
Financial income paid during the period	9,611,752	202,500	9,409,252
Financial charges paid during the period	(66,434,019)	(46,522,587)	(19,911,432)
<i>Bank financial charges and bonds</i>	<i>(57,110,355)</i>	<i>(38,480,102)</i>	<i>(18,630,253)</i>
<i>Swap differentials</i>	<i>(9,323,664)</i>	<i>(8,042,485)</i>	<i>(1,281,179)</i>
Financial charges accrued but not paid	(82,717,925)	(64,756,987)	(17,960,938)
<i>A3 financial charges</i>	<i>(24,413,148)</i>	<i>(23,502,428)</i>	<i>(910,720)</i>
<i>Junior financial charges</i>	<i>(7,749,156)</i>	<i>(12,114,375)</i>	<i>4,365,219</i>
<i>Financial charges shareholders loans</i>	<i>(7,739,466)</i>	<i>(14,091,823)</i>	<i>6,352,357</i>
<i>Financial charges bank bonds</i>	<i>(1,398,697)</i>	<i>(1,398,697)</i>	<i>0</i>
<i>Release CFH reserve</i>	<i>(39,656,661)</i>	<i>(41,380,284)</i>	<i>1,723,623</i>
<i>Value adjustments derivative instrum.</i>	<i>1,922,416</i>	<i>30,721,552</i>	<i>(28,799,136)</i>
<i>Other financial charges</i>	<i>(3,683,213)</i>	<i>(2,990,932)</i>	<i>(692,281)</i>
Balance of financial management	(139,540,192)	(111,077,074)	(28,463,118)

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 first half of 2023 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") would no longer be applied. 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.

Interest and principal as at 31 December 2023 related to the Junior line were not, instead, subject to repayment based on the provisions included in the "Note Trust Deed" for which, following the publication of the Compliance Certificates as at 30 June 2023, the Company notified the bondholders of fulfilment of the "Restricted Payment Condition".

"Financial income" includes EUR 7.8 million in positive differentials received for the period on outstanding hedging contracts while the remaining EUR 1.8 million refers to interest income accrued on bank deposits and on short-term restricted deposits.

"Financial charges" to shareholders of EUR 7.7 million (EUR 14.1 million as at 31 December 2022) include interest accrued on outstanding subordinated shareholder loans. The reduction compared to the previous year is due to the conversion of part of the share capital into equity instruments on 22 April 2022 for a total amount of EUR 65.0 million 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 2023).

"Income Taxes" totalling EUR 2.9 million include:

- EUR 2.8 million for current taxes;
- EUR 0.3 million for the cost of the return of deferred tax assets recognised in the previous period;
- EUR 0.3 million for positive adjustments relating to taxes from previous years;
- 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 31 December 2023, amounting to EUR 154.4 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 2023 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.

	31/12/2023	31/12/2022	Variations
Intangible fixed assets	8,648	13,078	(4,430)
Tangible fixed assets	703,005	814,849	(111,844)
Assets deriving from concession right	1,630,142,073	1,644,475,871	(14,333,798)
Working capital	311,711,772	336,007,648	(24,295,876)
Invested Capital	1,942,565,498	1,981,311,446	(38,745,948)
Employees severance indemnity	1,158,354	1,178,100	(19,746)
Invested capital after deducting provisions for medium and long-term risks and charges	1,941,407,144	1,980,133,346	(38,726,202)
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	(183,753,008)	(202,935,199)	19,182,191
Profit (loss) carried forward	(225,971,687)	(185,958,161)	(40,013,526)
Profit (loss) for the period	(69,368,708)	(40,013,526)	(29,355,182)
Shareholders' Equity	(152,722,098)	(142,535,581)	(10,186,517)
Net financial indebtedness	2,094,129,242	2,122,668,927	(28,539,685)
Own capital and loan capital	1,941,407,144	1,980,133,346	(38,726,202)

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 31 December 2023 is broken down as follows:

	31/12/2023	31/12/2022	Variations
Cash and cash equivalents	103,424,515	141,433,967	(38,009,452)
Receivables from interconnected companies	34,114,191	28,958,113	5,156,078
Derivative financial instruments assets	9,403,391	13,803,955	(4,400,564)
Current payables to bondholders	(51,458,563)	(73,795,601)	22,337,038
Current bank payables	(15,263,973)	(11,964,920)	(3,299,053)
Payables to interconnected companies	(1,153,009)	(1,090,352)	(62,657)
Net current available funds	79,066,552	97,345,162	(18,278,610)
Payables to banks	(253,706,246)	(268,335,155)	14,628,909
Payables to bondholders	(1,625,866,430)	(1,635,295,865)	9,429,435
Derivative financial instruments liabilities	(86,521,814)	(78,419,929)	(8,101,885)
Payable to "Banks Bond"	(62,178,806)	(60,780,109)	(1,398,697)
Payables to shareholders for loans	(144,922,498)	(177,183,031)	32,260,533
Non-current financial indebtedness	(2,173,195,794)	(2,220,014,089)	46,818,295
Net financial indebtedness	(2,094,129,242)	(2,122,668,927)	28,539,685

The item "Cash and cash equivalents" as at 31 December 2023 includes, among other things:

- the amounts deposited in the "Debt Service Reserve" account, constituted for the amount of EUR 43.0 million, and in the "Maintenance Reserve" account, constituted for the amount of EUR 29.0 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 11.7 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" result from: (i) the repayment of principal for the instalments due on 30 June 2023 and 31 December 2023, including principal and interest related to the junior line that were subject to lock-up as of 8 October 2020 (EUR 67.0 million); (ii) the capitalisation of accrued interest on the A3 line (EUR 24.4 million); (iii) the capitalisation of accrued interest as at 31 December 2023 on the Junior line (EUR 7.7 million); (iv) the release of Transaction Costs for the period (EUR 3.1 million).

The change in "Bank payables" is attributable: (i) for EUR 11.9 million, to the repayment of the instalments due in 2023 on the Senior Loan; (ii) for EUR 1.4 million, to interest accrued and not paid on the loan deriving from the agreement with the Banks that have issued the Performance Bond; (iii) for EUR 0.5 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 7.7 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 with a positive fair value amount to EUR 9.4 million and are also included in financial receivables as at 31 December 2023.

UPDATING OF THE ECONOMIC AND FINANCIAL PLAN

The five-year 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, on 9 June 2022, they agreed on a new Economic and Financial Plan (the 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 noted that the agreement was later approved by the Boards of Directors of the Company and of CAL; 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 3 August 2022, CAL sent to the Ministry of Infrastructure and Sustainable Mobility ("MIMS") the

updated Economic and Financial Plan, together with the relevant draft Addendum of implementation, for the relevant follow-up.

On 8 September 2022, 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, pursuant to Art. 43 of Decree Law no. 201/2011 as amended.

Subsequently, the Company constantly urged the Grantor to take all steps with the central administrations to swiftly finalise the deed.

With the notes sent to CAL on 29 September 2022 and 11 November 2022, ART initially deemed it necessary to suspend the procedure for the issuance of the relevant opinion, noting some critical elements concerning the conditions for restoring the balance of the 2022 Economic and Financial Plan, with particular reference to the terminal value and the extension of the duration of the concession.

These notes were followed by the Grantor's remarks set out in the notes dated 13 October 2022 and 21 December 2022.

Subsequently, ART, in a note sent to CAL on 23 February 2023, made some comments on the 2022 Economic and Financial Plan.

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, to follow up on ART's remarks and quickly conclude the rebalancing procedure, shared and signed on 11 September 2023 an agreement, subsequently approved by their 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.

Therefore, on 5 October 2023, the Grantor sent MIMS the 2023 Economic and Financial Plan and Draft Addendum No. 4, asking for the documentation to be rapidly sent to ART for the issuance of the relevant opinion.

On 16 October 2023, MIMS forwarded the 2023 Economic and Financial Plan and Draft Addendum No. 4 to ART for the purpose of the issuance by the Authority of its relevant opinion,

pursuant to Art. 43 of Decree Law no. 201/2011 as amended; on 26 October 2023, ART issued Opinion no. 22/2023.

On 7 November 2023, a meeting was held between CAL and the Company, during which the Grantor confirmed its intention to ask MIMS to submit Draft Addendum No. 4 and the 2023 Economic and Financial Plan to CIPESS (Interministerial Committee for Economic Planning) for the continuation of the authorisation process.

In a note dated 15 November 2023, the Company invited CAL to play an active and diligent role *vis-à-vis* the Central Administrations so that the rebalancing proposal could be submitted to CIPESS with a timing compatible with the conclusion of the approval procedure pursuant to Decree Law 201/2011 by the end of the year.

On 24 January 2024, the Grantor represented that (i) it had asked MIMS, in a note dated 24 November 2023, to send "as soon as possible" the documentation relating to the updated Economic and Financial Plan to CIPESS, for the purposes of the resolution falling within the remit of the same Committee under Art. 43 of Decree Law no. 201/2011, as amended; (ii) that it had not heard received any answer from MIMS to the aforementioned note and/or to the transmission of the documentation to CIPESS.

In a communication dated 13 February 2024, the Company (i) invited the Grantor CAL to urge the Central Administrations to go ahead with the approval procedure under Art. 43, Decree-Law 201/2011 as amended; (ii) called upon MIMS, to the extent of its remit, to promptly forward the 2023 Economic and Financial Plan to CIPESS, in view of the serious delay that had accumulated, and (iii) reserved the right to bring an action to protect its rights if the procedure was not rapidly concluded.

PUBLIC CONTRIBUTION

By Resolution No. 60 of 6 August 2015, adopted after receiving the opinion of NARS [Advisory Unit for the Implementation of the Guidelines on the Regulation of Public Services], CIPE, upon the proposal of the Minister of Infrastructure and Transport, approved the Economic and Financial Plan and revised the related Explanatory Report, establishing the following measures to restore the economic-financial balance of the concession:

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

The contribution is expected:

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

- for a total amount of EUR 60 million, to be disbursed over the 2015-2017 three-year period, pursuant to Lombardy Region decree no. 12781 of 30 December 2014.

As at 31 December 2023, the public contribution to be collected amounted to EUR 120 million, attributable to the annual instalments to be collected from 2024 to 2029.

OPERATIONS ON THE COMPANY'S CAPITAL

In 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%.

TOLL CHARGES

The company, with a communication dated 12 October 2022, following the agreement dated 9 June 2022 concerning the updating of the concession Economic and Financial Plan, asked the Grantor Cal S.p.A. to adjust its toll rates for 2023. The request, in the hope that the Economic and Financial Plan updating procedure would be concluded by the end of 2023, was made with reference to the updated Economic and Financial Plan submitted to the Grantor on 9 June 2022, which provided for an annual 5.61% tariff variation from 2023 to 2026 and a 4.49% variation 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 should necessarily have been ensured, for the year 2023, on the basis of the current concession Economic and Financial Plan determined according to the following revision formula:

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

Where:

ΔT is the annual percentage variation of the tariff.

ΔP is the planned inflation rate. For 2023, the planned inflation rate indicated in the Economic and Financial Document 2022 (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, (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(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 plans² prepared in accordance with the resolutions adopted pursuant to Article 16(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.

With reference to the two disputes relating to the failure to adjust tariffs for the years 2022 and 2023, it is noted that with sentence no. 03386/2024, published on 20 February 2024, the Lazio Regional Administrative Court (TAR) (i) upheld both appeals brought by Brebemi, with respect to the inapplicability to the Brebemi concession of Art. 13(3) of Decree Law no. 169/2019, (ii) thus annulled, inter alia, the MIMS note of 4 January 2023 and (iii) ordered *"that this sentence be enforced by the administrative authority"*. However, the upholding of these appeals did not entail, according to the Regional Administrative Court, the automatic application of the requested tariff adjustment, arguing that this activity was left to the Administration. In a note dated 27 February 2024, Brebemi therefore forwarded the above-mentioned rulings to the Grantor Cal S.p.A., asking it to liaise with the competent administrations in order to obtain the immediate approval of the above-mentioned tariff increases.

The respondents notified on 28 March 2024 an appeal to the Council of State against the above judgments.

With respect to the 2024 toll charges, the company, with a communication dated 12 October 2023, following the agreement dated 11 September 2023 concerning the updating of the concession Economic and Financial Plan, asked the Grantor Cal S.p.A. to adjust its toll rates for 2024. The request was made with reference to the updated Economic and Financial Plan sent to

the Grantor on 11 September 2023 and provided for a variation deriving from the calculation of the management tariff and the construction tariff, requested for the year 2024, equal to 7.70%, which included the recovery of the missed tariff increase of 2023 during the 2024-2026 three-year period.

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 should be ensured for the year 2024, on the basis of the current concession Economic and Financial Plan determined according to the following revision formula:

$$\Delta T = \Delta P - X + K$$

Where:

ΔT is the annual percentage variation of the tariff;

ΔP is the planned inflation rate. For 2024, the planned inflation rate indicated in the Economic and Financial Document 2023 is 2.3%.

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 (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.

Consequently, the tariff adjustment resulting from the application of the revision formula set forth in Art. 15 of the Convention is equal to:

$\Delta T: \Delta P - X + K = 2.3\% - (-2.990\%) + 0.000\% = +5.29\%$. Furthermore, the recovery of the missed tariff increase for the year 2023, which, as per the request of 12 October 2022, is equal to 7.29%, was requested as of 1 January 2024.

Consequently, the requested total tariff increase with effect from 1 January 2024, in the event of non-approval of the Economic and Financial Plan, was 12.97% as resulting from the following formula:

$$\Delta T = [1 * (1 + \Delta T_{2023})] * (1 + \Delta T_{2024})$$

Where:

ΔT_{2023} : 7.29% tariff increase for 2023

ΔT_{2024} : 5.29% tariff increase for 2024

Lastly, it is pointed out that in a note dated 30 December 2023, the Ministry of Infrastructure and Transport stated what follows: *"Paragraph 3 of Article 13 of Decree-Law no. 162 of 30 December 2019, converted, with amendments, by Law no. 8 of 28 February 2020, concerning updates to the economic and financial plans of concession holders, is replaced as follows: by 30 March 2024, the concession holders for which the five-year regulatory period has expired, shall submit their proposals for updating the economic and financial plans prepared in accordance with the resolutions adopted under Article 16(1), of Decree Law no. 109 of 28 September 2018, by the Transport Regulatory Authority pursuant to Article 37 of Decree-Law no. 201 of 6 December 2011, converted with amendments by Law no. 214 of 22 December 2011, as well as the provisions issued by the grantor. The update of the economic and financial plans, submitted by the 30 March 2024 in accordance with the established procedures, shall be finalised no later than 31 December 2024. Pending the said updates, the motorway tolls for the concessions referred to in paragraph 1 are increased by 2.3 per cent, corresponding to the inflation index (NADEF) for 2024. Any upward or downward adjustments with respect to the aforementioned tariff increases are defined when the economic and financial plans are updated".*

Following the issuance of the aforementioned decree, tariffs along the A35 Brebemi motorway increased by 2.3% for both light and heavy vehicles as of 1 January 2024.

On 28 February 2024 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 since it granted a tariff increase that was lower than that deemed due.

MOTORWAY OPERATION

ACCIDENTS

In 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.

	2023	2022	2021
Total accidents	187	175	168
Accidents with damages	162	131	129
Accidents with injuries	25	44	39
No. of injured	39	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 during 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.

SERVICE CHARTER

In compliance with the Concession Agreement and Ministry of Infrastructure and Transport Directive no. 102/09, the Company prepared the Motorway Service Charter also for 2023, which describes the services provided with the corresponding standards and how user protection is carried out.

The Service Charter, an important tool for dialogue and regulation of the relationship between users and concession holder, is intended to ensure the highest level of efficiency and functionality in the provision of services, as well as to provide concise, complete and transparent information on service factors, quality indicators and protection measures, in the belief that such information can be a useful tool for the correct use of the motorway.

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 DKV (light and heavy vehicles), Axxes (light and heavy vehicles) and Unipoltech (light and heavy vehicles) are operational.

A contract was also signed during the year for the provision of the electronic toll service with TollTickets (light and heavy vehicles) and Telepass (light and heavy vehicles) and AS24 (heavy vehicles)

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.

With regard to the operator Unipoltech, Verifications of Conformity of the Correct Operation (VCCF) are being launched with regard to the use of new electronic toll collection equipment. 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.

Work on the revision of SIT-MP contracts (heavy vehicles) to extend the service to light vehicles is underway.

A "Telepedaggio Coordination Structure" has been set up at the level of the Italian motorway toll system, in which a limited number of representatives participate, including a representative of Brebemi, in order to ensure the coordination of operations of all concession holders in the Italian system.

As described in more detail in the following paragraphs, the vertical signs indicating the lanes reserved for "Telepass" customers at motorway toll gates and toll booths have been changed from the current "Telepass" wording.

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.

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.

During 2023, planned motorway resurfacing work was carried out on approximately 18 km of motorway pavements, mainly along the carriageway and involving the resurfacing of the drainage surface layer. A small binder section was also carried out on the traffic and emergency lane of the Liscate bypass due to localised damage.

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 2023 work continued to remove the deteriorated paint, with subsequent repainting, on the seismic isolators of the south side piles of the motorway 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 2023, with regard to the maintenance of motorway facilities, activities continued as schedules 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, residual works were completed 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 first half of 2024.

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.

The installation of sensors for dynamic monitoring of bridges and tunnels on the Oglio viaduct (Brescia direction), Muzza viaduct (Milan direction) and Treviglio tunnel (both directions) was completed in 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 the second half of 2023, tests and power measurements were carried out with the partner IVECO and the Milan Polytechnic using the bus.

Specific tests on electromagnetic compatibility with electromedical devices were also carried out in collaboration with the Milan Polytechnic to assess the absence of interference with the operation of pacemakers and cardiac pacemakers.

In collaboration with Sacbo, the operator of the Orio al Serio airport, an initial feasibility study was drawn up for the installation of the WPT system for the recharging of buses within the terminal, both in their dynamic and static recharging versions.

The analysis for the installation of the system, in both dynamic and static configurations, to serve a passenger transport line within the city itself is underway in cooperation with the Genoa Public Transport Company.

Meetings were held at the experimental site by ATM (Milan's public transport company) and the company Aeroporti di Roma.

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 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. In the second half of 2023, data analysis activities continued and the preparation of final reports began.

Lastly, during the year, the first electromagnetic field measurement tests (EMF) 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. A new measurement campaign has been planned for 2024, which will be carried out with different instruments and measurement methods.

Once again, measurements will be taken at different transit speeds and at different positions and heights.

EXPROPRIATIONS AND ACQUISITIONS OF LAND AND BUILDINGS

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

Following the approval of Addendum No. 3 to the Concession Agreement, the charges for the direct acquisition of land or buildings were increased by an amount of EUR 117,411,565 in consideration of: (i) the effects of the Memorandum of Understanding signed with the Lombardy Region, Confagricoltura, Coldiretti, Cia, Unione Regionale Proprietà Fondiarie and the increase in average agricultural values in the provinces concerned (approximately 21% from 2009 to 2014), (ii) the effects of the Constitutional Court's decision no. 181 of 7 June 2011, (iii) the agreement with RFI concerning the expropriation of the areas between motorway and railroad, (iv) the expropriation of mitigation areas. The new maximum expenditure limits amount to a total of EUR 357,411,565.

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

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

In compliance with the terms of Public Utility deriving from the aforementioned CIPE Resolutions, Brebemi has thus issued all the final provisions for the acquisition/assignment of

the areas necessary for Work execution, while the activities instrumental to the transfer of the expropriated property, as well as those related to the final payment of the indemnities to the persons entitled thereto (including legal expenses and taxes), remain to be completed.

As of 31 December 2023, Brebemi has incurred costs for expropriation indemnities and taxes amounting to EUR 348,325,560.

LEGAL ACTIVITIES AND LITIGATION

Disputes related to expropriation procedures

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

- four relating to the estimated indemnities payable to private parties affected by expropriation procedures;
- one 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 initial indemnity request was strongly reduced, in acceptance of Brebemi's position, both in first and second instance);
- one 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.

Other disputes

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

- one 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;
- 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). Discontinuance of proceedings is being formalised between the parties;
 - 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 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". Following the public hearing of 25 January 2023, the Council of State, deeming it necessary for the purpose of deciding on the incidental grievances brought by Brebemi, ordered ART to file a report with the court clarifying whether Brebemi actually was in a different and peculiar situation compared to other motorway concessions, in that it does not operate under a *de facto* monopoly, and whether and in what terms this peculiarity was taken into account in determining the new toll tariff system for the Brebemi concession. A public hearing was also set for continuation of the case.
 - an administrative lawsuit brought by Brebemi before the Lazio Regional Administrative Court to challenge the note by which the Ministry of Infrastructure and Transport, on 30 December 2023, communicated that "taking into account that the conditions set forth in the aforementioned regulations are met for this Company, the recognition of the +2.30% adjustment of the average unit tariff is confirmed as from 1 January 2012". Brebemi's appeal is based on the illegitimacy of the ministerial measure - which, albeit partially, suspended the tariff adjustment to be granted to Brebemi for 2024 - 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.

- In this regard, it should be noted that, with rulings no. 3385 and 3386, both published on 20 February 2024, the Lazio Regional Administrative Court upheld the two appeals with which Brebemi had challenged, respectively, 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 and the communication with which the Ministry of Infrastructure and Sustainable Mobility on 4 January 2023, suspended the annual tariff adjustment pertaining to 2023, stating that non-completion of the preliminary investigation for the approval of the new Economic and Financial Plan, through which the value of the components of the tariff formula should be established, does not justify the discontinuance or suspension of the tariff adjustment procedure;
- 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;
- a civil action before the Court of Brescia, which started with a petition notified to the Company and Consorzio BBM by an agricultural company, 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.

FINANCIAL MANAGEMENT

Bond issues

Following the resolution approved by the Company's extraordinary shareholders' meeting on 3 October 2019, a multi-tranche secured bond was issued on 22 October 2019 for a total principal amount of EUR 1,679 million. The structure of the operation, on a project-bond basis, provides:

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

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

In addition, as part of the transaction, the Company signed an amortizing loan agreement for a total maximum amount of EUR 307 million maturing in 2033, disbursed by UniCredit S.p.A., Banco BPM S.p.A., Monte dei Paschi di Siena S.p.A. and Banca IMI S.p.A.

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

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

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

The financial structure led to an improvement in the financial ratios and covenants compared to the previous debt thanks to better market conditions and the presence of the Class A3 zero-

coupon tranche and the Subordinated Secured tranche (the so-called Junior tranche). This also resulted in an investment grade rating on the senior tranches.

As part of the refinancing operation described above, the interest rate swap (IRS) contracts in place at the refinancing date were extinguished early. New derivatives were entered into to hedge the interest rate risk exposure generated by the Company's new debt structure. The extinction of the previous derivatives was financed for 70% of Fair Value with the increase in the new debt issued by the Company and for the remainder through the stipulation of new hedging IRS, whose contractual terms and conditions include an increase in periodic payment flows, attributable to the repayment of the portion of Fair Value of the previous contracts extinguished early.

According to the current provisions of the OIC Principles, the reserve accrued on IRS extinguished early (overall negative for EUR 448,507,839 and equal to the effective component of the previous hedging relationships, accrued up to the date of early termination of the contracts and consequent termination of the relationships themselves), will be reclassified to the Income Statement in the same financial years in which the cash flows originally hedged have an effect on the profit (loss) for the year.

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

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

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

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

Shareholders' loans

As at 31 December 2023, the following shareholders' loans were disbursed:

Shareholders	Principal	Interest	Total
	31/12/2023	31/12/2023	31/12/2023
Autostrade Lombarde S.p.A.	35,633,273	71,881,256	107,514,529
Aleatica SAU	10,779,648	26,250,368	37,030,015
C.m.b. Cooperativa Braccianti e Muratori di Carpi	123,223	254,731	377,953
Total	46,536,144	98,386,354	144,922,498

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, approved by the Board of Directors on 17 March 2023, showed that in the first half of 2023 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") would not be applied. 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.

Interest and principal as at 31 December 2023 related to the Junior line were not, instead, subject to repayment based on the provisions included in the "Note Trust Deed" in that, following the publication of the Compliance Certificates as at 30 June 2023, the Company notified the bondholders of application of the lock-up on distributions and the application of the "Restricted Payment Condition".

As described in the financial statements as at 31 December 2022, 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 Supervisory Board is updating the Organisational Model, 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 duly executed the work plan of the internal control activities approved for the financial year 2023.

Privacy

The Company has consistently complied with the requirements of the EU General Data Protection Regulation 2016/679 ("Regulation").

In July 2023, the Company - which has had an in-house Data Protection Officer ("DPO") since May 2018 - deemed it appropriate to appoint an external DPO and therefore appointed BDO Advisory Services s.r.l. - a company with a high level of specialised knowledge and professional skills required by Article 37 of the GDPR - to perform the functions and duties of DPO for the Company under the supervision of and in cooperation with the Global DPO of the Aleatica Group.

In January 2024, the DPO prepared its 2023 report and 2024 activity plan.

Whistleblowing

Legislative Decree No. 24 of 10 March 2023 implementing Directive (EU) 2019/1937 (the so-called whistleblowing directive) provides for the establishment and regulation of special procedures for reporting breaches of national or EU regulatory provisions (internal, external and public disclosure channels), guaranteeing confidentiality and establishing a specific system in case of retaliation.

In order to bring internal procedures in line with the aforementioned regulations, the Company has activated a platform for written or oral reports through the "I-Care" corporate web-based platform which can be used from any device (PC, Tablet, Smartphone) or by telephone (toll-free number): 800 727 406).

Reports are handled, along with the internal channel, by Aleatica's Compliance Function, as further specified in Aleatica's Compliance Investigations Protocol.

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.

In the course of 2023, the Internal Audit function of the parent company Aleatica initiated and conducted an audit concerning accounts receivable and toll management.

Environment and sustainability

In light of its role in the territory in which it operates and as part of the strategy adopted by the parent company Aleatica, the Company has undertaken a path that has led to the definition of a sustainability strategy aimed at mitigating the negative impacts and maximising the positive impacts of the Organisation's activities and business relations.

The path undertaken has led to the development of a Sustainability Plan in line with the objectives and values set out by Aleatica and in continuity with its corporate strategy and values. The plan is based on a strategy that integrates business growth with social, environmental and governance sustainability. Its strategic directions focus on priority topics such as decarbonisation, circular economy, biodiversity preservation, sustainable governance, road safety, occupational health and safety, gender equality and cybersecurity.

In particular, the plan has been drawn up on the basis of the 5 founding principles of the corporate culture of Brebemi and the Aleatica group, namely: (i) Safety First, (ii) Social and Environmental Sustainability, (iii) Transparency and Corporate Governance (iv) Service Excellence and (v) Passion for Teamwork, as well as GRI standards.

For each of the five Aleatica principles, the plan lays down specific objectives to be achieved through initiatives and projects to be launched over a five-year period. Projects are classified based on action priorities and most of them have been identified as possible KPIs to be monitored. The basic and priority contents of the plan have been shared by the company with its employees in the form of a short presentation published on the company's intranet.

During 2023, the Company initiated and continued the implementation of multiple initiatives consistent with the group's objectives and principles, including the following:

Recycling of materials in order to reduce emissions and safeguard natural material resources

Motorway infrastructure operations have environmental impacts, particularly with regard to Co2eq emissions and waste production. With this in mind, Brebemi has initiated policies and initiatives aimed at increasingly optimising the management of waste and waste materials as well as the supply of raw materials.

The sustainable and rational use of natural resources by promoting the principles of the circular economy can not only protect the environment and health, but also provide new economic opportunities and contribute to long-term competitiveness.

The search for sustainable solutions for the resurfacing of the drainage surface layer by replacing virgin aggregates with recycled ones, derived from the milling of pavement layers on the motorway itself, has been underway since 2022.

Following extensive laboratory studies and analyses, an experimental section of approximately 18 km of motorway was resurfaced in July 2023 with 20% recycled asphalt in the drainage mix. In addition, a study was launched in 2023 to quantify the environmental benefits of this initiative, using the Life Cycle Assessment (LCA) method.

The LCA method is an internationally recognised analytical method, also codified by several standards (e.g. ISO 14040:2006, 14044:2006 etc.), which assesses the environmental footprint of a product or service throughout its entire life cycle.

The environmental results are the basis for a critical interpretation of the use of recycled materials in road pavements and the optimal percentage of substitution that translates into an actual environmental benefit.

Road safety initiatives in partnership with the territory

The company has joined the "Autostradafacendo" project, promoted with the State Police and a large group of national road operators. The project is intended to organise road safety days, spreading awareness in the various areas crossed by each motorway.

In October, an event was organised in Caravaggio (BG) attended by over 200 young people. Each of them participated in a series of workshops on road safety topics such as seat belts, speed, distraction, alcohol and drugs. Also present at the scene was the Traffic Police's Pullman Azzurro, which, through the use of multimedia tools, aims to educate and raise awareness among young drivers about road safety issues, promoting a "safe driving" culture to prevent risky behaviour when driving.

"Arena del Futuro" project and ERS - DWPT system testing

Dynamic recharging system testing for electric vehicles is part of a process aimed at making an important contribution to the decarbonisation of the transport sector and started in 2020 when Brebemi launched a study with the Milan Polytechnic on state-of-the-art technologies in the field of ERS electric mobility. Following this study, it was decided to launch a technical-scientific trial with the support of industrial, scientific and institutional partners aimed at creating the conditions for the development of the ERS DWT Dynamic power transfer system along motorway transport corridors.

Please refer to the appropriate section of the directors' report for a more detailed description of the activities carried out during the year.

Project for the regeneration and protection of biodiversity along the motorway

During the year, a plan was launched to safeguard biodiversity and at the same time regenerate unused areas near the motorway. This project started with the creation of a Biodiversity Oasis at the exit of the Treviglio toll gate within the area enclosed by the junction itself. The Oasis includes: 50 nectar-rich trees, enough to feed a total of 75,000 pollinating insects per year, potentially absorbing 7,488 kg of carbon dioxide from the atmosphere, and 2 beehives, equipped with Hive-Tech technology, a set of biomimetic IoT sensors, powered by small solar panels installed on the roof recording the vital parameters of the bee colony (e.g. weight, honey production). This monitoring assesses not only the well-being of 600,000 bees but, indirectly, also the quality of the surrounding environment. The oasis is continuously monitored through

satellite images and IoT bioacoustic sensors. The Brebemi Oasis, which ranges from ecosystem regeneration and monitoring to community education, represents a paradigm shift towards harmonising infrastructural development with ecological preservation.

Installation of electric recharging stations along the motorway

In April 2023, following the tender award to the company EWIWA, eight plug-in 300KW recharging stations for electric/hybrid vehicles were put into service (four at the Caravaggio Nord Service Area and four at the Caravaggio Sud Service Area) with two roof shelters equipped with photovoltaic panels. The charging facility is in addition to the one operated by Tesla, in operation since March 2021.

The installation of electric recharging stations is one of the most effective tools available to motorway operators to encourage the use of less impactful vehicles and contribute to the decarbonisation of the transport sector.

During the year, a project was also launched 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, which are expected to become operational in the early months of the year.

Gradual replacement of lighting installations with LED systems along the motorway

The Company has long undertaken initiatives to reduce and improve the efficiency of energy consumption from motorway operation and lighting.

With this in mind, a substantial and progressive plan has been launched to replace the lighting fixtures in the toll booth areas and toll stations along the relevant section. The aim, in the long term, is to gradually replace Sap and metal halide-type lighting fixtures, which have been present since construction, with LED type lighting fixtures.

In particular, during 2021 and 2022, a total of 117 metal-halide lighting fixtures were replaced with LED fixtures at the Chiari Est toll gate, the Calcio toll station and the Chiari Ovest junction. In 2023, 99 lighting fixtures were replaced with LED metal-halide systems at the Liscate gate area and the Romano di Lombardia junction.

These measures contribute to the reduction of CO2 emissions due to the longer operating hours offered by LED technology as well as lower energy consumption.

In addition, in March 2023, specific initiatives were launched to reduce energy consumption on the motorway, including the rescheduling of the switching-on times of the light towers located in several of the infrastructure's stations.

Red benches against femicide and violence against women in general

On 25 November 2023, on the occasion of the international day for the elimination of violence against women, the company installed two red benches in the service areas along the motorway, in collaboration with the respective operators Autogrill and Chef-express.

The red bench is a symbol of the communication and awareness-raising activities aimed at giving voice to the actions taken against violence against women, in favour of a culture of equality.

Through this symbolic though also concrete gesture, the Company intends to promote awareness of the respect for every individual, fighting silence and all forms of abuse and discrimination. The bench includes a plaque that shows the toll-free number to call in case of need or risk of violence.

Human Resources

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

Staff composition	31/12/2023	31/12/2022	Variations	2023 Average	2022 Average
Executives	4	5	(1)	4	5
Managers	8	7	1	8	6
Employees	19	20	(1)	20	22
Total	31	32	(1)	32	33

In addition to directly hired personnel, the company also makes use of the services provided by employees on secondment from its subsidiary Argentea. As at 31 December 2023, two partial secondment contracts are in place.

The training plan envisaged for 2023 was completed as planned with regard to both mandatory initiatives under the regulations and to the development of technical skills and knowledge, as well as those in the areas of compliance, cybersecurity, diversity and inclusion, security culture and sustainability.

In addition, on 5 March 2024, the minutes of the "Trade Union Agreement, Performance Bonus and Level II Bargaining" were signed with the trade unions, which defined various topics for the 2024-2026 period, such as the performance bonus paid upon the achievement of specific KPIs related to profitability, quality and efficiency, to be defined annually. The agreement also establishes the possibility for employees, as an alternative to monetary compensation, to convert their "performance bonus" into welfare. Finally, the agreement provides for the recognition of supplementary benefits such as holidays and solidarity leave, additional leave for certain cases, birth bonus, diploma/master/study bonus.

Lastly, it should be noted that the use of smartworking, governed by special company regulations, was confirmed also in 2023, up to a maximum of 8 days per month.

Cybersecurity

In line with group policies and guidelines, the Company pays particular attention to the prevention and management of cyber risks. During 2023, the NIST (National Institute of Standards and Technology) cybersecurity documentation required by group policies was completed and the documentation drawn up in previous years was revised.

Cybersecurity was also increased through:

SOC Service Implementation

The service prevents attacks detected through infrastructure devices such as firewalls, endpoint security, antispam, webfilters, web applications, etc. The service correlates information, detects and responds to attacks that are unknown or difficult to identify.

The SOC, which is active 24/7, receives, classifies and reports anomalies, contacting the Head of Cybersecurity by telephone in case of particularly serious anomalies.

The artificial intelligence engine within the technology platform uses information received from various sources to increase its detection capabilities for security incidents. The solution uses customised correlation rules and notification services based on activities that are deemed malicious or non-compliant with system and information use procedures. The solution is fully cloud-based and operational at a highly-reliable leading national provider, on a software-as-a-service (SaaS) basis.

Red Team Service

The service includes penetration testing (PT) with the objective of gaining control of the network. Following PT, a vulnerability assessment (VA) is carried out to identify the actual attack paths. The results are manually evaluated by testing the identified vulnerabilities, excluding any false negatives and/or false positives.

During the activity, automatic scanning tools are used to search for known vulnerabilities, as well as technical and manual attack tools to assess the actual possibility of exploitation of the detected vulnerabilities.

The audit also includes the following activities: (i) identification of exposed services through port scanning to detect all TCP and UDP ports that may be exposed, (ii) execution of automated scanning with vulnerability scanners, (iii) identification of services in use and their version (where possible) (iv) analysis of vulnerability scanner results to detect false positives, (v) brute-forcing password attempts, (vi) privilege escalation attempts, (vii) attempts to exploit detected vulnerabilities, and (viii) gathering evidence of activities performed and critical impacts on the infrastructure.

Blue Team Service

Following the Red Team activity, the service applies the identified remedies (hardening process). In particular, the service includes the definition of the action plan and priority activities, the coordination of activities with external suppliers and systems personnel, the provision of support in the application of mitigations, the validation of hardening activities, monthly meetings with expert personnel, and verification and reporting activities.

Business Impact Analysis (BIA) annual review

During 2023, an impact analysis was carried out for the purpose of the Business Continuity Process, identifying the various implications (primarily economic, regulatory and reputational) related to an interruption of the work process caused by an internal or external event. The purpose of this activity is to identify and assess the business processes that are relevant to

business continuity, and to assess the impact of scenarios that may threaten the normal course of business.

Disaster Recovery at External Datacentre

A Disaster Recovery service has been activated, which allows for reduced downtime in the event of a total downtime of the company's data centre.

During the year, infrastructure equipment was also continuously updated with a view to ensuring the constant prevention of cyber risks, and corporate policies were revised and improved, including those associated with Incident Response Management.

With a view to cybersecurity, Multifactor Authentication (MFA) functionalities were implemented on Office applications.

Finally, a comprehensive cybersecurity awareness programme was designed and developed with the aim of improving the cybersecurity culture and raising awareness among the corporate population of the potential consequences and risks associated with cyber threats. The programme included the following activities: (i) campaigns with brochures, e-news, thematic desktops, interactive videos and information capsules, (ii) cybersecurity introductory course, (iii) knowledge certification course, (iv) workshops to strengthen cybersecurity management skills.

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.13) on 13/09/2023. 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 standards) 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".

In October 2023, the Brebemi Group obtained the corporate certification (BREBEMI-ARGENTEA group) according to UNI EN ISO 9001:2015; UNI ISO 45001:2018 and UNI EN ISO 14001 standards, in relation to the following scope: "Management of the Brescia-Milan A 35 motorway under concession by means of administration, technical management, operating management,

legal and works management services", expiring on 17/10/2026, which replaced all its previous certifications.

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 S.p.A. to Group companies</i>		
Autostrade Lombarde S.p.A.	Supply of services	330,000
Autostrade Lombarde S.p.A.	Secondment of staff	47,117
Argentea Gestioni S.c.p.A.	Chargeback costs for services	426,064
Argentea Gestioni S.c.p.A.	Secondment of staff	98,958
<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	107,514,529
Autostrade Lombarde S.p.A.	Financial charges	6,050,112
Autostrade Lombarde S.p.A.	Supply of services	31,975
Argentea Gestioni S.c.p.a.	O&M global service contract fee	23,351,203
Argentea Gestioni S.c.p.a.	Chargeback costs for services not included in the O&M fee	1,344,145

The costs equal to EUR 23,351,203 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. and its subsidiaries are listed below:

Counterparty	Type of transaction	Amount
Aleatica SAU	Participative financial instruments	61,597,378
Aleatica SAU	Shareholders' loans	37,030,016
Aleatica SAU	Financial charges	1,670,499
Aleatica SAU	Costs for services	77,038
Aleatica SAB de CV	Costs for services	50,570
Seconmex Administracion	Costs for services	74,506

Own shares and stocks or shares of parent companies

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

Risk management

The Company identified both risks related to specific business factors and financial risks through a Risk Assessment process that incorporated the best practices and procedures defined in the Aleatica Group. With regard to the management of financial risks, it has identified and defined its objectives and management policies.

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

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

These risks are analysed in detail below:

Interest rate risk

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

The Company's indebtedness as at 31 December 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. The Company believes that the availability of financing, together with the generation of cash flows and contractual economic-financial rebalancing mechanisms, guarantee the fulfilment of its planned requirements.

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

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.

Alternative performance measures

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

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

MANAGEMENT OUTLOOK

With reference to the Company's economic outlook, it is expected that the EBITDA and EBIT positive trend will continue in the financial year 2024. The interest rate trend will not lead to significant increases in financial charges as the Company's debt is almost entirely fixed-rate and the variable-rate tranches have been hedged through "Interest Rate Swap" derivative contracts.

In 2024, based on budgeted cash flows and currently available liquidity, the Company expects to be able to cover its financial needs.

Considering the above, the going concern assumption on the basis of which the financial statements for the year ended 31 December 2023 were prepared, is confirmed.

As reported in the previous paragraphs, it is hoped that the approval process for the new Economic and Financial Plan will finally be finalised in the course of 2024, which is especially important for shareholding management. The company will continue to monitor the approval process and exert all possible actions on the administrations involved so that this procedure can be concluded.

The financial statements as at 31 December 2023 show losses carried forward of EUR 225,971,687 and a loss for the year of EUR 69,368,708. The available reserves that can be used to cover accumulated losses amount to a total of EUR 274,230,078, and thus there result losses carried forward of EUR 21,110,317 in excess of the limit established by Art. 2446 of the Italian Civil Code. Shareholders' equity as of 31 December 2023 was negative for EUR 152,722,098. In this respect, it should be noted that, pursuant to applicable regulations, the reserve for expected cash flow hedges is not considered in the calculation of shareholders' equity for the purposes of Arts. 2412, 2433, 2442, 2446 and 2447 of the Italian Civil Code.

Under the terms of the commitments undertaken with its lenders, the Company is required to maintain a level of shareholders' equity no lower than EUR 100,000,000 (net of the reserve for expected cash flow hedges), through the conversion of subordinated shareholder loans, where sufficient. In this regard, it should be noted that, as of 31 December 2023, there were shareholders' loans totalling EUR 144,922,497.84 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.

In a meeting held today, the Board of Directors thus decided to issue 69,000,000 participative financial instruments, also establishing that any instruments not subscribed by shareholders would be released through offsetting of receivables due from the Company to parties who undertook commitments in the respective Subordinated Shareholder Loans. The issuance of Participative Financial Instruments, which will be finalised by 3 July 2024, will therefore ensure fulfilment of Article 2446 of the Italian Civil Code.

Brescia, 21 March 2024

The Chairman
of the Board of Directors
Joaquin Gago De Pedro

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ECONOMIC AND FINANCIAL SITUATION

as at 31 December 2023

BALANCE SHEET - ASSETS

Amounts in euro		31/12/2023	31/12/2022
B Fixed assets, with separate indication of leased assets:			
I	Intangible fixed assets		
4)	Concessions, licences, trademarks and similar rights	8,648	13,078
	Total	8,648	13,078
II	Tangible fixed assets		
1)	Land and buildings	576,245	664,063
3)	Industrial and commercial equipment	4,355	7,259
4)	Other assets	109,707	143,527
5)	Fixed assets under construction and advances	12,698	0
6)	Fixed assets under construction and advances (assets deriving from concession right)	2,815,506	2,191,468
7)	Assets deriving from concession right	1,627,326,567	1,642,284,403
	Total	1,630,845,078	1,645,290,720
III	Financial fixed assets		
4)	Derivative financial instruments assets	9,403,391	13,803,955
	Total	9,403,391	13,803,955
	Total fixed assets	1,640,257,117	1,659,107,753
C	Current assets		
II	Receivables		
1)	From customers		
	- due within the next financial year	363,524	335,340
4)	From parent companies		
	- due within the next financial year	112,547	118,484
	- due beyond the next financial year	6,603,756	6,117,187
5)	From companies subject to the control of the parent companies		
	- due within the next financial year	244,434	242,060
5-bis)	Tax receivables		
	- due within the next financial year	1,043,667	2,993,085
5-ter)	Deferred tax assets		
	- due beyond the next financial year	212,441,515	218,751,923
5 - quater)	To others		
	- due within the next financial year	20,875,870	20,862,358
	- due beyond the next financial year	94,249,848	112,216,841
6)	From interconnected companies	34,114,191	28,958,113
	Total	370,049,352	390,595,391
IV	Cash and cash equivalents		
1)	Bank and postal deposits	102,627,312	140,603,357
3)	Cash and valuables on hand	797,203	830,610
	Total	103,424,515	141,433,967
	Total current assets	473,473,867	532,029,358
D	Accruals and deferrals		
	b) Prepaid expenses	1,217,238	1,694,821
	Total	1,217,238	1,694,821
	TOTAL ASSETS	2,114,948,222	2,192,831,932

BALANCE SHEET - LIABILITIES

Amounts in euro		31/12/2023	31/12/2022
A Shareholders' Equity			
I	Share Capital	52,141,227	52,141,227
II	Share premium reserve	21,230,078	21,230,078
VI	Other reserves, indicated separately	253,000,000	213,000,000
VII	Cash flow hedges reserve	(183,753,008)	(202,935,199)
VIII	Profit (loss) carried forward	(225,971,687)	(185,958,161)
IX	Profit (loss) for the year	(69,368,708)	(40,013,526)
Total		(152,722,098)	(142,535,581)
B Provisions for risks and charges			
3)	Derivative financial instruments liabilities	86,521,814	78,419,929
Total		86,521,814	78,419,929
C Employee severance indemnity		1,158,354	1,178,100
Payables			
D			
1)	Bonds		
	- due within the next financial year	51,458,563	73,795,601
	- due beyond the next financial year	1,625,866,430	1,635,295,865
3)	Payables to shareholders for loans		
	- due beyond the next financial year	144,922,498	177,183,031
4)	Payables to banks		
	- due within the next financial year	15,263,973	11,964,920
	- due beyond the next financial year	315,885,052	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	2,587,753	1,415,811
11)	Payables to parent companies		
	- due within the next financial year	0	0
11 - bis)	Payables to companies subject to the control of the parent companies		
	- due within the next financial year	15,901,215	17,233,431
	- due beyond the next financial year	1,228,634	3,893,448
12)	Tax payables:		
	- due within the next financial year	1,021,085	611,416
13)	Payables to social security institutions		
	- due within the next financial year	211,204	153,587
14)	Other payables:		
	- due within the next financial year	4,178,844	3,707,790
	- due beyond the next financial year	4,304	4,188
15)	Payables to Interconnected Companies	1,153,009	1,090,352
Total		2,179,982,905	2,255,765,045
E Accruals and deferrals			
a)	Accrued expenses	1,016	0
b)	Deferred income	6,231	4,439
Total		7,247	4,439
TOTAL LIABILITIES		2,114,948,222	2,192,831,932

INCOME STATEMENT

Amounts in euro		December 2023	December 2022
A Value of Production			
1)	Revenues from sales and services	124,457,692	109,513,920
5)	Other revenues and income	3,807,432	3,434,514
Total		128,265,124	112,948,434
B Costs of Production			
6)	For raw materials, ancillary goods, consumables and goods for resale	(64,272)	(70,653)
7)	For services	(28,283,987)	(26,981,981)
8)	For use of third party assets	(267,078)	(283,189)
9)	For staff		
a)	Wages and salaries	(2,422,041)	(2,396,616)
b)	Social security contributions	(747,348)	(729,933)
c)	Employees severance indemnity	(179,518)	(268,479)
e)	Other costs	(39,140)	(31,141)
Total		(3,388,047)	(3,426,169)
10)	Amortization, depreciation and write-downs		
a)	Amortisation of intangible fixed assets	(10,846)	(12,672)
b)	Depreciation of tangible fixed assets		
	- depreciation of technical assets	(134,445)	(161,007)
	- depreciation of assets deriving from concession right	(14,688,930)	(13,886,591)
Total		(14,834,221)	(14,060,270)
14)	Other operating expenses:	(8,405,247)	(7,515,959)
Total		(55,242,852)	(52,338,221)
Difference between value and costs of production		73,022,272	60,610,213
C Financial income and charges			
16)	Other financial income		
d)	Income other than above:		
	- From others	9,611,752	202,500
Total		9,611,752	202,500
17)	Interest and other financial expenses:		
c)	To parent companies	(6,050,112)	(11,015,889)
e)	To others	(145,024,393)	(130,984,988)
Total		(151,074,505)	(142,000,877)
17-bis)	Foreign exchange gains and losses	145	(249)
Total		(141,462,608)	(141,798,626)
D Adjustments to financial assets value			
18)	Revaluations:		
d)	Of derivative financial instruments	9,475,443	30,721,552
19)	Write-downs:		
d)	Of derivative financial instruments	(7,553,027)	0
Total		1,922,416	30,721,552
Pre-tax profit		(66,517,920)	(50,466,861)
20)	Income taxes for the year		
a)	Current taxes	(2,781,998)	(2,367,031)
b)	Deferred tax assets/liabilities	(252,874)	10,570,130
c)	Taxes from previous years	(302,485)	570,652
d)	Income related to participation in the tax consolidation	486,569	1,679,581
Total		(2,850,788)	10,453,332
21)	Profit (loss) for the year	(69,368,708)	(40,013,529)

CASH FLOW STATEMENT

Amounts in euro thousands	31/12/2023	31/12/2022
A. Cash flows from operations		
Profit (loss) for the year	(69,368,708)	(40,013,526)
<i>Adjustments for non-monetary items that did not have a balancing entry in net working capital:</i>		
Depreciation and amortization:		
- intangible fixed assets	10,846	12,672
- tangible fixed assets	134,445	161,007
- freely transferable assets	14,688,930	13,886,591
Net change in Employees severance indemnity	(19,746)	129,077
Provisions (utilisations) for other risks and charges	39,664,590	41,386,635
Write-downs (revaluations) of financial assets	(1,922,416)	(30,721,552)
Adjustments for non-monetary items	0	0
1. Cash flow before changes in NWC	(16,812,059)	(15,159,096)
Changes in net working capital	(6,438,283)	(5,763,372)
2. Cash flow after changes in NWC	(23,250,342)	(20,922,468)
<i>Other adjustments:</i>		
Net change in deferred tax assets and liabilities	252,874	(10,570,130)
Cash flow from operations (A)	(22,997,468)	(31,492,598)
B. Cash flows from investing activities		
(Investments in intangible fixed assets)	(6,416)	(13,107)
(Investments in tangible fixed assets)	(9,904)	(63,393)
(Investments in freely transferable assets)	(2,400,838)	(8,735,498)
(Investments in non-current financial assets)	0	0
Capital contributions received	20,000,000	20,000,000
Payables to suppliers of fixed assets	1,363,339	(410,468)
Cash flow from investing activities (B)	18,946,182	10,777,534
C. Cash flows from financing activities		
<i>Loan capital:</i>		
Increase (decrease) in short-term financial liabilities	(19,037,985)	29,912,690
Increase (decrease) in medium/long-term financial liabilities	(22,659,647)	(12,927,959)
Increase (decrease) in shareholders' loan	(32,260,533)	(50,908,177)
<i>Own capital:</i>		
Other changes in financial liabilities (*)	40,000,000	65,000,000
Cash flow from financing activities (C)	(33,958,165)	31,076,554
Increase (decrease) in cash and cash equivalents (A±B±C)	(38,009,451)	10,361,490
Initial cash and cash equivalents	141,433,967	131,072,477
Bank and postal deposits	140,603,357	130,194,860
Cash and valuables on hand	830,610	877,617
Final cash and cash equivalents	103,424,515	141,433,967
Bank and postal deposits	102,627,312	140,603,357
Cash and valuables on hand	797,203	830,610
Additional information:	31/12/2023	31/12/2022
Interest received/(paid) in the period	(66,434,019)	(46,522,587)
(Income taxes paid) in the period	(2,546,534)	(1,401,110)
Dividends received during the period	0	0

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

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ADDITIONAL NOTE

as at 31 December 2023

INTRODUCTION

The Financial Statements for the year that ended on 31 December 2023 have been drawn up in compliance with the Italian Civil Code, as amended in order to implement Legislative Decree No. 139/2015, interpreted and supplemented by the Accounting Principles issued by the Italian Accounting Body (OIC), and consist of the Balance Sheet, Income Statement, Cash Flow Statement and Additional Note.

The Financial Statements at 31 December 2023 are consistent with the results of the accounting records and were drawn up in compliance with Arts. 2423, 2423-ter, 2424, 2424-bis, 2425, 2425-bis, 2425-ter of the Italian Civil Code, in accordance with the drafting principles laid down by Art. 2423-bis(1) of the Italian Civil Code, and the valuation criteria laid down by Art. 2426 of the Italian Civil Code. With regard to the standards used to draw up 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(7-8) 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 Financial Statements as at 31 December 2023 have 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 12 December 2023 and in consideration of currently available liquidity. The cash flows of 2024 are also represented in the Economic and Financial Plan updated to 31 December 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 financial statements as at 31 December 2023 show losses carried forward of EUR 225,971,687 and a loss for the year of EUR 69,368,708. The available reserves that can be used to cover accumulated losses amount to a total of EUR 274,230,078, and thus there result losses carried forward of EUR 21,110,317 in excess of the limit established by Art. 2446 of the Italian Civil Code. Shareholders' equity as of 31 December 2023 was negative for EUR 152,722,098. In this respect, it should be noted that, pursuant to applicable regulations, the reserve for expected cash flow hedges is not considered in the calculation of shareholders' equity for the purposes of Arts. 2412, 2433, 2442, 2446 and 2447 of the Italian Civil Code.

Under the terms of the commitments undertaken with its lenders, the Company is required to maintain a level of shareholders' equity no lower than EUR 100,000,000 (net of the reserve for expected cash flow hedges), through the conversion of subordinated shareholder loans, where sufficient. In this regard, it should be noted that, as of 31 December 2023, there were shareholders' loans totalling EUR 144,922,497.84 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.

In a meeting held today, the Board of Directors thus decided to issue 69,000,000 participative financial instruments, also establishing that any instruments not subscribed by shareholders would be released through offsetting of receivables due from the Company to parties who undertook commitments in the respective Subordinated Shareholder Loans. The issuance of Participative Financial Instruments, which will be

finalised by 3 July 2024, will therefore ensure fulfilment of Article 2446 of the Italian Civil Code.

VALUATION CRITERIA

The accounting standards and evaluation criteria applied in drawing up the Financial Statements as at 31 December 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 2023, 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 2019-2040 economic and financial plan, the value in use resulting from the impairment test carried out did not show the need to reduce the value of the assets tested.

The Economic and Financial Plan used was based on the most recent plan adopted as part of the refinancing operation, adjusted to reflect changes occurring after the date of drawing up of the financial plan (impact of Covid-19 on traffic, fees, completion of the investment programme, etc.)

Grants for plant and equipment

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

Derivative financial instruments

Derivative financial instruments, even if embedded in other financial instruments, are recorded at fair value. Changes in fair value are recognised in the income statement or directly in a positive or negative equity reserve if the instrument covers the risk of changes in the expected cash flows of another financial instrument or a planned transaction. This reserve is recognized in the income statement to the extent and over a period of time corresponding to the occurrence or change in the cash flows of the hedged instrument or the hedged transaction. The elements hedged against the risk of changes in interest rates or exchange rates or market prices or against credit risk are valued

symmetrically to the hedging derivative instrument; hedges are considered to exist where, from the outset, there is a close and documented correlation between the characteristics of the hedged instrument or transaction and those of the hedging instrument. Profits deriving from the fair value measurement of derivative financial instruments not used or not necessary for hedging purposes cannot be distributed. The equity reserves arising from the fair value measurement of derivatives used to hedge the expected cash flows of another financial instrument or a planned transaction are not considered in the computation of equity for the purposes of Arts. 2412, 2433, 2442, 2446 and 2447 of the Italian Civil Code and, if positive, are not available and cannot be used to cover losses.

Fair value is determined by reference:

- (a) to market value, for financial instruments for which an active market can easily be identified;
- (b) where the market value is not readily identifiable for an instrument, but can be identified in its components or a similar instrument, the market value may be derived from that of the components or the similar instrument;
- (c) to the value resulting from generally accepted valuation models and techniques for instruments for which an active market cannot easily be identified; such valuation models and techniques need to ensure a reasonable approximation of the market value.

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

Receivables

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

Provisions for risks and charges

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

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

Employees severance indemnity

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

Payables

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

Accruals and deferrals

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

Revenues from sales

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

Current 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 1,630,845,078 (EUR 1,645,290,720 as at 31/12/22), includes EUR 1,627,326,567 (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 109,999,170 (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 1,619,202.76, refers to the building used as the Company's headquarters.

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

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

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

Assets deriving from concession right

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

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

B II 6) Fixed assets under construction and advances (Assets deriving from concession right)	31/12/2023	31/12/2022
ERS (Electric Road System) project	2,307,838	2,191,468
Dynamic monitoring for remote control of bridges, viaducts and tunnels (2022 RRP)	507,668	0
Total	2,815,506	2,191,468

B II 7) Assets deriving from concession right	31/12/2023	31/12/2022
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	348,325,560	346,941,978
Sums available to the General Contractor	85,291,932	85,291,932
General expenses and other amounts available	93,109,495	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	511,351	352,259
Reserves and additional construction costs	44,508,569	44,508,569
Public capital grant	(314,249,848)	(312,216,841)
Financial amortization	(109,999,170)	(95,310,241)
Assets deriving from concession right	1,627,326,567	1,642,284,403

"Fixed assets under construction and advances" include costs incurred until 31 December 2023 in connection with the Electric Road System project, totalling EUR 2.3 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 348.3 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, granted for a total of EUR 320,000,000, was recognized in 2016 with the effectiveness of Addendum No. 3 to the Concession Agreement. As at 31 December 2023, a total of EUR 314,249,848 is recorded at amortized cost in order to take into account the time factor relating to the collection of the long-term portion (2025-2029). The effect of the discounting back of the long-term portion for a total of EUR 5,750,152 was deducted from the item Receivables for grants to be collected.

The item "Financial amortization and depreciation" of EUR 109,999,170 includes the allocation of differentiated amortization quotas in accordance with the provisions of the Concession Agreement's Economic and Financial Plan, as better specified in the section on valuation criteria of this note.

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

The amount as at 31 December 2023 refers to contributions made to the following entities:

Beneficiary	Description of agreement	Amount agreed	Amount paid
Agreement between Province of Brescia - CAL S.p.A. - RFI S.p.A. - Società di Progetto Brebemi S.p.A. - Consorzio B.B.M.	Agreed design solution to maintain the east-west link in view of disposal of the former SS11	1,231,841	1,231,841
Consorzio di gestione del Parco Regionale del Serio	Environmental compensation work to be carried out by the Park	1,430,000	1,228,513
Parco Adda Nord	Environmental compensation work to be carried out by the Park	1,495,000	944,747
Parco Oglio Nord	Environmental compensation work to be carried out by the Park	1,495,000	1,495,000
Municipality of Cassano d'Adda	Design and construction of road access	1,821,000	1,821,000
Municipality of Chiari	Design and construction of the link between the former SS11 and the SP17 (Northern Ring Road Chiari)	4,000,000	4,000,000
Others		1,144,399	1,144,399
Total		12,617,239	11,865,499

The residual amount still to be disbursed to Local Authorities, equal to EUR 751,740, is shown in the section on the commitments undertaken by the Company as at 31 December 2023.

Financial fixed assets**Derivative financial instruments assets**

Description	31/12/2023	31/12/2022
Derivative financial instruments assets	9,403,391	13,803,955
Total	9,403,391	13,803,955

The amount recorded at 31 December 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:

Description	31/12/2023	31/12/2022
Due in less than 1 year	363,524	335,340
Due in more than 1 year	0	0
Total	363,524	335,340

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

Receivables from parent companies

Description	31/12/2023	31/12/2022
Service Contract Credit	112,547	118,484
Credit for participation in the tax consolidation	6,603,756	6,117,187
Total	6,716,303	6,235,671

The amount of EUR 6,603,756 (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 244,434 (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:

Description	31/12/2023	31/12/2022
VAT credits	50,414	2,642,773
IRAP credits	389,213	287,997
IRES credits	490,684	13,302
Other tax receivables	113,355	49,013
Total	1,043,667	2,993,085

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 remuneration on current accounts and time deposits due to the increase in interest rates.

Deferred tax assets

This item can be broken down as follows:

Description	31/12/2023	31/12/2022
Previous years' tax losses	149,790,778	139,258,918
Tax losses in the year	0	10,650,790
ACE (Aid to Economic Growth)	4,565,759	4,753,635
Other temporary differences	57,713	3,780
Fair value of derivative instruments	58,027,265	64,084,800
Total	212,441,515	218,751,923

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

Deferred tax assets as at 31 December 2023 refer: (i) for EUR 154.4 million, to the tax losses and ACE benefit accrued until 31 December 2022 and for which there is currently a reasonable certainty of obtaining future taxable income that will be able to absorb the losses carried forward, ensuring the full recoverability of the recognised asset; (ii) for EUR 58.0 million, to the temporary tax effect arising from the valuation of outstanding derivatives.

As a matter of prudence, the recognition of further amounts was suspended on the tax loss recognised in 2023 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 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	31/12/2023	31/12/2022
Due in less than 1 year	20,875,870	20,862,358
Public grant to be paid	20,000,000	20,000,000
Other receivables due in less than 12 months	875,870	862,358
Due in more than 1 year	94,249,848	112,216,841
Public grant to be paid	94,249,848	112,216,841
Total	115,125,718	133,079,199

The public contribution payable 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 94,249,848 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 31 December 2023 is equal to EUR 5,750,152.

The item "other receivables" includes: receivables for costs paid in advance in relation to expropriations; receivables arising from payments made by users with credit/debit cards and collected in January 2024; receivables from users for non-payment.

Receivables from interconnected companies

This item, equal to EUR 34,114,191 (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 31 December 2023.

The amount also includes receivables from operators of the electronic toll service for tolls pertaining to December 2023 and collected in January 2024.

Cash and cash equivalents

At 31 December 2024, this grouping was composed as follows:

Description	31/12/2023	31/12/2022
Banks accounts	102,627,312	140,603,357
Cash on hand	797,203	830,610
Total	103,424,515	141,433,967

The item "Cash and cash equivalents" as at 31 December 2023 includes, among other things:

- the amounts deposited in the "Debt Service Reserve" account, constituted for the amount of EUR 43.0 million, and in the "Maintenance Reserve" account, constituted for the amount of EUR 29.0 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 11.7 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 and 31 December 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 31 December 2023, the item Prepaid expenses is broken down as follows:

Description	31/12/2023	31/12/2022
Fees for guarantees	48,614	47,283
Insurance	3,840	286,914
Sundry	136,354	153,522
Prepayment service areas grant	756,505	812,514
Prepayment costs incurred for refinancing transaction	252,130	394,588
Total	1,197,443	1,694,821

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 56,162, the quota beyond 12 months is EUR 700,342.

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 which envisages a EUR 466,402 premium 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 109,283.

COMMENTS ON THE MAIN LIABILITY ITEMS

SHAREHOLDERS' EQUITY

The total changes in shareholders' equity are shown in Annex 3. In addition, in accordance with the specific requirements of point 7-bis of Art. 2427 of the Italian Civil Code, an additional table has been added, Annex No. 4, indicating, for the items of Shareholders' Equity, the nature, possibility of use and distribution, as well as their use in the three previous years.

Share capital and share premium reserve

The equity as of 31 December 2023 consists of 354,347,771 common shares, for a total of EUR 52,141,227.

Other reserves, indicated separately

The amount as of 31 December 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	31/12/2023		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
Total	253,000,000	253,000,000	213,000,000	213,000,000

The Extraordinary Shareholders' Meeting of 11 October 2019 approved the operation to strengthen the Company's capital structure, consisting of the issue, in several tranches, up to a maximum amount of EUR 350,000,000, of participative financial instruments, pursuant to Art. 2346(6) 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 21 March 2024, the Board of Directors decided to issue 69,000,000 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 183,753,008 (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 58,027,265 (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 241,780,272 (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 272,112,536 (EUR 311,769,198 at 31/12/2022), as well as the positive effective component, equal to EUR 30,332,264 (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.

Cash flow hedges reserve	31/12/2023	31/12/2022
Opening balance	(267,019,998)	(350,802,341)
Increase (Decrease) due to changes in Fair Value	(6,644,968)	41,749,998
Increase (Decrease) for release to income statement of interest differentials accrued during the year	(7,771,969)	652,061
Increase (Decrease) for release to income statement of effectiveness accrued on terminated hedging relationships	39,656,662	41,380,284
Gross closing balance	(241,780,273)	(267,019,998)
Fiscal effect	58,027,265	64,084,799
Net closing balance	(183,753,008)	(202,935,199)

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

PROVISIONS FOR RISKS AND CHARGES

As at 31 December 2023 this grouping is composed as follows:

Description	31/12/2023	31/12/2022
Derivative financial instruments liabilities	86,521,814	78,419,929
Total	86,521,814	78,419,929

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

As at 31 December 2023, this item amounted to EUR 1,158,354 (EUR 1,178,100 as at 31/12/22).

Movements during the year were as follows:

Balance as at 31 December 2022	1,178,100
Allocation for the year	102,477
Transfer to funds	(41,106)
Utilisation for personnel in the year	(81,117)
Balance as at 31 December 2023	1,158,354

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 1,677,324,993 (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 31/12/2023
A1 - Senior Amortizing	15,000,000	Euribor 6m	3.188%	22-Oct-19	31 December 2038	13,775,013
A2 - Senior Amortizing	934,000,000	Fixed	3.375%	22-Oct-19	31 December 2038	870,584,176
A3 - Senior Secured - Zero Coupon	557,965,333	Fixed	3.875%	22-Oct-19	22 January 2042	642,686,563
Subordinated Extendable to 2042 - Junior	172,000,000	MAX[Euribor 6m;0%]	6.500%	22-Oct-19	31 December 2029	150,279,241
Total	1,678,965,333					1,677,324,993

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 31/12/2023
A1	14,499,003	(493,461)	(265,228)	0	34,699	13,775,013
A2	902,804,602	(17,056,595)	(16,514,842)	0	1,351,011	870,584,176
A3	630,016,702	(12,002,512)	0	24,413,148	259,226	642,686,563
Junior	195,573,284	(4,249,557)	(50,209,985)	7,749,156	1,416,343	150,279,241
Total	1,742,893,591	(33,802,125)	(66,990,055)	32,162,304	3,061,279	1,677,324,993

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 50.2 million as well as interest accrued in the first half of 2023 in the amount of EUR 8.8 million, 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 first half of 2023 and until the calculation date of the financial covenants of 30 June 2023, the lock-up relating to distributions and payments will no longer apply.

Principal and interest as at 31 December 2023 were not, instead, subject to repayment based on the provisions included in the "Note Trust Deed" and the calculation of the financial covenants as at 30 June 2023.

The total amount as at 31 December 2023, equal to EUR 1,677,324,993, is also divided between the amount to be paid within the next financial year and the amount to be paid beyond it, according to the following details:

Line	Outstanding debt 31/12/2023	Short Term (Within 12 Months)	Long Term (Over 12 Months)
A1	13,775,013	337,172	13,437,840
A2	870,584,176	20,994,728	849,589,448
A3	642,686,563	0	642,686,563
Junior	150,279,241	30,126,663	120,152,579
Total	1,677,324,993	51,458,563	1,625,866,430

Payables to shareholders for loans

As at 31 December 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 31/12/23	Amount 31/12/22	Accrued 2023	Amount 31/12/23	
Autostrade Lombarde	66,261,745	(30,628,472)	35,633,273	65,831,144	6,050,112	71,881,256	107,514,529
Aleatica	20,045,261	(9,265,613)	10,779,648	24,579,869	1,670,499	26,250,368	37,030,016
C.m.b.	229,138	(105,915)	123,223	235,874	18,856	254,730	377,953
Total	86,536,144	(40,000,000)	46,536,144	90,646,887	7,739,467	98,386,354	144,922,498

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 these Financial Statements, 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 331,149,025 (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 31/12/2023
Senior Amortizing – Loan	307,000,000	Euribor 6m	2.600%	268,970,219
Payable to "Banks bond"	55,181,487	Fixed	2.500%	62,178,806
Total	362,181,487			331,149,025

Payables to banks	Residual debt 31/12/2022	Transaction Costs 31/12/2022	Refunds	Accrued liability	Transaction Costs of the period	Residual debt 31/12/2023
Senior	284,458,120	(4,158,045)	(11,964,920)	98,173	536,891	268,970,219
Bond Creditors	60,780,109	0	0	1,398,697	0	62,178,806
Total	345,238,229	(4,158,045)	(11,964,920)	1,496,870	536,891	331,149,025

As part of the overall refinancing transaction in 2019, 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 Banks bond following the Performance Bond enforcement

in order to define the repayment conditions. The agreement provides that the total amount of EUR 55.2 million is to be repaid in cash, including the annual interest accrued at the fixed rate of 2.5% as at 31 December 2028. However, the Company is entitled to extend the final repayment date to 30 June 2036 and subsequently to 31 December 2042, making repayment subject to the remaining cash availability after the commitments arising from the financial documents relating to the bond loans and the senior loan. Under the agreement the parties are entitled to agree that, instead of being repaid, the payable may be converted into share capital.

Payables to other lenders

As of 31 December 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 31 December 2023 corresponds to the 2021 and 2022 instalments.

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 2,587,753 (EUR 1,415,811 as at 31/12/2022) comprises payables to suppliers related to ordinary activities and other current investments.

Payables to companies subject to the control of the parent companies

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

Description	31/12/2023	31/12/2022
Due in less than 1 year	15,901,215	17,233,431
O&M fee due in less than 12 months	15,241,666	16,885,958
Other payables to Argentea	659,549	347,473
Due in more than 1 year	1,228,634	3,893,448
O&M fee due in more than 12 months	1,228,634	3,893,448
Total	17,129,849	21,126,879

The amount due within 12 months for a total of EUR 15,901,215 (EUR 17,233,431 as at 31/12/22) mainly refers to as yet unpaid fees accrued for the O&M contract.

The amount beyond 12 months for a total of EUR 1,228,634 (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 in 2025. The payable as at 31 December 2023 of total EUR 1,250,000 was valued according to the amortized cost method, taking

the time factor into account and entered as total EUR 1,228,634 minus the discounting amount, equal to EUR 21,366.

Tax payables

Tax payables amount to EUR 1,021,086 (EUR 611,416 as at 31/12/22) and are broken down as follows:

Description	31/12/2023	31/12/2022
Withholding tax payables	125,563	162,899
Current tax payables	603,267	448,517
VAT payables	292,256	0
Total	1,021,086	611,416

Payables to social security institutions

This item, amounting to EUR 211,204 (EUR 153,587 as at 31/12/22), relates to the payables as at 31/12/2022 to these institutions for the shares borne by the company.

Other payables

The item breaks down as follows:

Description	31/12/2023	31/12/2022
Due in less than 1 year	4,178,844	3,707,790
Payables to employees	439,641	392,683
Payables for concession fees and surcharges	3,265,190	2,841,221
Other payables	474,013	463,060
Due in more than 1 year	4,304	4,188
Withholding tax payables	4,304	4,188
Total	4,183,148	3,711,978

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 31 December 2023 includes the amount accrued in 2023.

Payables to Interconnected Companies

This item, equal to EUR 1,153,009 (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 124,457,692 and are broken down as follows:

Description	2023	2022
Net toll revenues	120,494,145	107,585,467
Surcharge payable to ANAS	4,740,134	4,236,335
Toll discounts	(103,431)	(2,408,180)
Other toll revenues	160,245	154,140
Other adjustments	(833,400)	(53,842)
Total	124,457,692	109,513,920

The increase in "net toll revenues", net of the amount of the surcharge payable to ANAS, equal to EUR 12.9 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:

Description	2023	2022
Service contract with Autostrade Lombarde S.p.A.	330,000	330,000
Secondment of staff	146,075	160,145
Recovery of costs Argentea Gestioni S.c.p.A.	426,064	373,034
Recovery of charges for exceptional transport procedure and non-payment of tolls	405,089	390,070
Recovery of collection charges	1,383,276	1,216,648
Service area royalties	444,386	390,077
Miscellaneous	672,542	574,540
Total	3,807,432	3,434,514

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 31 December 2023, this item amounted to EUR 64,272 (EUR 70,653 as at 31/12/2022) and includes costs for fuel, stationery and consumables.

Costs for services

This item breaks down as follows:

Description	2023	2022
Costs for services relating to assets deriving from concession right (A)	25,176,868	23,577,649
O&M Argentea Gestioni contract management	23,351,203	21,967,670
Insurance	272,136	272,268
Electricity	1,121,768	1,040,326
Other operating expenses	431,761	297,385
Other costs for services (B)	3,107,119	3,404,332
Directors' fees	330,229	258,542
Statutory Auditors Fees	91,777	91,199
Other fees	10,700	11,700
Independent auditors' fees	68,527	50,252
Communication, advertising, events	158,874	199,309
Utilities	62,216	94,160
Travel, subsistence and entertainment costs	75,234	65,700
IT Services	256,526	202,582
Other operating expenses	379,513	391,291
Other personnel costs	111,265	74,474
Consultancy	1,268,981	1,717,403
Bank costs and guarantee fees	293,278	247,720
Total (A) + (B)	28,283,987	26,981,981

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.

The item "Communication, advertising, events" includes the costs related to the advertising campaign developed to promote the use of the infrastructure and related initiatives.

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 31/12/2022) and breaks down as follows:

Description	2023	2022
Car rentals	136,803	154,014
Photocopier rentals	25,893	20,904
Property rentals	104,382	108,271
Total	267,078	283,189

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	2023	2022
Wages and salaries	2,422,041	2,396,616
Social security contributions	747,348	729,933
Employees severance indemnity	179,518	268,479
Other costs	39,140	31,141
Total	3,388,047	3,426,169

The item, which stands at EUR 3,388,047, 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:

	31/12/2023	31/12/2022	Variations	2023 Average
Executives	4	5	(1)	4
Managers	8	7	1	8
Employees	19	20	(1)	20
Totals	31	32	(1)	32

Amortization, depreciation and write-downs

"Depreciation and amortization" amounted to EUR 14,834,221 (EUR 14,060,270 at 31/12/2022) and refer to the following categories:

Description	2023	2022
Intangible fixed assets (A)	10,846	12,672
Concessions, licences, trademarks and similar rights	10,846	12,672
Tangible fixed assets (B)	134,445	161,007
Land and buildings	87,818	87,818
Plants and machinery	2,904	2,904
Others	43,723	70,285
Depreciation of assets deriving from concession	14,688,930	13,886,591
Total (A+B+C)	14,834,221	14,060,270

"Depreciation of assets deriving from concession right" for EUR 14,688,930 were recorded at different amortization/depreciation rates in accordance with the provisions of the Economic and Financial Plan attached to the Concession Agreement, as explained in greater detail in the section on valuation criteria contained in these notes.

Other operating expenses

This item breaks down as follows:

Description	2023	2022
Fees (A)	7,829,903	6,992,815
Concession fee under Art. 1(1020) of Italian Law No. 296/06	2,896,975	2,586,773
Sub-concession fees	192,794	169,707
Fee under Article 19(9-bis) Italian Decree Law 78/09	4,740,134	4,236,335
Other charges (B)	575,344	523,141
Various taxes and duties	101,505	87,689
Membership fees	203,037	194,927
Agreement fees payable	82,197	72,509
Losses for non-payment of tolls	153,023	140,277
Other costs	26,518	14,924
Donations, gifts and offers	9,064	12,815
Total (A+B)	8,405,247	7,515,956

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	2023	2022
Other interest income	3,699	2,889
Interest income on bank deposits	1,836,085	39,793
Swap differentials	7,771,968	159,818
Total	9,611,752	202,500

Financial income includes EUR 7,771,968 in positive differentials received for the period on outstanding hedging contracts while the remaining EUR 1,836,085 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	2023	2022
To parent companies		
Interest expense shareholders' loan	6,050,112	11,015,889
To credit institutions		
Interest expense loans	90,609,287	75,495,448
Swap differentials	9,323,664	8,042,485
To others		
Release CFH reserve	39,656,661	41,380,284
Interest expense shareholders' loans	1,689,355	3,074,242
Interest expense amortized cost	3,683,357	2,990,682
Others	62,069	1,847
Total	151,074,505	142,000,877

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 in 2023 is negative for EUR 39,656,661 and de facto integrates the effects generated by the interest differentials accrued on the IRS, which were negative for a total of EUR 9,323,664.

“Interest expense on loans” is broken down as follows:

Description	2023	2022
Interest expense on bonds		
A1 - Senior Amortizing - FRN	954,068	450,447
A2 - Senior Amortizing - Fixed	30,338,651	30,810,464
A3 - Senior Secured - Zero Coupon	24,413,148	23,502,428
Subordinated Extendable - Junior	16,528,566	12,114,375
Interest expense on bank loans		
Senior Amortizing – Loan	16,976,156	7,219,036
Bank Loans Bonds	1,398,697	1,398,697
Total	90,609,287	75,495,448

The increase in financial charges payable was mainly related to the increase in Euribor rates recorded in 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 partially offset by positive swap differentials recognised in financial income.

ADJUSTMENTS TO FINANCIAL ASSETS VALUE

Revaluations of derivative financial instruments

This item amounts to EUR 9,475,443 (EUR 30,721,552 as at 31 December 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 2023.

Depreciation of derivative financial instruments

This item amounts to EUR 7,553,027 and includes the negative changes in Fair Value of the ineffective component of cash flow hedging derivatives.

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

INCOME TAXES FOR THE YEAR

This item was negative in the amount of EUR 2,850,789 (positive in the amount of EUR 10,453,332 as at 31/12/22). The tax burden is broken down as follows:

- current IRAP taxes EUR 2,879,312 (EUR 2,782,602 at 31/12/2022);
- proceeds from ACE transformation into IRAP credit EUR 97,314;
- cost for adjustment to deferred tax assets EUR 252,874 (income EUR 10,570,130 as at 31/12/2022);
- negative tax adjustments relating to the previous year EUR 302,485 (positive adjustments in the amount of EUR 570,652 at 31/12/2022);
- income related to participation in tax consolidation EUR 486,569 (EUR 1,679,581 as at 31/12/2022).

Deferred tax assets as of 31 December 2023, amounting to EUR 154.4 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 year 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 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:

Description	2023	2022
Directors' fees	330,229	258,542
Statutory Auditors fees	91,777	91,199

Fees paid to the Independent Auditors

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

Description	2023	2022
Auditing the financial statements and proper accounting	29,827	26,252
Other services	38,700	24,000
Total	68,527	50,252

"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 2023 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 31 December 2023 other commitments totalling EUR 751,740 have been made and refer to the remaining amount to be paid for agreements signed with Local Entities, as stated in the paragraph on tangible fixed assets.

Agreements not stated in the Balance Sheet

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

Information on the fair value of financial instruments

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

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

Contract Type	Counterparty	Date of signing	Maturity	Notional amount	Receive Leg	Pay Leg	MtM
IRS	Intesa San Paolo	10/10/19	31/12/38	70,106,656	EURIBOR 6M	0.123%	(36,081,935)
IRS	Unicredit	10/10/19	31/12/38	46,737,771	EURIBOR 6M	0.157%	(39,111,207)
IRS	Intesa San Paolo (formerly UBI)	10/10/19	31/12/38	49,464,141	EURIBOR 6M	0.103%	(11,328,669)
IRS	MPS	10/10/19	31/12/38	47,516,734	EURIBOR 6M	0.072%	6,134,832
IRS	Banco BPM	10/10/19	31/12/38	25,316,292	EURIBOR 6M	0.072%	3,268,558
Total				239,141,594			(77,118,421)

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.

Disclosure of transparency of public disbursements

Pursuant to Article 1(125-129) of Law No. 124/2017, subsequently supplemented by the "Security" Decree-Law (No. 113/2018) and the "Simplification" Decree-Law (No. 135/2018), the following information is given on "subsidies, contributions, paid assignments and otherwise any economic benefits" received in 2023 from public administrations and a number of similar entities with which the Company has economic relations.

Disbursing entity	Description	Amount
Concessioni Autostradali Lombarde S.p.A.	Public contribution under Law No. 190 of 23 December 2014. Addendum No. 3 to the Concession Agreement	20,000,000
Revenue Office	Tax credit for investments in research and development activities, technological innovation and design and aesthetic innovation activities under Article 1(198-208), Law No. 160 of 27 December 2019	70,462
Revenue Office	Tax credit for investments in ordinary new goods	2,870
Revenue Office	Non-repayable contribution, as tax credit, for the increase in the cost of electricity (relating to non-energy-intensive enterprises)	4,896

Events after the reporting period

As mentioned in the directors' report, on 20 February 2024 the Lazio Regional Administrative Court upheld the two claims brought by Brebemi relating to the non-adjustments of tariffs for the years 2022 and 2023. In a note dated 27 February 2024, Brebemi therefore forwarded the above-mentioned rulings to the Grantor Cal S.p.A., asking it to liaise with the competent administrations in order to obtain the immediate approval of the above-mentioned tariff increases.

The respondents notified on 28 March 2024 an appeal to the Council of State against the above judgments.

On 5 March 2024, the minutes of the "Trade Union Agreement, Performance Bonus and Level II Bargaining" were signed with the trade unions, which defined various topics for the 2024-2026 period, such as the performance bonus paid upon the achievement of specific KPIs related to profitability, quality and efficiency, to be defined annually. The agreement also establishes the possibility for employees, as an alternative to monetary compensation, to convert their "performance bonus" into welfare. Finally, the agreement provides for the recognition of supplementary benefits such as holidays and solidarity leave, additional leave for certain cases, birth bonus, diploma/master/study bonus.

Proposal to cover the loss for the year

The financial statements submitted to the Shareholders' Meeting for approval closed with a loss for the year of EUR 69,368,708, which it is proposed to carry forward on the basis of the following considerations:

- at 31 December 2023, there was a "Share premium reserve" of EUR 21,230,078 and a "Participative financial instruments reserve" of EUR 253,000,000; the reserves available to cover losses therefore total EUR 274,230,078;
- in a meeting held today, the Board of Directors decided to issue 69,000,000 participative financial instruments, also establishing that any instruments not

subscribed by shareholders would be released through offsetting of receivables due from the Company to parties who undertook commitments in the respective Subordinated Shareholder Loans.

Information on management and coordination activities

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

Pursuant to Article 2497-bis (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 2022).

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

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.

Brescia, 21 March 2024

The Chairman
of the Board of Directors
Joaquin Gago De Pedro

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

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 cost	(Amortization 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	-	-	-	(10,846)	164,464	(155,816)	8,648	
Others	421,712	(421,712)	-	-	-	-	-	-	421,712	(421,712)	-	
Totals	631.735	(618.657)	13.078	6.416	-	-	-	(10.846)	638.151	(629.503)	8.648	

Annex 2

Società di Progetto Brebemi S.p.A. <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
Land and buildings											
Buildings	2,195,448	(1,531,385)	664,063	-	-	-	-	(87,818)	2,195,448	(1,619,203)	576,245
Total	2,195,448	(1,531,385)	664,063	-	-	-	-	(87,818)	2,195,448	(1,619,203)	576,245
Industrial and commercial equipment											
Motorway maintenance equipment	646,414	(639,155)	7,259	-	-	-	-	(2,904)	646,414	(642,059)	4,355
Total	646,414	(639,155)	7,259	-	-	-	-	(2,904)	646,414	(642,059)	4,355
Others											
Office equipment	46,151	(25,573)	20,578	1,654	-	(746)	746	(4,914)	47,059	(29,741)	17,318
Furniture	214,638	(204,169)	10,469	-	-	-	-	(1,748)	214,638	(205,917)	8,721
Electro-accounting machines	276,217	(199,396)	76,821	8,250	-	-	-	(26,659)	284,467	(226,054)	58,412
Temporary test areas	170,041	(170,041)	0	-	-	-	-	-	170,041	(170,041)	0
Technical equipment	342,885	(307,225)	35,659	-	-	-	-	(10,403)	342,885	(317,628)	25,256
Total	1,049,932	(906,404)	143,527	9,904	-	(746)	746	(43,724)	1,059,090	(949,382)	109,707
Fixed assets under construction and advances											
Junctions and motorway works	2,191,468	0	2,191,468	624,038	-	0	-	-	2,815,506	0	2,815,506
Other fixed assets under construction	0	0	0	12,699	-	-	-	-	12,699	0	12,699
Total	2,191,468	0	2,191,468	636,736	0	0	-	-	2,828,204	0	2,828,204
Assets deriving from concession right											
Junctions and motorway works	2,049,459,224	(95,310,240)	1,954,148,984	1,605,009	-	-	-	(14,688,930)	2,051,064,233	(109,999,169)	1,941,065,064
Public capital grant	(312,216,840)	0	(312,216,840)	-	-	(2,033,008)	-	-	(314,249,848)	0	(314,249,848)
Other assets deriving from concession right	352,259	0	352,259	159,093	-	-	-	-	511,351	0	511,351
Total	1,737,594,643	(95,310,240)	1,642,284,403	1,764,101	-	(2,033,008)	-	(14,688,930)	1,737,325,736	(109,999,169)	1,627,326,567
Totals	1,743,730,632	(98,439,912)	1,645,290,720	2,410,742	0	(2,033,754)	746	(14,823,375)	1,744,107,620	(113,262,541)	1,630,845,078

Annex 3

Società di Progetto Brebemi S.p.A. Statement of the changes in Shareholders' Equity							
Description of changes	SHARE CAPITAL	SHARE PREMIUM RESERVE	OTHER RESERVES	CASH FLOW HEDGES RESERVE	PROFITS(LOSSES) CARRIED FORWARD	RESULT FOR THE PERIOD	TOTAL
Balance as at 31 December 2020	52,141,227	21,230,078	80,000,000	(307,179,029)	(24,121,150)	(95,758,771)	(273,687,645)
Allocation of 2020 result	-	-	-	-	(95,758,771)	95,758,771	-
Changes in Share capital	-	-	-	-	0	-	-
Changes in Reserves	-	-	68,000,000	40,569,249	-	-	108,569,249
Result for the period	-	-	-	-	-	(66,078,240)	(66,078,240)
Balance as at 31 December 2021	52,141,227	21,230,078	148,000,000	(266,609,780)	(119,879,921)	(66,078,240)	(231,196,636)
Allocation of 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)
Balance as at 31 December 2022	52,141,227	21,230,078	213,000,000	(202,935,199)	(185,958,161)	(40,013,526)	(142,535,581)
Allocation of 2022 result	-	-	-	-	(40,013,526)	40,013,526	-
Changes in Share capital	-	-	-	-	-	-	-
Changes in Reserves	-	-	40,000,000	19,182,191	-	-	59,182,191
Result for the period	-	-	-	-	-	(69,368,708)	(69,368,708)
Balance as at 31 December 2023	52,141,227	21,230,078	253,000,000	(183,753,008)	(225,971,687)	(69,368,708)	(152,722,098)

Annex 4

Società di Progetto Brebemi S.p.A.							
Nature, possibility of use and distributability of "Shareholders' equity" items and their use							
Nature and description of "Shareholders' equity"	Amount as at 31/12/2023	Possibility of use	Available portion	Summary of uses in the three previous years			
				For loss coverage	For capital increase	For distribution	For other reasons
Share Capital	52,141,227		-				
Capital reserves							
Share premium reserve	21,230,078	A,B,C	21,230,078				
Participative financial instruments	253,000,000	B	253,000,000				
Profit reserves							
Profit/(Loss) carried forward	(225,971,687)		-				
Profit/(Loss) for the period	(69,368,708)		-				
Cash flow hedges reserve (*)	(183,753,008)		-				
Total	(152,722,098)		274,230,078	0			

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

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

MONTHLY PAYING TRAFFIC DATA

Annex 5

LIGHT TRAFFIC (km travelled)

Month	31/12/2023	31/12/2022	31/12/2021
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	36,380,974	32,813,483	30,042,364
July	38,840,152	33,951,124	33,361,911
August	26,191,113	23,436,171	23,724,745
September	36,838,172	33,063,517	32,078,261
October	37,790,802	34,086,485	33,453,528
November	34,141,837	31,297,509	29,718,626
December	34,347,567	30,307,729	27,644,321
TOTAL	408,826,102	356,252,195	310,578,191

HEAVY TRAFFIC (km travelled)

Month	31/12/2023	31/12/2022	31/12/2021
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	15,825,493	14,794,237	13,943,656
July	16,296,837	14,819,456	14,738,527
August	11,907,448	10,775,553	10,172,213
September	16,022,627	14,872,072	14,503,344
October	16,893,618	14,577,582	14,534,953
November	16,091,702	14,765,199	14,656,165
December	13,908,397	13,151,743	13,341,717
TOTAL	180,274,309	165,342,050	155,242,821

TOTAL TRAFFIC (km travelled)

Month	31/12/2023	31/12/2022	31/12/2021
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	52,206,467	47,607,720	43,986,020
July	55,136,989	48,770,580	48,100,438
August	38,098,561	34,211,724	33,896,958
September	52,860,799	47,935,589	46,581,605
October	54,684,420	48,664,067	47,988,481
November	50,233,539	46,062,708	44,374,791
December	48,255,964	43,459,472	40,986,038
TOTAL	589,100,411	521,594,245	465,821,012

MONTHLY PAYING TRAFFIC DATA

Annex 6

Km/1000 travelled by vehicle class

Month	A		B		3		4		5		Total	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022
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	7,082	6,637	1,063	999	691	712	6,989	6,447	52,206	47,608
July	38,840	33,951	7,348	6,666	1,104	1,024	753	739	7,093	6,390	55,137	48,771
August	26,191	23,436	5,015	4,528	782	727	552	533	5,559	4,987	38,099	34,212
September	36,838	33,064	7,181	6,705	1,084	1,043	739	712	7,019	6,412	52,861	47,936
October	37,791	34,086	7,572	6,633	1,135	985	795	715	7,391	6,245	54,684	48,664
November	34,142	31,298	7,198	6,566	1,076	1,017	792	748	7,026	6,434	50,234	46,063
December	34,348	30,308	6,219	5,867	919	877	678	655	6,092	5,753	48,256	43,459
Total	408,826	356,252	80,072	73,183	12,098	11,168	8,272	8,208	79,833	72,782	589,100	521,594

Annex 7

Società di Progetto Brebemi S.p.A. Statement of deferred tax assets								
Description	Opening balance		Movements				Final balance	
	31 dicembre 2022		Income Statement		Shareholders' Equity		31 dicembre 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	43,882,751	10,531,861	0	0	624,128,243	149,790,779
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	(782,819)	(187,876)	0	0	19,023,994	4,565,759
Other temporary differences	15,750	3,780	224,719	53,931	0	0	240,469	57,712
Fair value of derivative instruments	267,019,998	64,084,800	0	0	(25,239,725)	(6,057,534)	241,780,273	58,027,265
Deferred tax assets	911,466,345	218,751,923	-1,053,640	-252,874	(25,239,725)	(6,057,534)	885,172,979	212,441,515

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

To the shareholders' meeting
of the company
SOCIETA' DI PROGETTO BREBEMI S.P.A.

Dear Shareholders,

The draft financial statements for the year ended 31 December 2023, submitted to your examination for the consequent resolutions, were sent to us by the directors together with the required Management Report and consist of the Balance Sheet, Income Statement, Notes to the Financial Statements and Cash Flow Statement, prepared taking into account the amendments introduced by Legislative Decree 139 of 2015.

This report has been drawn up by the Board of Statutory Auditors pursuant to Article 2429(2) of the Civil Code. With regard to matters within our competence, we hereby certify that during the financial year 2023:

- we monitored compliance with the law and the articles of association and compliance with the principles of sound administration, using our professional experience and generally accepted practice in the performance of our duties;
- we attended shareholders' meetings and meetings of the board of directors, in relation to which, on the basis of the information available, we did not find any violations of the law or of the articles of association, nor any operations that were manifestly imprudent, risky, in potential conflict of interest or such as to compromise the integrity of the company's assets;
- we obtained information from the Board of Directors during the meetings held and also on a six monthly basis on the general operating performance and its foreseeable outlook, as well as on the most significant transactions, in terms of their size or characteristics, carried out by the company and we can reasonably assure that the actions taken comply with the law and the articles of association and are not manifestly imprudent, risky, in potential conflict of interest or in conflict with the resolutions passed by the shareholders' meeting or such as to compromise the integrity of the company's assets. The information required by Article 2381(5) of the Civil Code was provided even more frequently than the statutory minimum of six months;
- we acquired knowledge of and supervised, to the extent of our competence, the adequacy of the company's organisational structure which we found suited to the operational requirements and capable of ensuring reasonable risk control;
- we supervised compliance with the provisions of Article 2391(1) and (2) of the Civil Code;
- we held the regular meetings required by law;
- we met with Deloitte & Touche S.p.A., the independent auditors, from which no relevant data or information emerged that should be mentioned in this report. On 4 April 2024 the

independent auditors issued their report on the annual financial statements, containing an unqualified favourable opinion.

- we met with the supervisory body on 5 March 2024, from which no critical issues emerged with regard to the proper implementation of the organisational model that should be highlighted in this report. We also obtained the annual report drawn up on 1 March 2024 and approved by all members of the Supervisory Body which, upon completion of its activities for the year 2023, noted that: *"Upon conclusion of the activity for the year 2023, the Supervisory Body makes the following observations: (i) no events/conduct at risk of offences have emerged such as to require intervention by the Board of Directors; (ii) no reports of unsuitable conduct have been received"*;

- we assessed and supervised, to the extent of our competence, the adequacy of the administrative and accounting system, and also, on the basis of the information provided by the independent auditors, the reliability of the same to correctly represent business operations, and in this regard we have no particular observations to report.

The Board also certifies that no complaints pursuant to Article 2408 of the Civil Code were received during the year and as of the date of this report.

In the course of the supervisory activity, as described above, no further significant facts emerged that would require mention in this report.

The Board of Statutory Auditors acknowledges that it received the draft financial statements for the year ended 31 December 2023, together with the Management Report, from the Board of Directors during the board meeting held on 21 March 2024.

The highlights of the draft financial statements for the year ended 31 December 2023 made available to us are stated below:

Balance sheet

Assets

Intangible fixed assets	€	8,648
Tangible fixed assets	€	1,630,845,078
Financial fixed assets	€	9,403,391
Receivables	€	370,049,352
Cash and cash equivalents	€	103,424,515
Accruals and Deferrals	€	1,217,238
Total Assets	€	2,114,948,222

Liabilities

Share capital	€	52,141,227
Share premium reserve	€	21,230,078
Other reserves, indicated separately	€	253,000,000
Cash flow hedges reserve	€	(183,753,008)
Losses carried forward	€	(225,971,687)
Loss for the year	€	(69,368,708)
Total Shareholders' Equity	€	(152,722,098)
Provisions for risks and charges	€	86,521,814

Employees severance indemnity	€	1,158,354
Payables	€	2,179,982,905
Accruals and Deferrals		7,247
Total Liabilities	€	2,114,948,222

Income Statement

Value of Production	€	128,265,124
Costs of Production	€	(55,242,852)
Financial income and charges	€	(141,462,608)
Adjustments to financial assets value		1,922,416
Income taxes	€	(2,850,788)
Loss for the year	€	(69,368,708)

We report the following on the financial statements for the year ended 31 December 2023:

- As we are not required to audit the financial statements or to analytically check their contents, we monitored the general layout of the aforementioned document, its substantial compliance with the reference regulatory provisions concerning its formation and structure, and its consistency with the facts and information of which we have become aware, and have no particular comments to make in this regard.
- The independent auditors expressed their opinion on the conformity of the management report and we have no further comments to make in this regard.
- To the best of our knowledge, in preparing the financial statements, the Board of Directors did not derogate from the provisions of Article 2423(4) of the Civil Code.
- We monitored, as required by law, the Company's financial reporting process.
- We verified the consistency of the financial statements with the facts and information of which we have become aware as a result of the performance of our duties, and have no comments to make in this regard.
- We have nothing to report pursuant to Article 2497-ter of the Civil Code: it should be noted that during the year the Company carried out a number of economic transactions with the parent company Autostrade Lombarde Spa, with Argentea Gestioni Scpa, a company subject to the control of the parent company, and with the shareholder Aleatica SAU, a detailed description of which can be found in the Management Report as at 31 December 2023.

The Board of Statutory Auditors notes the contents of the Management Report and in particular that:

- the financial statements as at 31 December 2023 show losses carried forward of EUR 225,971,687 and a loss for the year of EUR 69,368,708. The available reserves that can be used to cover accumulated losses amount to a total of EUR 274,230,078, and therefore the losses carried forward of EUR 21,110,317 exceed the limit established by Article 2446 of the Civil Code. Shareholders' equity as of 31 December 2023 is negative by EUR 152,722,098. 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 Articles 2412, 2433, 2442, 2446 and 2447 of the Civil Code.

- under the terms of the commitments undertaken with its lenders, the Company is required to maintain a level of shareholders' equity no lower than EUR 100,000,000 (net of the reserve for expected cash flow hedges), through the conversion of subordinated shareholder loans, where sufficient. In this regard, it should be noted that, as of 31 December 2023, there were shareholders' loans totalling EUR 144,922,498 that could be offset when the Company's Board of Directors issues Participating Financial Instruments in order to keep shareholders' equity within the limits established by the commitments undertaken;
- the Board of Directors convened on 21 March 2024 resolved to proceed with the issue of 69,000,000 Participating Financial Instruments, also establishing that the instruments not subscribed by shareholders through cash payment will be assigned to the shareholders who signed the Shareholder Loan Agreements and released by offsetting the receivables due from the Company to the same parties. The issuance of Participating Financial Instruments, which will be finalised by 3 July 2024, will therefore enable fulfilment of the provisions of Article 2446 of the Civil Code.

Therefore, also considering the results of the activities performed by the independent auditors, contained in the special report accompanying the financial statements, we propose that the Shareholders' Meeting approves the financial statements for the year ended 31 December 2023 as prepared by the Board of Directors, as there are no reasons to prevent the approval of the resolutions proposed by the Board of Directors.

Brescia, 5 April 2024

For the Board of Statutory Auditors

The Chairman Angela Salvini

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

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We audited the financial statements of Società di Progetto Brebemi S.p.A. (the 'Company') consisting of the balance sheet as at 31 December 2023, the income statement, the cash flow statement for the year then ended and the notes to the financial statements.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, its operating result and its cash flows for the year then ended in accordance with the Italian regulations governing the criteria for their preparation.

Elements underpinning our opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italy). Our responsibilities under these principles are further described in the section *Responsibility of the independent auditors for the audit of the financial statements* in this report. We are independent of the Company in accordance with the rules and principles on ethics and independence applicable under Italian law to the audit of financial statements. We believe that we have acquired sufficient and appropriate evidence on which to base our opinion.

Information reminder

We draw your attention to the fact that, as described by the Directors in the 'Going Concern' section of the Notes to the Financial Statements, shareholders' equity as at 31 December 2023 was negative by approximately EUR 153 million. In this regard, the Directors point out that the negative reserve for expected cash flow hedges, amounting to EUR 184 million, should not be considered in the calculation of shareholders' equity for the purposes of Articles 2446 and 2447 of the Civil Code. However, the cumulative effect of the losses carried forward of approximately EUR 226 million and the loss for the year of approximately EUR 69 million means that the limit set forth in Article 2446 of the Civil Code has been exceeded.

However, the Directors state that, pursuant to the commitments undertaken with lenders, the Company is required to maintain a level of shareholders' equity no lower than EUR 100 million (net of the reserve for expected cash flow hedges) and that therefore the Board of Directors convened on 21 March 2024 resolved to proceed with the issuance of 69,000,000 Participating Financial Instruments, corresponding to EUR 69 million, which will enable fulfilment of the provisions of Article 2446 of the Civil Code.

Our opinion is unqualified in this respect.

Responsibilities of the Directors and the Board of Auditors for the financial statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the Italian regulations governing the criteria for their preparation and, within the terms of law, for such internal control as they deem necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or unintentional conduct or events.

The Directors are responsible for assessing the Company's ability to continue as a going concern and, in preparing the financial statements, for appropriate use of the going concern assumption, as well as for adequate disclosure on the matter.

The Directors use the going concern assumption in preparing the financial statements unless they have identified the existence of conditions for liquidation of the Company or for discontinuation of operations or have no realistic alternative to these choices.

The Board of Statutory Auditors is responsible for supervising, within the terms of law, the Company's financial reporting process.

Responsibility of the independent auditors for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or unintentional conduct or events, and to issue an audit report that includes our opinion. Reasonable assurance is defined as a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or unintentional conduct or events and are considered material if they could reasonably be expected, individually or in the aggregate, to influence the economic decisions made by users on the basis of the financial statements.

In performing our audit in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgment and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or unintentional conduct or events; we defined and performed audit procedures responsive to those risks; and we obtained sufficient and appropriate audit evidence on which to base our opinion.

The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement resulting from unintentional conduct or events, since fraud may involve collusion, falsification, intentional omissions, misleading representations or the override of internal control.

- We gained an understanding of internal control relevant to the audit for the purpose of designing audit procedures that are appropriate in the circumstances and not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- We assessed the appropriateness of the accounting principles used as well as the reasonableness of the accounting estimates made by the Directors, including the related disclosures.
- We reached a conclusion as to the appropriateness of the Directors' use of the going concern assumption and, based on the evidence obtained, as to whether there is any material uncertainty about events or circumstances that may cast significant doubt about the Company's ability to continue as a going concern. If a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements, or, if such disclosures are inadequate, to reflect that fact in the formulation of our opinion. Our conclusions are based on the evidence acquired up to the date of this report. However, subsequent events or circumstances may result in the Company ceasing to operate as a going concern.
- We assessed the presentation, structure and content of the financial statements as a whole, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We disclosed to those charged with governance activities, identified at an appropriate level as required by ISA Italia, among other matters, the planned scope and timing of the audit and the significant findings, including any significant deficiencies in internal control identified during the audit.

REPORT ON OTHER LEGAL AND REGULATORY PROVISIONS

Opinion pursuant to Article 14(2)(e) of Legislative Decree 39/10

The Directors of Società di Progetto Brebemi S.p.A. are responsible for the preparation of the management report of Società di Progetto Brebemi S.p.A. as at 31 December 2023, including its consistency with the relevant financial statements and its compliance with legal regulations.

We performed the procedures specified in Auditing Standard (SA Italy) No. 720B in order to express an opinion on the consistency of the management report with the financial statements of Società di Progetto Brebemi S.p.A. as at 31 December 2023 and on its compliance with the law, and to issue a statement on any material misstatements.

In our opinion, the management report is consistent with the financial statements of Società di Progetto Brebemi S.p.A. as at 31 December 2023 and has been prepared in accordance with the law.

With reference to the declaration referred to in Article 14(2)(e) of Legislative Decree 39/10, issued on the basis of the knowledge and understanding of the company and its context acquired in the course of the audit, we have nothing to report.

DELOITTE & TOUCHE S.p.A.

[signature]

Alessandro Puccioni

Partner

Turin, 4 April 2024

A35 Brebemi



Brescia, April 24, 2024

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 MLNMTT70C23G388J, acting as GENERAL MANAGER of SOCIETA' DI PROGETTO BREBEMI S.P.A., (the "Company"), with registered office in BRESCIA, VIA SOMALIA 2/4, Fiscal Code, VAT number and registration number at the Companies Register (Registro delle Imprese) of BRESCIA 02508160989, with Economic and Administrative Repertory (EAR) number 455412, certifies that the financial statements for the year ended December 31, 2023, provide a true and fair view of the Company's financial position and operations as at December 31, 2023.

Società di Progetto Brebemi S.p.A.

The General Manager
Matteo Milanese

A handwritten signature in blue ink, appearing to read "Matteo Milanese", written over the printed name.

Soggetta alla direzione e coordinamento
di ALEATICA SAU

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