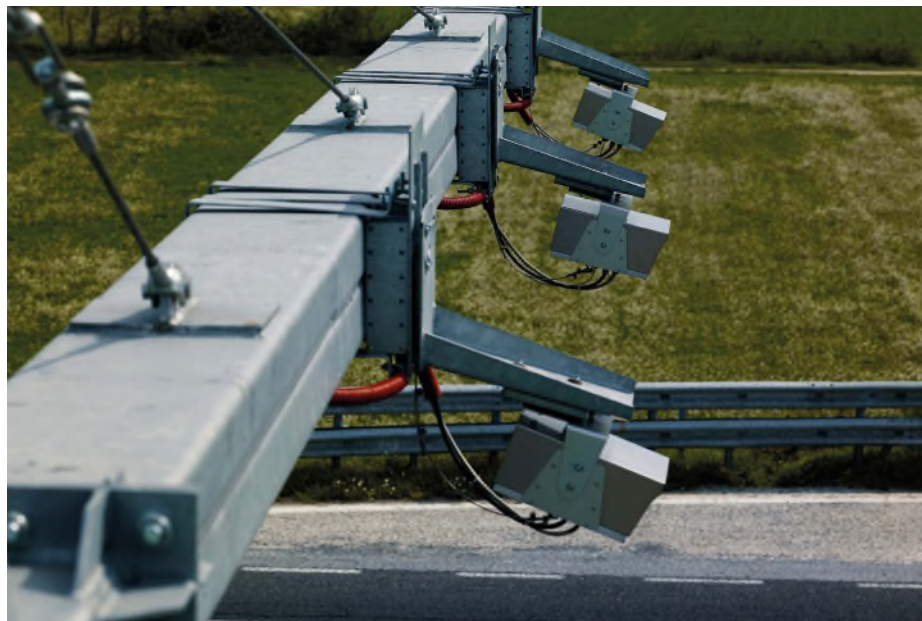


— 2021
ANNUAL
REPORT
autostrade // per l'italia



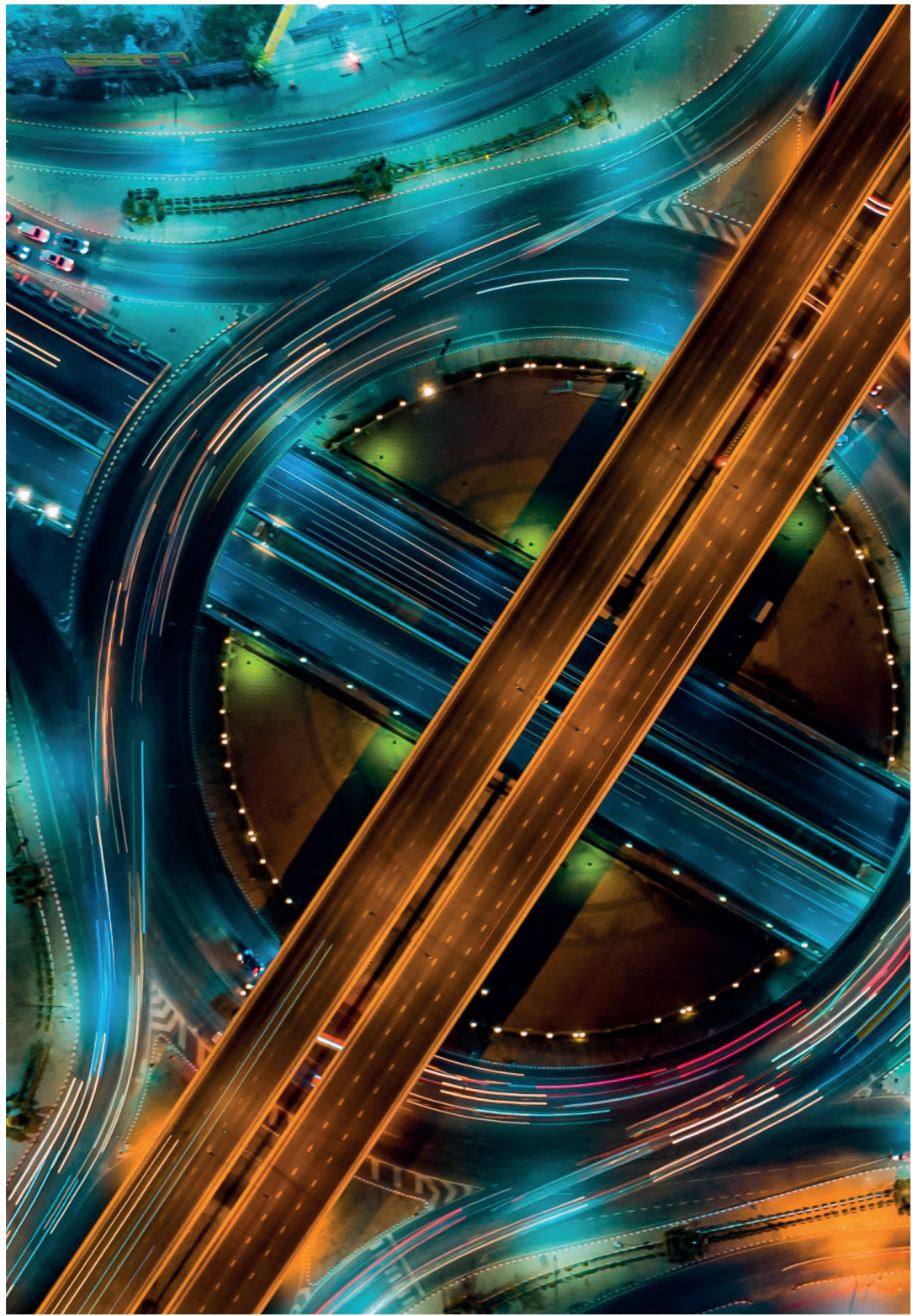
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INTRODUCTION



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1.1 Statement from the Chairman and the Chief Executive Officer



Giuliano Mari

Chairman



Roberto Tomasi

Chief Executive Officer

At the end of 2021, the second year of execution of the Autostrade per l'Italia Group's Transformation Plan, we have delivered on many of the commitments made and others are in the pipeline. This is part of a process of shifting towards an integrated mobility management model focused on infrastructure safety and the capacity to dialogue with our customers and stakeholders, thereby promoting sustainable and inclusive growth and the development of our staff and talents. Technological innovation - the common denominator in any business decision - is guiding the transition towards a new vision of our role as an integrated provider of sustainable mobility, going beyond management of the infrastructure we operate under concession.

Today, Autostrade per l'Italia's strategy and challenges coincide to a large extent with the priority issues the Italian economy is about to tackle, two years on from the start of the pandemic emergency. We have built up a Group that numbers over 9,000 employees. It is mainly thanks to these people that we can now play a leading role in restarting the economy, providing Italy with a unique platform of skills and design capabilities, which will be vital for laying the foundations for our Plan.

Autostrade per l'Italia has earmarked substantial resources for the modernisation and expansion of the network as part of a long-term project: we will invest over €20 billion in capital expenditure and maintenance by 2038¹. Maintenance and the capital expenditure plan were further boosted in 2021, which led us to invest more than €1.5 billion in network maintenance at Group level, and over €6 billion in delivering major construction projects, in addition to another €2 billion will be finalized in 2022.

Even though 2021 was another difficult year in terms of the pandemic, we managed to create value for our stakeholders. During the year, we gradually learned to live and cope with the effects of the virus, even though the pandemic has affected everyone's lives and, of course, motorway travel. Although up compared with 2020 (a year impacted by the lockdown), traffic on our network in 2021 was still 10% lower than in 2019 (pre-pandemic). We have adopted flexible working in a stable and efficient manner, and swiftly gone ahead with our network maintenance and modernisation plans, opening construction sites in compliance with safety protocols agreed with the labour unions.

¹ Figures taken from the Financial Plan submitted to the Ministry of Sustainable Infrastructure and Mobility.

Moreover, the signing of the €3.4 billion settlement agreement in October 2021 with the Ministry of Sustainable Infrastructure and Mobility (including €1.5 billion for the city of Genoa and the Liguria area), as well as new network modernisation works, together with the approval by the Interministerial Committee for Economic Planning and Sustainable Development (*CIPRESS*) of the new Financial Plan - drawn up in accordance with the new framework laid down by the Transport Regulator - are also key steps in concluding the change of control of Autostrade per l'Italia.

Market appreciation of the strength of our Group is borne out by the success of our bond issues, as well as by the new lines of credit taken out with leading international banks to support capital expenditure and our growth path.

Sustainability and innovation are cross-cutting and enabling factors for the Group's success. Our objectives include more modern and safer infrastructure, increasingly sophisticated monitoring systems, more advanced and user-friendly services, and synergies with the world of universities and research to meet new mobility needs.

Reshaping the new Autostrade per l'Italia has also involved creation or redefinition of the mission of new subsidiaries: engineering and design are now the principal focus of Tecne, which has started operations and begun to make a decisive contribution to the Group's investment and maintenance plan. To increase synergies on this front, we have consolidated our control of Pavimental, whose mission will continue to be focused on the delivery of complex infrastructure using sustainable materials and technologies. Sustainability and the digital revolution have been assigned major importance, starting from Movyon, the Group's technology spin-off, which has already given birth to market-leading digital systems, and FreeToX, engaged in the management of integrated and sustainable mobility solutions. The latest addition is Elgea, whose mission is to produce renewable energy and to support the various areas of activity within the Group in giving shape to an industrial vision based on sustainability. Elgea will be responsible for the installation of photovoltaic panels along the motorway network which, once the rollout has been completed, will meet ASPI's entire needs.

Indeed, the Group is building a major technologically advanced, integrated hub, with the aim of preparing for and managing the mobility of the future, providing increasingly safe and modern infrastructure as part of a wider plan to create ever more sustainable mobility.

The programme centres around four key areas:

- **CONNECTED INFRASTRUCTURE**, bringing together technological solutions to connect the latest generation of vehicles with each other and with infrastructure in real time (V2X – Vehicle-to-Everything).
- **INTELLIGENT ROADS**, a group of systems designed to improve road safety and the control and quality of traffic flow, and to monitor infrastructure, in addition to informing and helping road users. The initiative covers and extends intelligent road requirements as per Ministerial Decree 70/2018.
- **GREEN SOLUTIONS**, covering the motorway innovations necessary to keep pace with the impact of the energy transition on vehicles, installing widespread networks of high-voltage charging stations and hydrogen and liquified natural gas distributors.
- **URBAN MOBILITY**, a collection of systems capable of integrating the motorway network with mobility services in metropolitan areas by customising journeys, enabling the reservation and payment of parking and other mobility as a service solutions, providing intermodality with local public transport, optimising traffic light systems and much more.

Our environmental sustainability vision is reflected in the Company's commitment to achieving carbon neutrality and limiting the global temperature increase to 1.5°C by 2050, in line with the COP26 meeting held in Glasgow. To ensure achievement of these goals and to create sustainable infrastructure, the Company has begun installing a network of high-powered electric charging stations that will be available in 100 service areas by 2023, thanks to the investment carried out by Free To X. Autostrade per l'Italia has also applied for sustainability certification of the Bologna Bypass project. This is the first initiative to be assessed not only regarding the effectiveness of the investment, but also in terms of respect for the ecosystem, climate and environmental risk, durability and improved quality of life. Sustainability for ASPI also means a strong digital value proposition, using digitalisation to serve prevention, with a view to developing and adopting technological solutions that improve the safety of travellers and the staff who work on the motorway network on a daily basis.

We pay special attention to the Group's people and our customers. In this context, it should be noted that approximately 1,600 people have been hired since January 2020 as part of the plan to create 2,900 jobs, primarily to strengthen expertise in STEM (Science, Technology, Engineering and Mathematics) fields.

As the information and figures in the Annual Report for 2021 show, the Autostrade per l'Italia Group has a leading role to play in Italy. We are increasingly aware that, in terms of values, organisation and strategy, we have laid the foundations for achieving the challenging objectives we have set ourselves, as we strive to serve travellers and all our stakeholders.

Giuliano Mari
Chairman

Roberto Tomasi
Chief Executive Officer

1.2 Strategic Transformation Plan

Autostrade per l'Italia's Strategic Transformation Plan launched at the beginning of 2020 sets out the guidelines on which the Company intends to base its business model, services and core values, reshaping the way we operate in order to shift towards an integrated, sustainable and technologically advanced mobility model. Autostrade per l'Italia (hereinafter also "ASPI" or the "ASPI Group") focuses on infrastructure safety and resilience, dialogue with customers and all key stakeholders, sustainable and inclusive growth, and the development of our staff and talents.

The Plan now covers around 100 projects currently underway, some with the involvement of other Group companies. The projects regard both aspects typical of a motorway operator and efforts to open up new areas of business in engineering, innovation and urban mobility systems.



In this context, seven key pillars of the Strategic Transformation Plan have been defined, setting out the main areas forming the basis for the creation and development of new projects:



- The promotion and dissemination corporate values and procedures to guide people's actions in the process of change at all levels, including organisational change within the Company.
- The definition and consolidation of an approach geared towards continuous improvement of safety levels with regard to road traffic, construction sites and workplaces.
- Ensuring the highest quality standards for business activities, from planning through to the operation and development of infrastructure.
- The development of information systems, applying the best technological standards to optimise internal processes and measure their performance.

- Improving the customer experience and perception of the Company.
- Ensuring sustainable mobility plays a key role in creating "green" infrastructure via smart roads, boosting renewable energy, innovation and materials research.
- Deploying innovative people management methods for growing human capital and enhancing talent, including via training programmes.

In order to broaden awareness of and participation in the Plan, the "360° Next" programme, designed to communicate and publicise the projects and initiatives inspired by the 7 key pillars and aimed at strengthening relations with all stakeholders, was also set up in 2020.



The new Financial Plan envisages the delivery of €14.1 billion in capital expenditure (including €0.9 billion of non-remunerated works in Liguria as provided for in the settlement agreement), €7 billion in maintenance by 2038 (the date on which the concession expires), and an additional €1.3 billion for optional investments. Therefore, the transformation underway is an important enabling factor for the substantial Network Investment Plan covering Italy's main regions. Investment over the life of the Plan is expected to generate around 10,000 new jobs throughout the country's economy.

As of 31 December 2021, around 40 projects in the Plan have been completed, with an overall completion rate of more than 50%. The completed projects primarily include:

- the promotion of our core values by setting up a “Dialogue for Company Values” initiative, forming the next step in the process of empowering personnel and ensuring the timely sharing and handling of information and monitoring of the Company’s performance; continuation of change management and process re-engineering projects, as well as the roll-out of the *Dare Valore* (“Providing Value”) project that develops a people-centred approach; and the setting up of a new organisational model to deliver the objectives of the Transformation Plan;
- our 360° safety culture, with certification in accordance with the new ISO 45001:2018 standard for Health and Safety Management Systems, completion of the geolocation project for mechanical safety equipment on Autostrade per l’Italia’s network, and implementation of a programme designed to strengthen the organisation and our Health, Safety and Environmental practices, with the aim of preventing injuries and improving key safety performance measures, including through the adoption of best practices; the general awareness-raising plan regarding such issues as workplace and construction site safety continued. Joint guidelines were drawn up by ASPI and the Highway Police, which set out new specific operational methods for roadside operations, in a framework shared with AISCAT;
- operational excellence, with implementation of the Company’s design manual regarding management of design and technical support activities, and the sharing of design standards and methodologies; centralised procurement processes to ensure improved operational and economic performance;
- digitalisation, via an initial series of robotic process automation initiatives that have simplified and optimised the monitoring and collection of data on a series of documentary checks previously carried out manually by an operator, in addition to the creation of a “new Data and Analytics architecture” that has led to digitalisation of the main KPIs to measure the Company’s performance in order to support integrated, timely and even more effective data analysis. In addition, the following digitalisation initiatives have also taken place: (i) the definition and implementation of new digital Procurement & Contract Management processes and tools; (ii) the planning of maintenance and modernisation work in order to ensure continuous monitoring and real-time analysis throughout the network; and (iii) intelligent systems for monitoring traffic data which, thanks to the use of sensors and applications, are able to predict the disruption to traffic resulting from road works; the evolution of the data centre, which has enabled taking advantage of new technological trends (big data, AI) has been completed; the digitalisation of corporate KPIs for periodic meetings, as part of the Dialogue for Company Value process to monitor Company performance and implement strategic decisions, has been completed;
- Putting the customer first: initiatives include the creation of a section on the homepage of the “www.autostrade.it” website providing access to transparent information on network safety, with an interactive map enabling customers to view individual works and information on current monitoring initiatives and planned works, as well as an increased range of information on traffic conditions and safety through dedicated channels such as Twitter. A national communication campaign entitled *ASPI Cambia* (“ASPI is changing”), with the aim of informing the public about projects being carried out as part of the ASPI Group’s process of transformation and change was launched. To accompany the current programme of works on the network in the Liguria region, in early 2021 ASPI launched an integrated communication plan, which also included the creation of the “MyWay Liguria” format, a traffic information service for road users on Autostrade per l’Italia’s motorways in Liguria;

- The development of our people, involving creation of the Autostrade Corporate University to deliver training programmes designed to develop in-house talent, including through partnerships with leading Italian universities, and to promote the involvement of talented women in civil engineering, a subject in which only 19% of Italian graduates are women.

As part of one of the largest recruitment drives in Italy - which will result in the creation of 2,900 jobs mainly for engineers, technicians and researchers over the three years from 2021 to 2024 - approximately 800 new personnel were hired at Autostrade per l'Italia in the period between October 2019 and December 2021.

In the interests of meritocracy and inclusiveness, a new performance review system was launched to set objectives and areas of improvement for each worker, as well as training and mentoring sessions on leadership behaviour in keeping with Company values and the objectives of the Strategic Plan, and an onboarding programme was launched for new hires that also includes coaching by senior colleagues.

The following further initiatives were also launched in 2021:

- implementation of a business continuity model which - via tools and processes for the prevention and management of business interruptions and crises in line with a holistic and integrated approach - supports the business by safeguarding all aspects of the organisation's operations, including people's health and safety, the integrity of assets and the interests of key stakeholders, as well as the Group's corporate image and reputation and its economic and financial interests;
- launch of the Free To X app, which offers a series of high added value services, including a cashback scheme for tolls in the event of delays caused by roadworks involved in modernisation of parts of ASPI's network and other disruption to services for road users;
- press, radio and digital advertising campaigns promoting Tecne and Movyon, the former responsible for the ASPI Group's design and project management and the latter for developing digital solutions for the infrastructure and transport sectors;
- creation of a section of the Company's website which sets out the new vision, the new organisation and the Transformation Plan objectives. This was accompanied by a restyling of the "People and careers" section with the aim of highlighting the recruitment drive envisaged in the Plan;
- the start of implementation of an Integrated Management System in line with the international ISO 9001, 14001, 45001 and 39001 standards, with a common integrated vision;
- the launch of a dynamic en-route weighing project, which provides for the installation and activation of new weighing stations for vehicles travelling on ASPI's network, thus enabling us to monitor the volume of heavy goods vehicles travelling on specific sections of motorway.

As part of the 360° Next programme and in connection with the "Next to Legality" initiative, several additional initiatives were undertaken to define and keep track of all the steps taken to boost the Internal Control System and continuously monitor risks, including through the use of innovative technologies, with the aim of integrating performance and compliance, guaranteeing integrity, transparency and quality throughout our business processes. In this regard,

- in the first half of 2021, the Company successfully renewed ISO 37001 certification of our anticorruption management system, entered into partnerships with universities (the Sant'Anna School of Advanced Studies in Pisa and Rome's Tor Vergata University) and launched specific awareness programmes designed to disseminate a culture of integrity and transparency. The Company also took part in a number of national and international working groups (OECD, G20 and B20) on combating corruption;
- the enterprise risk management process aimed at identifying ASPI's risk profile was also completed, and a risk management model based on specific indicators was developed to enable continuous monitoring of the risk exposure of each process and strategically important area with respect to the plan objectives;
- a data protection management system was implemented to ensure compliance with the GDPR and, more generally, with data protection requirements. The relevant ISO/IEC 27701:2019 certification was obtained, as an extension of the Company's ISO/IEC 27001:2017 data security certification;
- as part of the process of optimising and digitalising business processes, a solution was developed on the Service Now platform to support data protection procedures for ASPI and our subsidiaries;
- the implementation of a new anti-fraud model was launched to strengthen capacity to prevent, promptly detect and minimise the impact of any fraudulent act, via the definition of new automatic, real-time, intelligent checks (checks and key fraud indicators), and through targeted communication programmes aimed at raising awareness of fraud risk;
- a framework was defined to represent ASPI's Internal Audit system as a process comprising four elements - powers, risks, values and culture - which are appropriately monitored (by means of first-, second- and third-level audits and continuous monitoring) in order to oversee the achievement of Company objectives in compliance with laws and regulations, and to guarantee the reliability and integrity of data;
- as part of the project to implement the third-party management and monitoring model, in 2021 ASPI developed a pilot project involving around 1,000 suppliers regarding whom, in accordance with the "know your third party" objective, a reputational audit (integrity due diligence) was carried out and potential links were analysed. The reputational audit was also carried out on third parties involved in new commercial and corporate partnerships with ASPI Group companies;
- finally, ASPI defined an integrated risk, compliance and quality governance model, which guarantees implementation of the Internal Audit System framework at all the Group's subsidiaries.

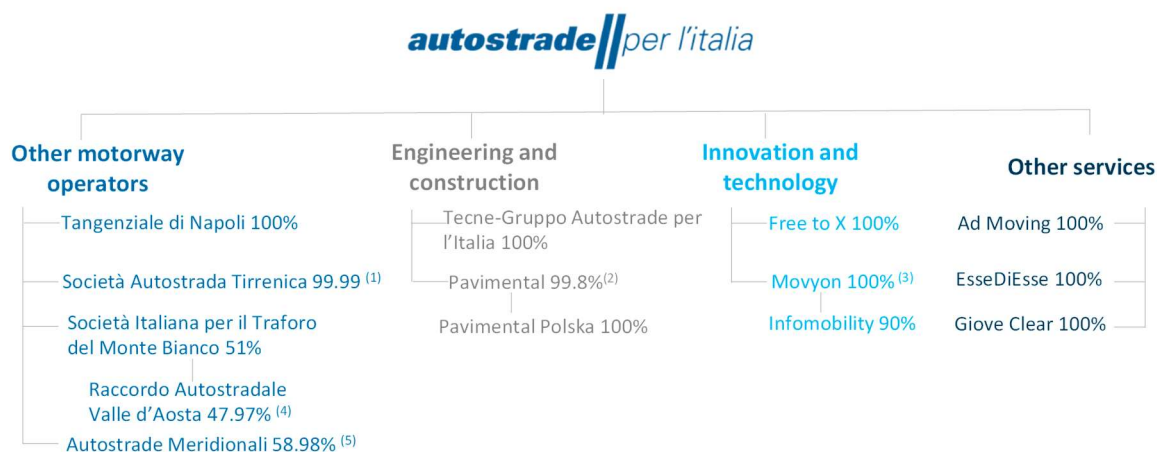
Autostrade per l'Italia has put sustainability at the heart of the Group's new vision. Transformation Plan projects and initiatives form part of an approach already centred around the concept of sustainability and the three components: environmental, social and governance.

The central importance of sustainability issues in the Group's strategy is also highlighted by the formal commitment to CO2 reduction, with the presentation of science-based emission reduction targets (*SBTi*), aimed at limiting the global temperature increase to 1.5°C, in line with COP26 meeting held in Glasgow. As part of the strategy to combat climate change, Elgea, a new Group company that will operate in the field of renewable energy along the motorway network, was set up at the beginning of 2022.

In terms of other environmental initiatives, the following projects are designed to help in achieving global cuts in CO2 emissions:

- energy efficiency initiatives at approximately 450 tunnel entrances around the network;
- greening initiatives covering up to 150 hectares of land managed under concession by planting trees and shrubs, thereby improving the landscape and air quality;
- the partial replacement of company vehicles with electric or hybrid models and the installation of 50 recharging points at head offices and at area and local offices.

1.3 Structure of the Autostrade per l'Italia Group



Notes: The chart shows interests in the principal Autostrade per l'Italia Group companies as at 31 December 2021. The companies are described in detail in Annex 1 to the consolidated financial statements. The percentage shown refers to the Group's entire interest.

- (1) The percentage shown refers to the interest in terms of the total number of shares in issue.
- (2) On 21 December 2021, Autostrade per l'Italia paid a capital contribution of €20 million for future rights issues. This has increased the Group's interest based on the share of equity to 99.80%, which differs from the interest in the issued capital, which remains unchanged at 99.4%.
- (3) On 14 February 2022, Autostrade Tech's shareholders voted to change the company's name to "Movyon SpA".
- (4) The percentage shown refers to the interest in terms of the total number of shares in issue, whilst the interest in ordinary voting shares is 58.00%.
- (5) On 4 February 2022, the Council of State rejected the appeal brought by Autostrade Meridionali (previously rejected by Campania Regional Administrative court on 21 October 2020) against the award of the concession for the A3 Naples-Salerno motorway to the SIS Consortium. In brief, Council found that the assessments conducted by the grantor in awarding the concession to the Consortium were not defective in law. The Interministerial Decree relating to the concession arrangement signed by the MIMS and the SIS Consortium on 29 July 2021 was registered without observations on 8 February 2022 and, in the coming months, following the outcome of talks with the Grantor aimed at establishing the value of Autostrade Meridionali's takeover right, the new operator is expected to begin operating the motorway.

1.4 The Group's motorway operators



<p>Autostrade per l'Italia</p> <p>Km of network: 2,855 Concession expiry: 2038</p>	<p>Autostrada Tirrenica</p> <p>Km of network: 55 Concession expiry: 2028</p>	<p>Raccordo Autostradale Valle d'Aosta</p> <p>Km of network: 32 Concession expiry: 2032</p>	<p>Società Italiana per il Traforo del Monte Bianco</p> <p>Km of network: 6 Concession expiry: 2050</p>	<p>Tangenziale di Napoli</p> <p>Km of network: 20 Concession expiry: 2037</p>	<p>Autostrade Meridionali ⁽¹⁾</p> <p>Km of network: 52 Concession expiry: 2012</p>
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— Network operated by ANAS and other operators

(1) In compliance with the concession arrangement and whilst awaiting the outcome of the process of establishing the handover to the incoming operator, as described in greater detail in section 2.12, "Significant regulatory aspects", Autostrade Meridionali is continuing to operate the motorway.

1.5 Corporate bodies

BOARD OF DIRECTORS IN OFFICE FOR THE FINANCIAL YEARS 2019 – 2020 – 2021 ^(*)

CHAIRMAN	Giuliano MARI ⁽¹⁾
CHIEF EXECUTIVE OFFICER	Roberto TOMASI ⁽¹⁾
DIRECTORS	Carlo BERTAZZO ⁽¹⁾ Massimo BIANCHI ⁽²⁾⁽³⁾⁽⁴⁾ Elisabetta DE BERNARDI DI VALSERRA ⁽²⁾⁽³⁾ Christoph HOLZER ⁽¹⁾⁽³⁾ Hongcheng LI ⁽¹⁾⁽²⁾ Roberto PISTORELLI ⁽¹⁾⁽⁴⁾ Nicola ROSSI ⁽²⁾⁽⁴⁾ Antonino TURICCHI ⁽¹⁾⁽⁴⁾
SECRETARY	Giulia MAYER

BOARD OF STATUTORY AUDITORS FOR THE THREE-YEAR PERIOD 2021 – 2022 – 2023⁽⁵⁾

CHAIRMAN	Giandomenico GENTA ⁽⁶⁾
STANDING AUDITORS	Roberto COLUSSI Giulia DE MARTINO Alberto DE NIGRO Donato LIGUORI
ALTERNATE AUDITORS	Lorenzo DE ANGELIS ⁽⁶⁾ Francesco ORIOLI

INDEPENDENT AUDITORS FOR THE PERIOD 2021 – 2029

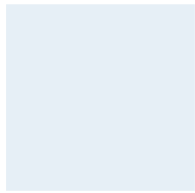
KPMG SpA

(*) Further information on governance is provided in section 2.11, “Corporate governance and ownership structures”.

- (1) Member of the Major Works Committee
- (2) Member of the Internal Control and Risk Committee
- (3) Member of the Human Resources Committee
- (4) Member of the Sustainability Committee
- (5) The Standing Auditor to be nominated by the Ministry was announced by the Grantor on 30 April 2021. As a result, from this date, the Board of Statutory Auditors ceased to operate under an extension of its term of office and the election of the new Board by the Annual General Meeting of 15 April 2021 took full effect. The General Meeting of shareholders held on 28 May 2021 took note of the appointment of the Standing Auditor nominated by the Ministry and fulfilment of the conditions precedent required for the appointment of the remaining members of the Board of Statutory Auditors.
- (6) On 22 February 2022, the Alternative Auditor, Lorenzo De Angelis, assumed the role of Chairman of the Board of Statutory Auditors until the Annual General Meeting of shareholders called to approve the financial statements, following the resignation of Giandomenico Genta.

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REPORT ON OPERATION



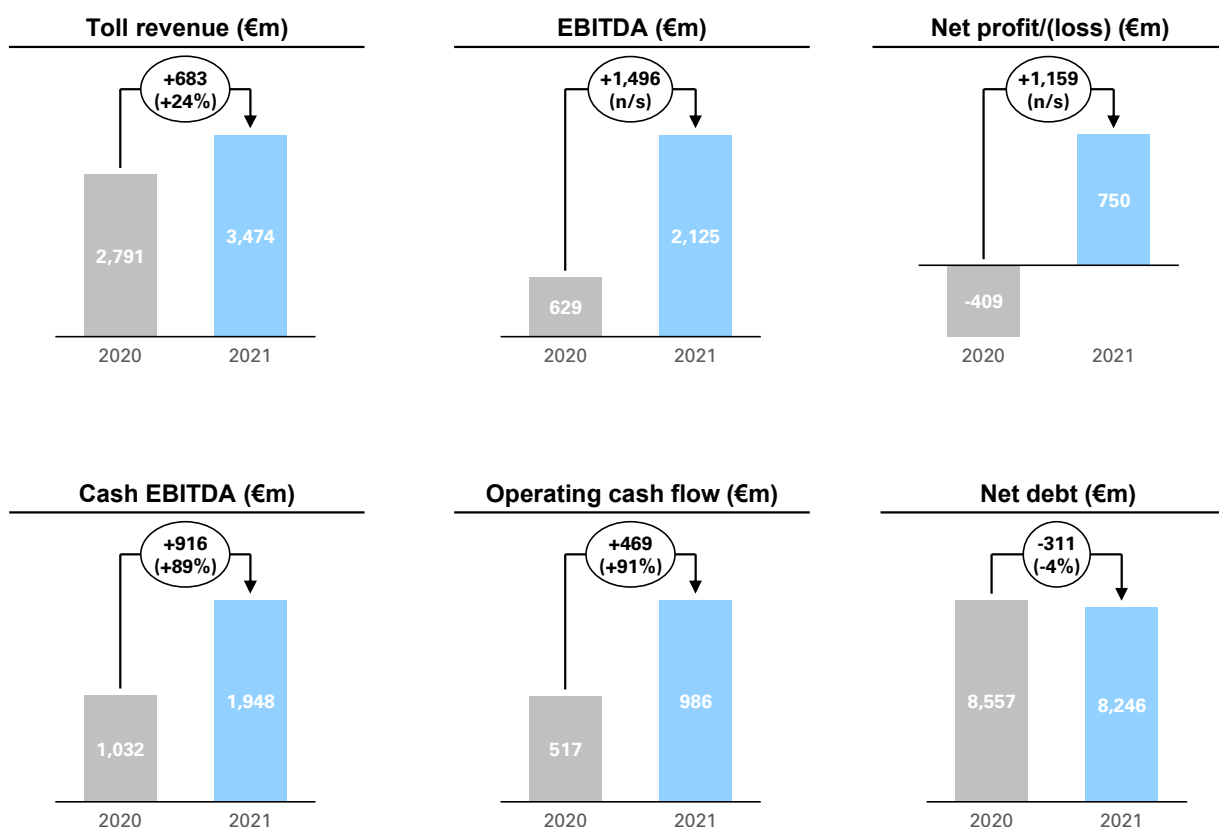


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2.1 Business overview

Financial highlights

Consolidated key performance indicators



- Toll revenue of €3,474 million is up €683 million compared with 2020, reflecting an improvement in traffic using the network managed by the Group's operators, following the relaxation of the restrictions on movement introduced by Government authorities. Revenue has, however, remained below pre-pandemic levels (down €216 million compared with 2019).
- Gross operating profit (EBITDA¹) of €2,125 million is up €1,496 million on 2020, due to combined effect of revenue growth and reduction in net provisions at Autostrade per l'Italia. EBITDA for 2020 was affected by the significant provisions made in relation to an updated estimate of the expenses to be incurred as a result of the Settlement Agreement.

¹ In addition to the reported amounts in the statutory consolidated financial statements, this report also presents and analyses alternative performance indicators ("APIs"), such as EBITDA, cash EBITDA, operating cash flow and capital expenditure. A detailed description of the principal APIs is provided in the section 2.17, "Explanatory notes and other information".

- Consolidated profit for the year of €750 million compares with a loss of €409 million for 2020; 2021 also includes the contribution from Pavimental.
- Cash EBITDA and operating cash flow are up €916 million and €469 million, respectively, compared with 2020.
- Net debt as at 31 December 2021 is broadly in line with the previous year (down 4%).
- New bond issues in 2021 amounted to €1 billion, maturing in 2030.

Non-financial highlights

- Autostrade per l'Italia is today an integrated group focusing on engineering and construction through the subsidiaries, Pavimental and Tecne, sustainable mobility, technological innovation and advanced digital services for motorway and urban transport systems following the launch of Movyon (the new name for Autostrade Tech from February 2022) and Free To X and, with the establishment of Elgea at the beginning of 2022, the production of renewable energy.

REGULATORY FRAMEWORK

- The Settlement Agreement with the Ministry of Sustainable Infrastructure and Mobility (the "MIMS"), Liguria Regional Authority, Genoa City Council and the city's Port Authority, bringing an end to the dispute initiated in 2018 over alleged serious breaches of the Concession Arrangement, was signed on 14 October 2021.
- On 22 December 2021, having examined the relevant documents, the Interministerial Committee for Economic Planning and Sustainable Development (*CIPESS*) expressed a favourable opinion on the III Addendum to the Single Concession Arrangement agreed by ASPI and the MIMS on 12 October 2007 and the related Financial Plan for the period 2020-2024.

NETWORK SAFETY

- The Group spent over €1.8 billion in 2021 on investment¹ and maintenance, an increase of approximately 30% compared with 2020 in order to step up the pace of modernisation of the network.
- There was a turnaround in infrastructure surveillance, now carried out by a consortium of internationally recognised independent companies, which enabled us to inspect over 19,000 bridges, viaducts and tunnels in a year.
- Digital mapping of the network using the ARGO platform began, which enables us to get a complete, all-round view of all the individual components of the motorway infrastructure, using the latest digital systems as part of an innovative approach to inspection and maintenance.

¹ Includes capital expenditure (€1,066 million) and works included in the extraordinary maintenance plan (€299 million).

- The inspection of tunnels is continuing, with 90 km monitored using ground-penetrating radar or lasers.
- The accident rate has remained more or less on a par with 2020, despite the increase in traffic.
- Trials have begun of the new dynamic weigh stations for heavy vehicles en-route and when entering the motorway to check compliance with weight restrictions.

INTERNAL CONTROL AND RISK ASSESSMENT SYSTEM

- Actions have been taken to boost the Internal Control System and continuously monitor risks, also by integrating innovative technologies, with the aim of integrating performance and compliance, guaranteeing integrity, transparency and quality throughout our business processes. As an example, the following digital platforms have been created:
 - a Predictive Compliance Dashboard, enabling the real-time monitoring multi-compliance indicators of potential risk, fraud and business continuity events through the application of data analytics to every process transaction;
 - a Bridge-the-GAP procedure to provide integrated support for the definition, monitoring, follow-up and reporting of gaps and the related corrective actions, used by the Company's various control functions.
- ISO 37001 certification of our anticorruption management system was successfully renewed in the first half of 2021.
- ASPI has entered into partnerships with universities (the Sant'Anna School of Advanced Studies in Pisa and Rome's Tor Vergata University) and launched specific awareness programmes designed to disseminate a culture of integrity and transparency.

HUMAN RESOURCES

- Approximately 1,600 people have been hired since January 2020 as part of our plan to create 2,900 jobs, primarily to strengthen expertise in STEM (Science, Technology, Engineering and Mathematics) fields.
- 195,000 hours of training was provided to personnel in 2021 (up 326% on 2020).
- The Group's Diversity & Inclusion programme was launched to support a merit-based approach designed to guarantee equality and inclusion.
- The proportion of management positions held by women rose by 30% in 2021 compared with the previous year.

INNOVATION (Free To X)

- A cashback scheme was launched on 15 September 2021 to refund tolls paid by road users affected by delays caused by roadworks linked to the modernisation of ASPI's motorway infrastructure, using Free To X's customer care app. The app, designed to establish a direct relationship with road users, has been downloaded approximately 140,000 times.
- The app also contains a section that provides real-time traffic information and details of the services available along the route. It also enables travellers to know exactly how long their journey will take before they set off, thanks to a forecast of the delays caused by roadworks on Autostrade per l'Italia's network.

- The first 4 rapid charging points for electric vehicles were opened as part of the plan to rollout 100 Free To X charging points at the same number of services areas by the end of 2023. Work is currently underway at a further 14 service areas, with charging points to be opened by March 2022.
- A system has been developed for predicting traffic flows for use when planning roadworks with the aim of reducing disruption to traffic.

SUSTAINABILITY

- Our commitment to sustainable mobility has been further reinforced, putting the environment, safety and people at the heart of what we do, in keeping with G20 agenda and the Group's ESG goals, as confirmed in the Group's first Sustainability Report.
- The Company is committed to achieving carbon neutrality and limiting the global temperature increase to 1.5°C by 2050, in line with the COP26 meeting held in Glasgow
- The Sustainability Committee, consisting of four non-executive Directors, for the most part independent, was established in October 2021.
- October 2021: ASPI makes a formal undertaking to decarbonisation, setting science-based targets in line with SBTi (Science Based Target Initiative) criteria.
- The Services Conference has approved the design for the Bologna Bypass, marking the first initiative to be assessed not only regarding the effectiveness of the investment, but also in terms of respect for the ecosystem, climate and environmental risk, durability and improved quality of life.
- Moody's ESG Solutions assigns a rating of A2.
- Fleet management involved the launch of a plan for the replacement of company vehicles with endothermic engines with electric or hybrid models and the installation of 50 recharging points at head offices and area and local offices.

SUSTAINABLE FINANCE

- On 5 November, the €750 million revolving credit facility agreed in April 2021 was converted into an ESG-linked facility. Following the conversion, the margin on the facility is linked to the achievement of specific ESG goals such as carbon footprint, gender diversity and road safety. ASPI will reinvest the amount equivalent to any reduction in the margin in initiatives designed to further improve our sustainability roadmap and/or to benefit external organisations (such as, for example, NGOs and foundations).

2.2 Events after 31 December 2021

Services Conference approves detailed design for Bologna Bypass

On 18 January 2022, the Services Conference approved the design for the Bologna Bypass, amounting to approximately €1.7 billion. Final approval of the detailed design is expected by the end of 2022, with the expropriation process, the movement of existing services interfering with construction and preparation of the various sites also due to begin during the year.

Bond issue

On 18 January 2022, Autostrade per l'Italia placed bonds worth €1,000m under its Euro Medium Term Notes (EMTN) programme in two tranches of €500m. The tranches have terms of 6 and 10 years. The proceeds from the issue will provide the Company with the financial resources needed to fully support our major investment and maintenance programmes, in addition to being used to fund development of the network digitalisation plan and for general corporate purposes.

Establishment of Elgea

A new company named Elgea SpA was established on 24 January 2022. The company, a wholly owned subsidiary of Autostrade per l'Italia, will produce renewable energy on behalf of the Group.

2.3 Outlook on risks and uncertainties

2022 will see the Company proceed with implementation of our Transformation Plan, introducing an integrated, technologically advanced approach to managing mobility that puts sustainability and the safety of infrastructure at its heart. ASPI aims to help to drive the economic recovery by putting our expertise at the country's service, with capital and maintenance expenditure due to exceed €1.5 billion as part of our plan to modernise and upgrade the network.

The rollout of the Covid-19 vaccine should enable Italy to relax restrictions on movement. As a result, Autostrade per l'Italia can reasonably expect to see traffic growth within the range of 8% to 10% compared with 2021. Traffic in 2022 is, however, expected to remain below pre-pandemic levels (in a range of -1% and -3% compared with 2019). These estimates do not take into account the potential impact of current geopolitical events or the resulting increases in the cost of raw materials, above all fuel.

At the date of preparation of this document, and thus in relation to the first two months of 2022, traffic using Autostrade per l'Italia's network is up 27.0% on the same period of 2021 but has remained below pre-pandemic levels (down 7.2% compared with the first two months of 2019). The performance registered in the first two months of 2022 is broadly in line with the Company's projections.

We expect an improvement in our operating results in 2022 compared with 2021, mainly based on the previously mentioned estimates for traffic growth. As a result, after considering application of the toll increases provided for in the new Financial Plan, Autostrade per l'Italia SpA's net toll revenues⁽¹⁾ is expected to be within a range of €3.0 billion to €3.1 billion. It should be noted, however, that the assumptions underlying such a sensitivity analysis are subject to changes depending on events and on several risk factors and uncertainties not currently foreseeable.

Based on these assumptions, management expects that operating cash flow in 2022 will be broadly sufficient to enable the Company to self-finance capital expenditure.

Finally, following completion of the approval process for the III Addendum to the Single Concession Arrangement and the related Financial Plan for 2020-2024, reflecting among other things the content of the settlement agreement, and the receipt of waivers from the ASPI Group's lenders, the change of control of Autostrade per l'Italia will be completed.

⁽¹⁾ Toll revenues including the surcharges passed on to ANAS.

2.4 Group financial review

To provide an improved basis for assessment of the operating and financial performance, this Report includes alternative performance indicators ("APIs") deemed relevant to an assessment of the operating performance based on the results of the Group as a whole and of the individual consolidated companies. These APIs are deemed to provide an improved basis for comparison of the results over time, even if they are not a replacement for or an alternative to the results presented in the accounts ("reported amounts") in the sections, "Consolidated financial statements as at and for the year ended 31 December 2020" and "Separate financial statements as at and for the year ended 31 December 2021" in this Annual Report, determined applying the international financial reporting standards (IFRS) described therein.

Autostrade per l'Italia presents reclassified financial statements in this section and in the "Financial review for Autostrade per l'Italia SpA". These statements are different from those required under IFRS, included in the consolidated financial statements and the separate financial statements as at and for the year ended 31 December 2020 (the statutory financial statements). In addition to amounts from the income statement and statement of financial position prepared under IFRS, these reclassified financial statements present a number of indicators and items derived from them, even when they are not required by the above standards and are, therefore, identifiable as APIs. In this regard, section 2.17, "Explanatory notes and other information", presents the reconciliation of the reclassified financial statements with the corresponding statutory financial statements.

Finally, a number of APIs, calculated as above, are also presented after certain adjustments applied in order to provide a consistent basis for comparison over time. These "Like-for-like changes", used in the analysis of changes in gross operating profit/(loss) (EBITDA), profit/(loss) for the period, profit/(loss) for the period attributable to owners of the parent and operating cash flow, have been calculated by excluding, where present, the impact of: (i) changes in the scope of consolidation, (ii) changes in exchange rates on the value of assets and liabilities denominated in functional currencies other than the euro; and (iii) events and/or transactions not strictly connected with operating activities that have an appreciable influence on amounts for at least one of the two comparative periods. The reconciliation of the like-for-like indicators and the corresponding amounts in the reclassified financial statements is provided in the section 2.17, "Explanatory notes and other information", in addition to notes on the adjustments made.

Preamble

In preparing the Annual Report for 2020, following an assessment by the Board of Directors, the Board concluded that, despite the presence of uncertainties regarding the outlook for the Company's and the Group's activities, such uncertainties were surmountable and that it was, therefore, appropriate to prepare the consolidated financial statements for that year on a going concern basis.

As described in detail in the preamble to the Annual Report for 2020, to which reference should be made, in preparing the Report the Directors identified certain risk factors and uncertainties. Briefly, these regarded:

- a) relations and outstanding litigation between Autostrade per l'Italia and the Grantor;
- b) the Italian Government's approval of the so-called *Milleproroghe* Decree, above all art. 35 of the Decree which, among other things, amends the legislation governing the "revocation,

- forfeiture or termination of road or motorway concessions, including those for toll roads and motorways”;
- c) the downgrade of Autostrade per l’Italia’s credit rating to below investment grade and of its outlook by the international agencies, Moody’s, Fitch and Standard & Poor’s, following enactment of art. 35 of the above *Milleproroghe* Decree; in this regard, the downgrade to below investment grade could have exposed – and still exposes - the Company to the risk that the European Investment Bank (“EIB”) and, in relation to its share of the debt, Cassa Depositi e Prestiti (“CDP”) might request additional protections, and, were such protections not judged to be reasonably satisfactory, they could request early repayment of the existing debt (€1.5 billion, including €1.2 billion guaranteed by Atlantia). The failure to satisfy a request for early repayment from the EIB or CDP, provided that it were lawful, could result in similar requests from the Company’s other creditors, including bondholders;
 - d) the operational difficulties affecting the Company and its subsidiaries as a result of the Covid-19 pandemic, and the ensuing restrictions on the movement of people and on business activity imposed by the Italian authorities.

With regard to points a) and b) above (relations with the Grantor and *Milleproroghe* Decree), on 14 October 2021, the Settlement Agreement was signed by the Ministry of Sustainable Infrastructure and Mobility (the *Ministero delle Infrastrutture e della Mobilità Sostenibili*, or “MIMS”) and ASPI, bringing an end to the dispute initiated on 16 August 2018 over the Ministry’s allegations of serious breaches of the Concession Arrangement following the collapse of a section of the Polcevera road bridge, as also described in section 2.8, “Regulatory aspects”, to which reference should be made. Following this, on 22 December 2021, the Interministerial Committee for Economic Planning and Sustainable Development (*CIPESS*) expressed a favourable opinion on the III Addendum to ASPI’s Single Concession Arrangement and the related Financial Plan for the period 2020-2024, which also includes the content of the Settlement Agreement. Final approval of the overall Framework Agreement – which includes the III Addendum to the Single Concession Arrangement, the related Financial Plan for the period 2020-2024 and the Settlement Agreement – remains subject to, among other things, registration of the related *CIPESS* determination and the decrees approving the Framework Agreement with the Italian Court of Auditors.

In addition, as also described in section 2.8 “Regulatory aspects”, on 12 June 2021, the parent, Atlantia, and Holding Reti Autostradali SpA – the corporate vehicle owned by the consortium consisting of CDP Equity SpA, The Blackstone Group International Partners LLP and Macquarie European Infrastructure Fund 6 SCSp (“HRA”) – signed the share purchase agreement regarding the sale of Atlantia’s entire stake in Autostrade per l’Italia. Completion of the sale is subject to fulfilment of a number of conditions precedent, including (i) completion of the approval process for the III Addendum and the Settlement Agreement and (ii) the receipt of waivers from the ASPI Group’s lenders, including bondholders, including the release of the guarantees provided by Atlantia securing a number of ASPI’s bond issues and borrowings. At the date of preparation of this document, talks are ongoing with the EIB with a view to obtaining the necessary changes to the loan agreement. The Company’s other lenders, including its bondholders, have given their consent for the modification of change of control provisions and the removal of Atlantia’s guarantee, where applicable.

With regard to point c) above (the downgrade), at the date of preparation of these consolidated financial statements, neither the European Investment Bank or Cassa Depositi e Prestiti has requested the enforcement of any contractual rights and/or remedies.

Again with regard to the financial position, it should be noted that, following the financial transactions carried out in 2021 and 2022 (new bond issues by Autostrade per l’Italia in January 2021 and January

2022 and agreement of a revolving credit facility amounting to €750 million), together with cash flows from continuing operations, have enabled ASPI to strengthen its financial structure and to fund its operations and the expenditure involved in delivering the upgrade and modernisation programme for the motorway network operated under concession.

In response to the decision taken by a General Meeting of Atlantia's shareholders to approve the Board of Directors' proposal to sell Atlantia's entire stake in Autostrade per l'Italia to Holding Reti Autostradali, on 4 June 2021, Fitch upgraded the Company's rating to Rating Watch Positive. Moreover, on 22 June 2021, Standard & Poor's also upgraded Autostrade per l'Italia's credit rating to "BB" with a "Positive Outlook" (from "BB-" with a "Developing Outlook"). Finally, on 22 October 2021, Moody's upgraded Autostrade per l'Italia's credit rating to "Ba2" / review for upgrade (from "Ba3" /positive").

With regard to point d) above (the Covid-19 pandemic), the Company has included aid receivable for the lockdown period from March to June 2020 in the Financial Plan currently awaiting approval. In this regard, the transport regulator, ART, has devised a method for determining the portion of the impact of Covid-19 that can be recouped through tolls and the corresponding amount has been included in the Financial Plan. The amount of the aid to cover the effects of the pandemic through to 31 December 2021 will be calculated in the first half of 2022, certified by an audit firm and recognised, in the year in which the loss is recognised, via the use of a specific component for additional expenses at the time of periodic revision of the Financial Plan.

The Board of Directors has thus deemed that the above risk factors and uncertainties, both individually and as a whole, present at the date of preparation of these consolidated financial statements are surmountable and, as a result, has concluded that these factors are not such as to raise material doubts about the ability of the Company and the Group to continue as going concerns. For this reason, the consolidated financial statements have been prepared on a going concern basis.

With regard to the above developments in Autostrade per l'Italia's regulatory framework, and as described in detail in note 6.2 in the section, "Consolidated financial statements as at and for the year ended 31 December 2020", it has been necessary to apply certain adjustments to certain amounts in the financial statements from 1 January 2021. This has been done to reflect the impact of the Framework Agreement in the accounts, as summarised in the following table:

€m	31 December 2020	Adoption of new tariff framework (ART)	Remuneration through tolls of the €1.2 billion extraordinary maintenance plan	Company's assumption of the cost of unremunerated investment amounting to €1.2 billion	1 January 2021
	A	B	C	D	A+B+C+D
Non-financial assets	16,895	-2,540	439	-489	14,305
<i>of which</i>					
<i>Intangible assets deriving from concession rights for which additional economic benefits are received</i>	3,168	4,614	439	-489	7,732
<i>Intangible assets deriving from concession rights for which no additional economic benefits are received</i>	7,154	-7,154			-
Working capital	-1,193	-	-	-	-1,193
Non-financial liabilities	-5,748	2,540	761	-711	-3,158
<i>of which</i>					
<i>Provisions for construction services required by contract (current and non-current portions)</i>	-2,540	2,540			-
<i>Provisions for the repair and replacement of motorway infrastructure (current and non-current portions)</i>	-1,743		761		-982
<i>Provisions for risks and charges relating to settlement with MIMS</i>	-1,690			-711	-2,401
Net invested capital	9,954	-	1,200	-1,200	9,954
Income statement	Gains/(Losses) on first-time application of the Framework Agreement				
		-	1,200	-1,200	-

It should be noted that:

- a) the introduction of a new tariff mechanism, following ART's adoption of Resolution 71/2019 on 19 June 2019, has had the following impact on assets and liabilities: closure of the balance of provisions for construction services required by contract as at 1 January 2021 (€2,540 million), accounted for as a direct reduction in intangible assets deriving from concession rights for which no additional economic benefits are received and subsequent reclassification of the remaining balance of intangible assets deriving from concession rights for which no additional economic benefits are received (€4,614 million, also taking into account closure of the provisions for construction services required by contract) to concession rights for which additional economic benefits are received; this adjustment has had no effect on taxation;
- b) remuneration of the €1.2 billion extraordinary maintenance plan through tolls, under the Financial Plan – in common with other investment – has led to a reduction in provisions for repair and replacement made in previous years for work yet to be carried out (€761 million) and an increase of €439 million in intangible assets deriving from concession rights for which additional economic benefits are received, representing works already carried out as at 1 January 2021;
- c) the Company's assumption, under the Settlement Agreement, of the cost of unremunerated investment of €1.2 billion in infrastructure operated under concession in the 2020 – 2024 regulatory period has, unlike the situation in point b), led to a reduction in intangible assets deriving from concession rights of €489 million, to take into account investment carried out in

the past, and an increase of €711 million in other provisions for risks and charges, representing the remaining investment plan to be carried out as at 1 January 2021.

As a result of the situation described in points b) and c), the adjustments recognised have not had a significant impact on the Group's or the Company's income statements as at 1 January 2021.

Solely for the purposes of presentation, section 2.17, "Explanatory notes and other information", provides a comparison of certain alternative performance indicators with the matching pro forma amounts for Autostrade per l'Italia in 2020.

The scope of consolidation as at 31 December 2021 differs from the scope at 31 December 2020, reflecting Autostrade per l'Italia's acquisition of a 79.4% stake in Pavimental SpA for a total consideration of €15 million. Following the purchase, the Company holds a total interest of 99.4%. In addition, at the end of March 2021, Movyon completed the acquisition of a 90% stake in Infomobility Srl, a company specialising in infomobility systems and hardware and software for the automotive sector, for €3 million. Finally, Free to X Srl, a wholly owned subsidiary of Autostrade per l'Italia whose mission is to develop integrated, sustainable mobility services, was established in January 2021. The new company's purpose includes the installation and management of charging stations for electric vehicles throughout the motorway network operated under concession, and the provision of dynamic pricing systems designed to take into account delays due to roadworks on motorways.

Finally, there were no non-recurring, atypical or unusual transactions, either with third or related parties, in either of the comparative periods.

Consolidated results of operations

“**Total operating revenue**” for 2021, amounting to €3,872 million, is up €842 million compared with 2020 (€3,030 million).

“**Toll revenue**” of €3,474 million is up €683 million compared with 2020 (€2,791 million) reflecting a 23% increase in traffic on the network. Both comparative periods reflect the impact of the Covid-19 pandemic, whilst the positive performance of traffic in 2021, compared with 2020, is partly due to the relaxation during the year of the restrictions on movement introduced by Government authorities.

It should also be noted that toll revenue includes €87 million in discounts and exemptions, the impact of which on profit and loss is offset by the use of provisions for risks and charges made in previous years to cover the costs to be incurred as a result of the commitments given in the Settlement Agreement.

Toll revenue for 2021 includes €357 million (€298 million in 2020) in the surcharges added to the concession fee payable to ANAS and accounted for in operating costs under the item “concession fees”. The increase of €59 million reflects the increased number of kilometres travelled. After stripping out the above surcharges, total revenue is up €624 million compared with 2020.

“**Other operating income**” amounts to €398 million (€239 million in 2020), an increase of €159 million. After stripping out the contribution resulting from the consolidation of Pavimental (€96 million), the increase is primarily linked to the impact on service area royalties of the different effect, in the comparative periods, of the measures adopted by Autostrade per l’Italia to support service providers during the pandemic.

“**Net operating costs**” amount to €1,747 million (€2,401 million in 2020).

“**Maintenance costs**” amount to €462 million and, unlike 2020 (€867 million), do not include the works included in ASPI’s extraordinary maintenance plan (€443 million in 2021), presented in capital expenditure. Including the impact of this plan in 2021 and stripping out the cost of the San Giorgio road bridge in Genoa (€88 million in 2021 and €148 million in 2020, whose impact on EBITDA was offset by use of the matching amount in provisions for repair and replacement accounted for in the “Operating change in provisions”), maintenance costs are up €98 million. This reflects an increase in the volume of work carried out as a result of continuation of the planned maintenance programme. The costs linked to the extraordinary maintenance plan amounted to €349 million in 2020.

The “**Cost of other external services**” amounts to €351 million, an increase of €53 million compared with 2020 (€298 million), primarily due to the change in the scope of consolidation following the acquisition of Pavimental.

RECLASSIFIED CONSOLIDATED INCOME STATEMENT (*)(1)

€m	2021	2020	Increase/(Decrease)	
			Absolute	%
Toll revenue	3,474	2,791	683	24
Other operating income	398	239	159	67
Total operating revenue	3,872	3,030	842	28
Maintenance costs	-462	-867	405	-47
Cost of other external services	-351	-298	-53	18
Concession fees	-438	-362	-76	21
Net staff costs	-586	-471	-115	24
Operating change in provisions	90	-403	493	n.s
Total net operating costs	-1,747	-2,401	654	-27
Gross operating profit (EBITDA)	2,125	629	1,496	n/s
Amortisation, depreciation, impairment losses, reversals of impairment losses and provisions for renewal work	-563	-672	109	-16
Operating profit/(loss) (EBIT)	1,562	-43	1,605	n/s
Financial income/(expenses) from the discounting of provisions	-4	-18	14	-78
Other financial income/(expenses), net	-325	-479	154	-32
Capitalised financial expenses on intangible assets deriving from concession rights	-	10	-10	-100
Share of profit/(loss) of investees accounted for using the equity method	-3	-8	5	-63
Profit/(Loss) before tax from continuing operations	1,230	-538	1,768	n/s
Income tax benefit/(expense)	-480	128	-608	n/s
Profit/(Loss) from continuing operations	750	-410	1,160	n/s
Profit/(Loss) from discontinued operations	-	1	-1	-100
Profit/(Loss) for the year	750	-409	1,159	n/s
(Profit)/Loss attributable to non-controlling interests	27	-2	29	n/s
(Profit)/Loss attributable to owners of the parent	723	-407	1,130	n/s
	2021	2020	Increase/	(Decrease)
Basic earnings/(loss) per share attributable to the owners of the parent (€)	1.16	-0.66	1.82	
<i>of which:</i>				
- from continuing operations	1.16	-0.66	1.82	
- from discontinued operations	-	-	-	
Diluted earnings/(loss) per share attributable to the owners of the parent (€)	1.16	-0.66	1.82	
<i>of which:</i>				
- from continuing operations	1.16	-0.66	1.82	
- from discontinued operations	-	-	-	

(*) The reconciliation with the statutory consolidated income statement is provided in section 2.17, "Explanatory notes and other information".

(1) To improve presentation, the reclassified consolidated income statement shows the item, "Maintenance costs", previously included in the item, "Cost of materials and external services" in the Annual Report for 2020.

“**Concession fees**” amount to €438 million, an increase of €76 million compared with 2020 (€362 million) due to traffic growth on the network.

“**Net staff costs**” of €586 million are up €115 million compared with 2020 (€471 million). This essentially reflects first-time consolidation, in 2021, of Pavimental, the increased cost of early retirement incentives linked to the extraordinary scheme introduced by Autostrade per l’Italia in 2021 and the specific nature of the situation in 2020 (activation of the ordinary wage guarantee fund - “CIGO” - and other effects linked to the pandemic, plus a reduction in the fair value recognised after a valuation of management incentive plans).

The “**Operating change in provisions**” reflects the net use of €90 million (net provisions of €403 million in 2020). This essentially reflects:

- a) the operating change in the provisions for the repair and replacement of motorway infrastructure, resulting in a net use of €101 million to cover the cost of reconstruction of the San Giorgio road bridge in Genoa (€88 million);
- b) provisions for risks and charges made during the period (€11 million) to cover existing litigation risks.

It should also be noted that, in 2020, the “Operating change in provisions” included provisions for risks and charges of €190 million made by Autostrade per l’Italia to reflect an updated estimate of the additional costs to be incurred in connection with talks with the Government and the MIMS aimed at settling the dispute between the parties.

“**Gross operating profit (EBITDA)** of €2,125 million is up €1,496 million compared with 2020 (€629 million). On a like-for-like basis, EBITDA is up €1,155 million. Cash EBITDA amounts to €1,948 million in 2021, calculated after stripping out the “operating change in provisions”, which made a positive contribution of €90 million in 2021 (a negative contribution of €403 million in 2020) and the non-cash effect of discounts and exemptions. This is an increase of €916 million compared with cash EBITDA for 2020 (€1,032 million in 2020).

“**Amortisation and depreciation, impairment losses, reversals of impairment losses and provisions for renewal work**” amount to €563 million, a reduction of €109 million compared with 2020 (€672 million). This essentially reflects Autostrade per l’Italia’s adoption of the tariff mechanism introduced by ART from 2021, which led to the closure of the balance of provisions for construction services required by contract as at 1 January 2021 (€2,540 million), accounted for as a direct reduction in intangible assets deriving from concession rights, as mentioned above in the preamble.

“**Operating profit (EBIT)** of €1,562 million is an improvement of €1,605 million on 2020 (a loss of €43 million).

“**Financial expenses from the discounting of provisions for construction services required by contract and other provisions**” amount to €4 million, a reduction of €14 million compared with 2020 (€18 million), essentially reflecting the different discount rates applied in the two comparative periods.

“**Net other financial expenses**” of €325 million are down €154 million compared with 2020 (€479 million). This essentially reflects the change in the fair value of derivative financial instruments (a gain in 2021 and a loss in the comparative period). In 2021, the Group recognised financial expenses of €8 million after obtaining waivers from the ASPI Group’s lenders, accepting changes to change of control provisions and the removal of Atlantia’s guarantee, where applicable.

The “**Share of the (profit)/loss of investees accounted for using the equity method**” amounts to a loss of €3 million (€8 million in 2020), reflecting the Group’s share of the profit or loss of its associates.

“**Income tax expense**” of €480 million in 2021 (a benefit of €128 million in 2020) is in line with pre-tax profit. The figure for 2021 also includes the tax benefit (totalling €15 million) resulting from recognition of the tax effects of the revaluation of assets in the statutory financial statements of the subsidiaries, Tangenziale di Napoli and Movyon, in accordance with Law Decree 104/2020. The tax benefits recognised in 2020 were the result of a tax loss for the year.

“**Profit for the year**” of €750 million compares with a loss of €409 million for 2020. On a like-for-like basis, profit amounts to €759 million, an improvement of €948 million compared with the loss for 2020.

“**Profit for the year attributable to owners of the parent**”, amounting to €723 million, compares with a loss of €407 million for 2020. On a like-for-like basis, the improvement amounts to €924 million compared with the loss for 2020.

The “**Profit for the year attributable to non-controlling interests**” totals €27 million, an improvement of €29 million compared with the loss attributable to non-controlling interests in 2020 (€2 million).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€m		2021	2020
Profit/(Loss) for the year	(A)	750	-409
Fair value gains/(losses) on cash flow hedges		52	-
Tax effect of fair value gains/(losses) on cash flow hedges		-12	-
Other comprehensive income/(loss) reclassifiable to profit or loss for the year	(B)	40	-
Gains/(losses) from actuarial valuations of provisions for employee benefits		-7	-3
Tax effect of gains/(losses) from actuarial valuations of provisions for employee benefits		1	1
Other comprehensive income/(loss) not reclassifiable to profit or loss for the year	(C)	-6	-2
Other reclassifications of other comprehensive income to profit or loss for the year		22	35
Tax effect of other reclassifications of other comprehensive income to profit or loss for the year		-5	-8
Reclassifications of other components of comprehensive income to profit or loss for the year	(D)	17	27
Total other comprehensive income/(loss) for the year	(E=B+C+D)	51	25
<i>of which attributable to discontinued operations</i>		-	-
Comprehensive income/(loss) for the year	(A+E)	801	-384
<i>Of which attributable to owners of the parent</i>		774	-382
<i>Of which attributable to non-controlling interests</i>		27	-2

“Total other comprehensive income” for 2021 amounts to €51 million (income of €25 million in 2020), reflecting fair value gains on new cash flow hedges, after taxation, and reclassification to profit or loss of fair value losses on Forward-Starting Interest Rate Swaps from the cash flow hedge reserve, after the related tax effect. These derivatives were classified as not qualifying for hedge accounting in 2019.

Consolidated financial position

As at 31 December 2021, “**Non-financial assets**”, totalling €15,768 million, are down €1,956 million compared with the figure for 31 December 2020 (€17,724 million). The reduction includes the impact of the decrease in intangible assets deriving from concession rights described below.

“**Intangible assets**” total €15,385 million (€17,432 million as at 31 December 2020) and essentially consist of intangible assets deriving from the Group’s concession rights, amounting to €9,185 million (€11,280 million as at 31 December 2020), and goodwill (€6,111 million) recognised following the contribution of the motorway assets of the former Autostrade – Concessioni e Costruzioni Autostrade SpA (now Atlantia) to Autostrade per l’Italia as part of a reorganisation of the Group in 2003.

The reduction in intangible assets, amounting to €2,047 million, primarily reflects a combination of the following:

- a) closure of the balance of provisions for construction services required by contract as at 1 January 2021 (€2,540 million), accounted for as a direct reduction in intangible assets deriving from concession rights for which no additional economic benefits are received and the accompanying reclassification of the remaining balance to intangible assets deriving from concession rights for which additional economic benefits are received, following Autostrade per l’Italia’s adoption of the new tariff mechanism introduced by ART from 2021;
- b) amortisation for the year (€526 million);
- c) investment during the year in construction services for which additional economic benefits are received (€931 million). Investment in 2021 also includes the works included in the extraordinary maintenance plan, totalling €443 million, which is included in intangible assets deriving from concession rights following its inclusion in tolls in the new Financial Plan, in common with other investment;
- d) investment in other intangible assets (€89 million), essentially linked to implementation of the Group’s Transformation Plan, focusing on technological innovation relating to the management and safety of infrastructure and advanced digital mobility services.

“**Investments**”, totalling €78 million, are up €5 million compared with the figure for 31 December 2020 (€73 million), remaining broadly in line with the previous year.

“**Deferred tax assets not eligible for offset**” of €134 million are in line with the figure for 31 December 2020 (€131 million).

RECLASSIFIED STATEMENT OF FINANCIAL POSITION (*) (1)

€m	31 December 2021	31 December 2020	Increase/ (Decrease)
Property, plant and equipment	171	88	83
Intangible assets	15,385	17,432	-2,047
Investments	78	73	5
Deferred tax assets not eligible for offset	134	131	3
Non-financial assets (A)	15,768	17,724	-1,956
Trading assets	808	545	263
Trading liabilities	-1,583	-1,320	-263
Net tax assets/(liabilities)	-141	60	-201
Net non-financial assets/(liabilities) held for sale or related to discontinued operations	-	6	-6
Other net assets/(liabilities)	-274	-126	-148
Net working capital (B)	-1,190	-835	-355
Gross invested capital (C=A+B)	14,578	16,889	-2,311
Provisions for construction services required by contract	-	-2,540	2,540
Provisions	-3,338	-3,890	552
Deferred tax liabilities net of deferred tax assets eligible for offset	-316	-37	-279
Other non-financial liabilities	-30	-23	-7
Non-financial liabilities (D)	-3,684	-6,490	2,806
NET INVESTED CAPITAL (E=C+D)	10,894	10,399	495
Equity attributable to owners of the parent	2,277	1,488	789
Equity attributable to non-controlling interests	371	354	17
Total equity (F)	2,648	1,842	806
Net debt (G)	8,246	8,557	-311
NET DEBT AND EQUITY (H=F+G)	10,894	10,399	495

(*) The reconciliation with the statutory consolidated statement of financial position is provided in section 2.17, "Explanatory notes and other information".

(1) The presentation of a number of items in the reclassified consolidated statement of financial position has changed with respect to the information provided in the Annual Financial Report for 2020. For example, to make the statement easier to understand, current provisions have been included in non-financial liabilities and the distinction between the current and non-current portion has been eliminated.

"Net working capital" reports a negative balance of €1,190 million, an increase of €355 million compared with 31 December 2020 (a negative €835 million). After stripping out changes in the Group's scope of consolidation, linked essentially to first-time consolidation of Pavimental (net assets of €86 million), the change of €441 million is primarily due to the following:

- an increase in net tax liabilities of €204 million, primarily due to income tax for the year;
- an increase of €95 million in net current liabilities, linked to an increase in amounts payable to the Grantor due to a rise in concession fees linked to traffic and the reversal of refundable VAT (€53 million) arising in relation to demolition, construction and project management activities for the San Giorgio road bridge in Genoa;
- an increase of €71 million in trade payables, primarily due to a rise in amounts payable to the operators of interconnecting motorways and tolls in the process of settlement due to traffic growth in the fourth quarter of 2021 compared with the same quarter in 2020.

“**Non-financial liabilities**”, totalling €3,684 million, are down €2,806 million compared with the figure as at 31 December 2020 (€6,490 million). The change essentially reflects a combination of the following:

- a) the above-mentioned closure of the balance of provisions for construction services required by contract as at 1 January 2021 (€2,540 million), accounted for as a direct reduction in intangible assets deriving from concession rights for which no additional economic benefits are received;
- b) a reduction of €552 million in provisions, primarily due to the use during the year of provisions made in previous years in relation to the settlement agreement with the MIMS and the Government (€475 million). This sum regards unremunerated investment during the year, totalling €299 million, discounts for road users of €87 million and the cost of reconstruction of the San Giorgio road bridge in Genoa, totalling €89 million;
- c) an increase of €279 million in net deferred tax liabilities (after deferred tax assets eligible for offset), essentially linked to a reduction in deferred tax assets due to net releases connected with the use of provisions for risks and charges.

“**Net invested capital**” of €10,894 million is up €495 million compared with 31 December 2020 (€10,399 million).

“**Equity**” amounts to €2,648 million (€1,842 million as at 31 December 2020).

“**Equity attributable to owners of the parent**”, totalling €2,277 million, is up by a total of €789 million compared with the figure as at 31 December 2020 (€1,488 million), primarily due to comprehensive income attributable to owners of the parent of €774 million.

“**Equity attributable to non-controlling interests**” of €371 million is broadly in line with 31 December 2020 (€354 million)

The Group’s “**Net debt**” as at 31 December 2021 amounts to €8,246 million, a reduction of €311 million compared with 31 December 2020 (€8,557 million).

STATEMENT OF CHANGES IN CONSOLIDATED NET DEBT (*)

€m	2021	2020
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Operating cash flow	986	517
Change in net working capital and other changes	419	-164
Net cash generated from/(used in) operating activities (A)	1,405	353
NET CASH FROM/(USED IN) INVESTMENT IN NON-FINANCIAL ASSETS		
Investment in assets held under concession	-939	-516
Purchases of property, plant and equipment	-38	-22
Purchases of other intangible assets	-89	-37
Capital expenditure	-1,066	-575
Increase in financial assets deriving from concession rights (related to capital expenditure)	8	1
Purchases of investments	-1	-
Investment in consolidated companies, including net debt assumed	-185	-
Proceeds from disposal of property, plant and equipment, intangible assets and unconsolidated investments	3	1
Net debt or funds of consolidated companies transferred as part of corporate transactions	-	-2
Net change in other non-current assets	2	-
Net cash from/(used in) investment in non-financial assets (B)	-1,239	-575
NET EQUITY CASH INFLOWS/(OUTFLOWS)		
Dividends declared by the Group and payable to non-controlling shareholders	-11	-
Net equity cash inflows/(outflows) (C)	-11	-
Increase/(Decrease) in cash and cash equivalents during year (A+B+C)		
Change in fair value of hedging derivatives	52	-
Financial income/(expenses) accounted for as an increase in financial assets/(liabilities)	-5	-3
Other changes	109	60
Other changes in net debt (D)	156	57
(Increase)/Decrease in net debt for year (A+B+C+D)	311	-165
Net debt at beginning of year	-8,557	-8,392
Net debt at end of year	-8,246	-8,557

(*) The reconciliation with the statutory consolidated statement of cash flows is provided in section 2.17, "Explanatory notes and other information".

The "Decrease in net debt for the year" in 2021 amounts to €311 million (compared with an increase of €165 million for the previous year). Net cash generated from operating activities, totalling €1,405 million, enabled the Group to cover the cash outflows connected with investment (€1,239 million), linked essentially to capital expenditure (€1,066 million). Net debt was reduced by a further €156 million, essentially due to an increase in fair value gains on hedging derivatives (€52 million) and a reduction in fair value losses on derivatives not qualifying for hedge accounting, the impact of which is included in the item, "Other changes in financial assets and liabilities".

Net cash generated from operating activities reflects the following:

- a) operating cash flow of €986 million, marking an increase of €469 million compared with the previous year (€517 million), essentially due to the increase in toll revenue;
- b) the change in net working capital and other changes, which reduced net debt by €419 million, essentially reflecting changes in trade receivables and payables referred to above.

The composition of net debt as at 31 December 2021 is shown below:

€m	31 December 2021		31 December 2020	Increase/ (Decrease)
Net debt				
Financial liabilities (A)	11,045		11,337	-292
Bond issues	8,137		8,198	-61
		<i>short-term portion</i>		
			605	1,074
Medium/long-term borrowings	2,117		2,196	-79
		<i>short-term portion</i>		
			1,540	2,009
Derivative liabilities	288		488	-200
Bank overdrafts repayable on demand	49		-	49
Short-term borrowings	252		249	3
Other financial liabilities	202		206	-4
Cash and cash equivalents (B)	-1,899		-1,954	55
Financial assets (C)	-900		-826	-74
Financial assets deriving from concession rights	-419		-411	-8
Financial assets deriving from government grants	-179		-179	-
Term deposits	-174		-174	-
Non-current derivative assets	-73		-20	-53
Other financial assets	-55		-42	-13
Net debt (D=A+B+C)	8,246		8,557	-311

In terms of bond issues, the following transactions took place in 2021:

- a) the issue, in January, of bonds with a nominal value of €1,000 million, paying coupon interest of 2% and maturing in 2030;
- b) the repayment, on 26 February 2021, of bonds guaranteed by Atlantia and paying coupon interest of 2.875%, with a remaining nominal value of €594 million;
- c) the repayment, on 4 November 2021, of bonds with a remaining nominal value of €480 million and paying coupon interest of 1.125%.

As regards medium/long-term borrowings, the loan to Autostrade per l'Italia from Cassa Depositi e Prestiti with a nominal value of €400 million, included in the current portion of financial liabilities as at 31 December 2020 solely for the purposes provided for in IAS 1, was reclassified to medium/long-term borrowings. This follows the grant of a covenant holiday in relation to the measurement date of 31 December 2021.

There was a reduction of €200 million in fair value losses, essentially due to a decrease in fair value losses during the year (€71 million) and the settlement of a number of instruments (€91 million).

Also with regard to derivative financial instruments, during 2021, the Group agreed new Forward-Starting Interest Rate Swaps with a total notional value of €3,000 million, a weighted average duration of nine years and four months and an average delay of one year and five months. The weighted average interest rate is 0.16%. These transactions have been accounted for in the accounts under financial assets with a carrying amount of €52 million as at 31 December 2021.

Current net debt includes a current financial asset deriving from concession rights relating to the takeover right (€419 million as at 31 December 2021) attributable to Autostrade Meridionali. This represents the amount payable to the company by an incoming operator based on the carrying amount of unamortised capital expenditure during the final years of the concession, as provided for in the concession arrangement. Also with regard to Autostrade Meridionali, the facility provided by Intesa San Paolo in 2020 – amounting to up to €300 million, with €245 million used as at 31 December 2021 – has been extended until 31 December 2024. From an accounting viewpoint, this loan is classified in current debt, given its link – which is also contractual – with expected collection of the amount receivable as a result of the operator's takeover right.

As at 31 December 2021, 8% of the Group's debt is denominated in currencies other than the euro (sterling and yen). Taking account of the Cross Currency Swaps linked to the foreign currency bonds, the Group's net debt is, therefore, effectively not exposed to currency risk on translation.

The residual weighted average term to maturity of the Group's interest-bearing debt is approximately five years and three months as at 31 December 2021. 95% of the Group's interest-bearing debt is fixed rate, taking into account the hedging derivative instruments entered into.

The average cost of the Group's medium/long-term borrowings in 2021 was approximately 3.2%.

As at 31 December 2021, the Group has lines of credit amounting to €2,105 million with a weighted average residual term to maturity of approximately four years and a weighted average residual drawdown period of approximately two years. With regard to these credit facilities, talks are continuing with the aim of assessing whether or not there are any obstacles preventing the disbursement of funds under the revolving credit facility granted by Cassa Depositi e Prestiti.

2.5 Financial review for Autostrade per l'Italia SpA

Results of operations

“**Operating revenue**” for 2021, amounting to €3,406 million, is up €660 million compared with 2020 (€2,746 million).

“**Toll revenue**” of €3,203 million is up €634 million compared with 2020 (€2,569 million) reflecting a 23.1% increase in traffic on the network (up 20.9% after taking into account the effect of the traffic mix). Both comparative periods reflect the impact of the Covid-19 pandemic, whilst the positive performance of traffic in 2021, compared with 2020, is partly due to the relaxation during the year of the restrictions on movement introduced by Government authorities.

It should also be noted that toll revenue includes €87 million in discounts and exemptions, the impact of which on profit and loss is offset by the use of provisions for risks and charges made in previous years to cover the costs to be incurred as a result of the commitments given in the Settlement Agreement.

Toll revenue for 2021 includes €341 million (€285 million in 2020) in the surcharges added to the concession fee payable to ANAS and accounted for in operating costs under the item “concession fees”⁽¹⁾. The increase of €56 million reflects the increased number of kilometres travelled. After stripping out the above surcharges, toll revenue is up €578 million compared with 2020.

“**Other operating income**” amounts to €203 million (€177 million in 2020), an increase of €26 million. The increase is primarily linked to the impact on service area royalties of the different effect, in the comparative periods, of the measures adopted by the Company to support service providers during the Covid-19 emergency.

“**Net operating costs**” amount to €1,473 million, a reduction of €730 million compared with 2020 (€2,203 million).

“**Maintenance costs**” amount to €414 million and, unlike 2020 (€829 million), do not include the works included in the extraordinary maintenance plan (€443 million in 2021), presented in capital expenditure. Including the impact of this plan in 2021 and stripping out the cost of the San Giorgio road bridge in Genoa (€88 million in 2021 and €148 million in 2020, whose impact on EBITDA was offset by use of the matching amount in provisions for repair and replacement accounted for in the “Operating change in provisions”), maintenance costs are up €88 million. This reflects an increase in the volume of work carried out as a result of continuation of the planned maintenance programme.

⁽¹⁾ From 1 January 2011 the additional concession fees payable to ANAS, pursuant to laws 102/2009 and 122/2010, calculated on the basis of the number of kilometres travelled, amount to 6 thousandths of a euro per kilometre for toll classes A and B and 18 thousandths of a euro per kilometre for classes 3, 4 and 5.

With regard to the above cost of reconstruction of the San Giorgio road bridge in Genoa incurred in 2021, this sum includes recognition of the related refundable VAT in the income statement (€53 million) arising from work on reconstruction of the road bridge in previous years, following the negative response from the Italian tax authority to the Company's claim for a refund. This sum has had no impact on either the result for the year, as it was offset by the use of pre-existing provisions, or on cash flow for the year, given that the sum in question had almost entirely been paid to the Special Commissioner for Genoa to fund reconstruction of the road bridge. The costs linked to the extraordinary maintenance plan amounted to €349 million in 2020.

The **"Cost of other external services"** amounts to €280 million, an increase of €12 million compared with 2020 (€268 million), primarily due to continued work on the Strategic Transformation Plan and an increase in transaction costs, reflecting traffic growth.

"Concession fees" amount to €416 million (€345 million in 2020), marking an increase of €71 million due to traffic growth on the network.

"Net staff costs" of €412 million are up €50 million on 2020 (€362 million). This reflects:

- a) an increase in the average cost, primarily due to the increased cost of early retirement incentives linked to the extraordinary scheme introduced by Autostrade per l'Italia in 2021 and the specific nature of the situation in 2020 (activation of the ordinary wage guarantee fund - *"CIGO"* - and other effects linked to the Covid-19 pandemic);
- b) an increase of 56 in the average workforce, primarily linked to the recruitment of staff for certain departments linked to the Transformation Plan, partially offset by the above extraordinary early retirement scheme and a slowdown in turnover, above all among toll collectors.

The **"Operating change in provisions"** reflects the net use of €49 million (net provisions of €399 million in 2020). This essentially reflects:

- a) the operating change in the provisions for the repair and replacement of motorway infrastructure, resulting in a net use of €58 million, which includes the cost of reconstruction of the San Giorgio road bridge in Genoa (€88 million), partially offset by maintenance plans;
- b) net provisions for risks and charges made during the period (€9 million) to cover existing litigation risks.

It should also be noted that, in 2020, the **"Operating change in provisions"** included provisions for risks and charges of €190 million made to reflect an updated estimate of the additional costs to be incurred in connection with talks with the Government and the MIMS aimed at settling the dispute between the parties.

RECLASSIFIED INCOME STATEMENT ^(*)(1)

€m	2021	2020	INCREASE/(DECREASE)	
			ABSOLUTE	%
Toll revenue	3,203	2,569	634	25
Other operating income	203	177	26	15
Total operating revenue	3,406	2,746	660	24
Maintenance costs	-414	-829	415	-50
Cost of other external services	-280	-268	-12	4
Concession fees	-416	-345	-71	21
Net staff costs	-412	-362	-50	14
Operating change in provisions	49	-399	448	n.s.
Total net operating costs	-1,473	-2,203	730	-33
Gross operating profit (EBITDA)	1,933	543	1,390	n.s.
Amortisation, depreciation, impairment losses, reversals of impairment losses and other adjustments	-503	-604	101	-17
Operating profit/(loss) (EBIT)	1,430	-61	1,491	n.s.
Dividends received from investees	17	-	17	n.s.
Financial income/(expenses) from the discounting of provisions	-3	-15	12	-80
Other financial income/(expenses), net	-303	-460	157	-34
Capitalised financial expenses on intangible assets deriving from concession rights	-	9	-9	n.s.
Profit/(Loss) before tax from continuing operations	1,141	-527	1,668	n.s.
Income tax benefit/(expense)	-459	129	-588	n.s.
Profit/(Loss) from continuing operations	682	-398	1,080	n.s.
Profit/(Loss) for the year	682	-398	1,080	n.s.
(€)	2021	2020	INCREASE/(DECREASE)	
Basic earnings/(loss) per share	1.10	-0.64	1.74	
<i>of which:</i>				
- from continuing operations	1.10	-0.64	1.74	
Diluted earnings/(loss) per share	1.10	-0.64	1.74	
<i>of which:</i>				
- from continuing operations	1.10	-0.64	1.74	

(*) The reconciliation with the statutory income statement is provided in section 2.17, "Explanatory notes and other information".

(i) To improve presentation, the reclassified consolidated income statement shows the item, "Maintenance costs", previously included in the item, "Cost of materials and external services" in the Annual Financial Report for 2020.

“**Gross operating profit**” (EBITDA) of €1,933 million is up €1,390 million compared with 2020 (€543 million) as a result of the above performance. Cash EBITDA amounts to €1,797 million in 2021, calculated after stripping out the “operating change in provisions”, which made a positive contribution of €49 million in 2021 (a negative contribution of €399 million in 2020) and the non-cash effect of discounts and exemptions totalling €87 million. This is an increase of €855 million compared with cash EBITDA for 2020 (€942 million in 2020).

“**Amortisation and depreciation, impairment losses, reversals of impairment losses and other adjustments**” amount to €503 million, a reduction of €101 million compared with 2020 (€604 million). This essentially reflects adoption of the tariff mechanism introduced by ART from 2021, which led to the closure of the balance of provisions for construction services required by contract as at 1 January 2021 (€2,540 million), accounted for as a direct reduction in intangible assets deriving from concession rights, as described in the preamble to the “Group financial review”.

“**Operating profit**” (EBIT) of €1,430 million is an improvement of €1,491 million on 2020 (a loss of €61 million).

“**Dividends received from investees**” amount to €17 million, primarily relating to dividends received from the subsidiaries, Traforo del Monte Bianco (€10 million) and Autostrade Tech (€4 million). The figure for 2020 was zero as none of the Company’s investees declared a dividend.

“**Financial expenses from the discounting of provisions**” amount to €3 million (€15 million in 2020), a reduction of €12 million essentially due to the different discount rates applied in the two comparative periods.

“**Net other financial expenses**” of €303 million are down €157 million compared with 2020 (€460 million). This essentially reflects the change in the fair value of derivative financial instruments (a gain in 2021 and a loss in the comparative period). In 2021, the Company recognised financial expenses of €8 million after obtaining waivers from the ASPI Group’s lenders, accepting changes to change of control provisions and the removal of Atlantia’s guarantee, where applicable.

The “**Profit before tax from continuing operations**” amounts to €1,141 million, an improvement of €1,668 million compared with the loss of €527 million recorded in 2020.

“**Income tax expense**” amounts to €459 million (a benefit of €129 million in 2020). The deterioration of €588 million essentially reflects income tax expense for the year. The tax benefits recognised in 2020 were the result of a tax loss for the year.

“**Profit for the year**” amounts to €682 million (a loss of €398 million in 2020).

STATEMENT OF COMPREHENSIVE INCOME

€m		2021	2020
Profit/(Loss) for the year	(A)	682	-398
Fair value gains/(losses) on cash flow hedges		52	-
Tax effect of fair value gains/(losses) on cash flow hedges		-12	-
Other comprehensive income/(loss) reclassifiable to profit or loss for the year	(B)	40	-
Gains/(losses) from actuarial valuations of provisions for employee benefits		-5	-2
Tax effect of gains/(losses) from actuarial valuations of provisions for employee benefits		1	-
Other comprehensive income/(loss) not reclassifiable to profit or loss for the year	(C)	-4	-2
Other reclassifications of the cash flow hedge reserve		22	35
Tax effect of other reclassifications to the cash flow hedge reserve		-5	-8
Reclassifications of other components of comprehensive income to profit or loss for the year	(D)	17	27
Total other comprehensive income/(loss) for the year	(E=B+C+D)	53	25
Comprehensive income/(loss) for the year	(A+E)	735	-373

“**Total other comprehensive income**” for 2021 amounts to €53 million (income of €25 million in 2020), reflecting fair value gains on new cash flow hedges, after taxation, and reclassification to profit or loss of fair value losses on Forward-Starting Interest Rate Swaps from the cash flow hedge reserve, after the related tax effect. These derivatives were classified as not qualifying for hedge accounting in 2019.

The “**Comprehensive profit for the year**” thus amounts to €735 million (a loss of €373 million for 2020).

Financial position

As at 31 December 2021, “**Non-financial assets**”, totalling €14,859 million, are down €2,036 million compared with the figure for 31 December 2020 (€16,895 million). The reduction includes the impact of the decrease in intangible assets deriving from concession rights described below.

This item primarily refers to “**Intangible assets**” of €14,450 million (€16,569 million as at 31 December 2020).

The reduction in intangible assets compared with 31 December 2020, amounting to €2,119 million, primarily reflects a combination of the following:

- a) closure of the balance of provisions for construction services required by contract as at 1 January 2021 (€2,540 million), accounted for as a direct reduction in intangible assets deriving from concession rights for which no additional economic benefits are received and the accompanying reclassification of the remaining balance to intangible assets deriving from concession rights for which additional economic benefits are received, following adoption of the new tariff mechanism;
- b) amortisation for the year (€476 million);
- c) investment during the year, totalling €948 million, including construction services for which additional economic benefits are received (€870 million) and other intangible assets (€78 million), essentially linked to implementation of the Transformation Plan, focusing on technological innovation relating to the management and safety of infrastructure and advanced digital mobility services. Investment in 2021 also includes the works included in the extraordinary maintenance plan, totalling €443 million, which is included in intangible assets deriving from concession rights following its inclusion in tolls in the new Financial Plan, in common with other investment.

As at 31 December 2021, “**Investments**” amount to €317 million, an increase of €70 million (€247 million as at 31 December 2020). The change essentially reflects:

- a) the acquisition of a 79.4% stake in Pavimental (59.4% from Atlantia and 20% from Aeroporti di Roma) for a total of €15 million, and the subsequent payment of €20 million in the form of a contribution for a future capital increase. The investment in Pavimental currently stands at 99.4%;
- b) the establishment of Free To X Srl, whose issued capital, amounting to €1 million, is entirely owned by the Company, this was followed in 2021 by the subsequent payment of €25 million in the form of a contribution for a future capital increase;
- c) the payment of €5 million to Tecne for capital increases.

As at 31 December 2021, “**Net working capital**” reports a negative balance of €1,193 million (a negative €790 million as at 31 December 2020). The increase of €403 million primarily reflects:

- a) an increase of €251 million in trading liabilities, primarily due to a rise in amounts payable to the operators of interconnecting motorways and tolls in the process of settlement due to traffic growth in the fourth quarter of 2021 compared with the same

quarter in 2020, and an increase in trade payables, primarily due to maintenance and investment activities during the year;

- b) an increase of €185 million in net tax liabilities as a result of income tax for the year;
- c) an increase in trading assets of €148 million, essentially due to the combined effect of motorway tolls receivable in the last quarter, as a result of traffic growth, and an increase in amounts due from sub-operators at motorway service areas;
- d) an increase of €109 million in net other liabilities, linked partly to reversal of refundable VAT (€53 million) arising in relation to demolition, construction and project management activities for the San Giorgio road bridge in Genoa, as mentioned above.

RECLASSIFIED STATEMENT OF FINANCIAL POSITION ^{(*) (1)}

€m	31 December 2021	31 December 2020	INCREASE/ (DECREASE)
Property, plant and equipment	92	79	13
Intangible assets	14,450	16,569	-2,119
Investments	317	247	70
Non-financial assets (A)	14,859	16,895	-2,036
Trading assets	621	473	148
Net tax assets/(liabilities)	-132	53	-185
Investments held for sale or related to discontinued operations	-	6	-6
Trading liabilities	-1,544	-1,293	-251
Other net assets/(liabilities)	-138	-29	-109
Total working capital (B)	-1,193	-790	-403
Gross invested capital (C=A+B)	13,666	16,105	-2,439
Provisions for construction services required by contract	-	-2,540	2,540
Provisions	-3,060	-3,571	511
Deferred tax liabilities, net	-315	-17	-298
Other non-financial liabilities	-25	-23	-2
Non-financial liabilities (D)	-3,400	-6,151	2,751
NET INVESTED CAPITAL (E=C+D)	10,266	9,954	312
Issued capital	622	622	-
Reserves and retained earnings	525	871	-346
Profit/(Loss) for the year	682	-398	1,080
Total equity (F)	1,829	1,095	734
Net debt (G)⁽¹⁾	8,437	8,859	-422
NET DEBT AND EQUITY (H=F+G)	10,266	9,954	312

(*) The reconciliation with the statutory statement of financial position is provided in section 2.17, "Explanatory notes and other information".

⁽¹⁾ The presentation of a number of items in the reclassified statement of financial position has changed with respect to the information provided in the Annual Financial Report for 2020. For example, to make the statement easier to understand, current provisions have been included in non-financial liabilities and the distinction between the current and non-current portion has been eliminated.

“**Non-financial liabilities**”, totalling €3,400 million, are down €2,751 million (€6,151 million as at 31 December 2020). The change reflects the following:

- a) the above closure of the balance of provisions for construction services required by contract as at 1 January 2021 (€2,540 million), accounted for as a direct reduction in intangible assets deriving from concession rights for which no additional economic benefits are received;
- b) a reduction of €511 million in provisions, primarily due to the use during the year of provisions made in previous years in relation to the settlement agreement with the MIMS and the Government (€475 million). This sum regards unremunerated investment during the year, totalling €299 million, discounts for road users of €87 million and the cost of reconstruction of the San Giorgio road bridge in Genoa, totalling €89 million.
- c) an increase of €298 million in net deferred tax liabilities, essentially linked to a reduction in deferred tax assets due to net releases connected with the use of provisions for risks and charges.

“**Net invested capital**” of €10,266 million is thus up €312 million compared with 31 December 2020 (€9,954 million).

“**Equity**” of €1,829 million is up €734 million compared with 31 December 2020 (€1,095 million), reflecting the impact of comprehensive income for the year.

STATEMENT OF CHANGES IN NET DEBT ^(*)

€m	2021	2020
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Operating cash flow	907	452
Change in working capital and other changes	392	-145
Net cash generated from/(used in) operating activities [a]	1,299	307
NET CASH FROM/(USED IN) INVESTMENT IN NON-FINANCIAL ASSETS		
Investment in assets held under concession	-870	-509
Purchases of property, plant and equipment	-23	-20
Purchases of other intangible assets	-78	-31
Capital expenditure	-971	-560
Purchases of investments	-65	-5
Proceeds from disposal of property, plant and equipment, intangible assets and investments	1	-
Net cash from/(used in) investment in non-financial assets [b]	-1,035	-565
Increase/(Decrease) in cash and cash equivalents during year [a+b]	264	-258
Change in fair value of hedging derivatives	52	-
Financial income/(expenses) accounted for as an increase in financial assets/(liabilities)	-3	-
Other changes	109	59
Other changes in net debt [c]	158	59
Increase/(Decrease) in net debt for year [a+b+c]	422	-199
Net debt at beginning of year	-8,859	-8,660
Net debt at end of year	-8,437	-8,859

(*) The reconciliation with the statutory statement of cash flows is provided in section 2.17, “Explanatory notes and other information”.

“**Net debt**” as at 31 December 2021 amounts to €8,437 million, a reduction of €422 million compared with 31 December 2020 (€8.859 million).

The “**Decrease in net debt for the year**” in 2021 amounts to €264 million (compared with an increase of €258 million for the previous year). Net cash generated from operating activities, totalling €1,299 million, enabled the Company to cover the cash outflows connected with capital expenditure (€971 million) and the acquisition of investments (€65 million, essentially relating to the acquisition of Pavimental and capital increases). Net debt was reduced by a further €158 million, essentially due to an increase in fair value gains on hedging derivatives (€52 million) and a reduction in fair value losses on derivatives not qualifying for hedge accounting, the impact of which is included in the item, “Other changes in financial assets and liabilities”.

Net cash generated from operating activities reflects the following:

- a) operating cash flow of €907 million, marking an increase of €455 million compared with the previous year (€452 million), essentially due to the increase in toll revenue;
- b) the change in net working capital and other changes, which reduced net debt by €422 million, essentially reflecting changes in trade receivables and payables referred to above.

The composition of net debt as at 31 December 2021 is shown below:

€m	31 December 2021	31 December 2020	INCREASE/ (DECREASE)
Net debt			
Financial liabilities (A)	10,718	11,089	-371
Bond issues	8,137	8,198	-61
Medium/long-term borrowings	2,057	2,167	-110
Derivative liabilities	288	487	-199
Short-term borrowings	-	5	-5
Intercompany current account payables due to related parties	40	27	13
Other financial liabilities	196	205	-9
Cash and cash equivalents (B)	-1,594	-1,602	8
Financial assets (C)	-687	-628	-59
Financial assets deriving from government grants	-174	-174	-
Term deposits	-173	-174	1
Non-current derivative assets	-72	-	-72
Other financial assets	-268	-280	12
Total net debt (D=A+B+C)	8,437	8,859	-422

In terms of bond issues, the following transactions took place in 2021:

- a) the issue, in January, of bonds with a nominal value of €1,000 million, paying coupon interest of 2% and maturing in 2030;
- b) the repayment, on 26 February 2021, of bonds guaranteed by Atlantia and paying coupon interest of 2.875%, with a remaining nominal value of €594 million;
- c) the repayment, on 4 November 2021, of bonds with a remaining nominal value of €480 million and paying coupon interest of 1.125%.

As regards medium/long-term borrowings, the loan to Autostrade per l'Italia from Cassa Depositi e Prestiti with a nominal value of €400 million, included in the current portion of financial liabilities as at 31 December 2020 solely for the purposes provided for in IAS 1, was reclassified to medium/long-term borrowings. This follows the grant of a covenant holiday in relation to the measurement date of 31 December 2021.

There was a reduction of €199 million in fair value losses, essentially due to a decrease in fair value losses during the year (€71 million) and the settlement of a number of instruments (€91 million).

Also with regard to derivative financial instruments, during 2021, the Company agreed new Forward-Starting Interest Rate Swaps with a total notional value of €3,000 million, a weighted average duration of nine years and four months and an average delay of one year and five months. The weighted average interest rate is 0.16%. These transactions have been accounted for in the accounts under financial assets with a carrying amount of €52 million as at 31 December 2021.

As at 31 December 2021, 8% of debt is denominated in currencies other than the euro (sterling and yen). Taking account of the Cross Currency Swaps linked to the foreign currency bonds, net debt is effectively not exposed to currency risk on translation.

The residual weighted average term to maturity of interest-bearing debt is approximately five years and four months as at 31 December 2021. 98% of the Company's interest-bearing debt is fixed rate, taking into account the hedging derivative instruments entered into.

The average cost of the Company's medium/long-term borrowings in 2021 was approximately 3.3%.

As at 31 December 2021, the Company has lines of credit amounting to €2,050 million with a weighted average residual term to maturity of approximately four years and a weighted average residual drawdown period of approximately one year and eight months. With regard to these credit facilities, talks are continuing with the aim of assessing whether or not there are any obstacles preventing the disbursement of funds under the revolving credit facility granted by Cassa Depositi e Prestiti.

2.6 Operating segments

In order to provide an appropriate basis for assessing performance taking into account the nature of the business and the organisational structures of the various areas of business, the following operating segments have been identified for use from 2021. This also takes into account the above changes in the scope of consolidation:

- a) **Motorways:** includes the activities of the Group's motorway operators;
- b) **Engineering and construction:** includes the activities involved in the design, construction and maintenance of infrastructure;
- c) **Technology and innovation:** includes the activities linked to (i) the creation of new free flow tolling platforms, (ii) the installation of digital infrastructure for smart roads and intelligent service areas, (iii) the development of an innovative system for monitoring infrastructure, and (iv) sustainable mobility services;
- d) **Other services:** primarily includes the services provided by Essediesse, Ad Moving and Giove Clear to other Group companies.

Details of the companies included in each segment are provided in the table at the end of this section 2.6, "Segment information".

Segment information

€M	MOTORWAYS			ENGINEERING AND CONSTRUCTION			INNOVATION AND TECHNOLOGY			OTHER SERVICES			CONSOLIDATION ADJUSTMENTS		TOTAL AUTOSTRADE PER L'ITALIA GROUP	
	2021	2020	Change	2021	2020	Change	2021	2020	Change	2021	2020	Change	2021	2020	2021	2020
REPORTED AMOUNTS																
Operating revenue	3,683	2,974	709	687	3	684	143	92	51	44	45	-1	-685	-84	3,872	3,030
EBITDA	2,089	614	1,475	26	-2	28	14	14	-	2	4	-2	-6	-1	2,125	629
Operating cash flow	957	504	453	23	-2	25	12	11	1	-	4	-4	-6	-	986	517
Capital expenditure	1,002	568	434	13	3	10	12	3	9	-	1	-1	39	-	1,066	575
Average workforce	5,932	5,881	51	2,054	45	2,009	192	108	84	600	587	13	-	-	8,778	6,621

2.7 Operating review for the Group's segments

An operating review for the ASPI Group's main operating segments is provided below.

2.7.1 Motorways

Operating revenue for 2021 amounts to €3,683 million, an increase of €709 million with respect to the comparative period (€2,974 million), essentially reflecting growth in toll revenue. As previously noted in section 2.2, "Group financial review", both comparative periods were impacted by the Covid-19 pandemic. Traffic in 2021 was up 23.0% compared with the comparative period, partly thanks to a relaxation of the restrictions on movements connected with the progress rollout of the country's vaccination programme in 2021. Despite this, traffic remains below the pre-crisis levels of 2019 (down 10.3% on 2019).

EBITDA for 2021 amounts to €2,089 million, an increase of €1,475 million compared with 2020 (€614 million). In addition to the above increase in operating revenue, the improvement also reflects a reduction in net provisions in 2021, after 2020 included an updated estimate of the additional costs to be incurred in connection with talks with the Government and the MIMS aimed at settling the dispute between the parties.

Operating cash flow for 2021 amounts to €957 million, an increase of €453 million compared with 2020, essentially due to the increase in toll revenue.

Traffic

Traffic in 2021 continued to be impacted by the effects of the pandemic, albeit to a lesser extent than in 2020. This was partly due to the progressive rollout of the country's vaccination programme, whilst the performance in 2020 was severely affected by the spring lockdown. Traffic in 2021 continued to be affected by the pandemic, with a more marked improvement during the summer period and a subsequent slowdown towards the end of the year, as infections began to rise again.

Traffic on the Group's network rose 23.0% in 2021 compared with the previous year but remained below pre-pandemic levels (down 10.3% compared with 2019).

The volume of vehicles with 2 axles is up 25.5% compared with 2020 and down 12.5% versus 2019, whilst vehicles with 3 or more axles are up 11.0% compared with 2020, returning traffic to pre-pandemic levels (up 3.9% versus 2019).

TRAFFIC ON THE GROUP'S NETWORK IN 2021

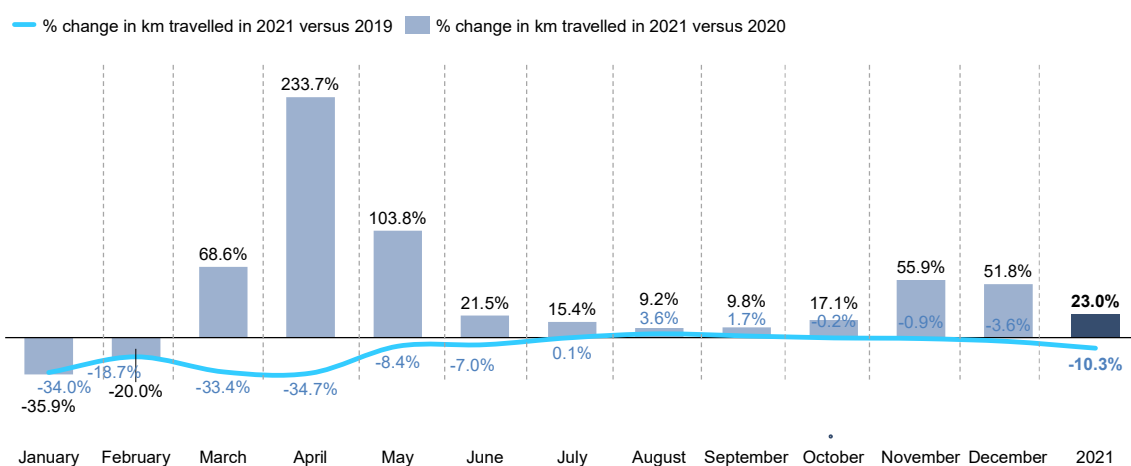
Motorway section	Vehicles per km (in millions) ¹			% change		ATVD 2021 *
	Vehicles with 2 axles	Vehicles with 3 or more axles	Total vehicles	vs 2020 ⁽²⁾	vs 2019	
A1 Milan-Naples	14,070.8	3,215.9	17,286.6	23.7	-7.5	58,943
A4 Milan-Brescia	2,788.7	466.4	3,255.1	23.6	-13.6	95,382
A7 Serravalle-Genoa	437.0	84.5	521.4	24.6	-12.6	28,572
A8/A9 Milan-Lakes	1,930.1	148.3	2,078.4	22.4	-18.5	73,284
A8/26 spur	403.1	32.7	435.8	20.2	-15.1	49,747
A10 Genoa-Savona	596.9	99.8	696.7	28.9	-9.0	41,952
A11 Florence to the coast	1,253.2	116.3	1,369.5	22.6	-12.6	45,924
A12 Genoa-Sestri	666.4	58.3	724.7	26.9	-11.6	40,768
A12 Roma-Civitavecchia	554.8	42.6	597.4	19.2	-9.5	25,026
A13 Bologna-Padua	1,425.3	345.4	1,770.8	18.9	-14.8	38,110
A14 Bologna-Taranto	7,907.8	1,663.4	9,571.2	22.3	-9.4	33,558
A16 Naples-Canosa	1,087.4	163.0	1,250.4	26.5	-10.1	19,882
A23 Udine-Tarvisio	372.4	156.4	528.8	32.4	-11.3	14,315
A26 Genoa Voltri-Gravellona Toce	1,446.1	299.2	1,745.3	27.0	-15.7	19,525
A27 Venice-Belluno	623.6	62.1	685.7	14.3	-13.5	22,854
A30 Caserta-Salerno	700.4	132.9	833.3	18.9	-6.1	41,283
Mestre Interchange	32.0	6.3	38.3	16.2	-18.8	-
TOTAL AUTOSTRADE PER L'ITALIA	36,295.8	7,093.5	43,389.3	23.1	-10.3	41,643
Autostrade Meridionali	1,516.1	31.0	1,547.1	25.6	-9.1	82,145
Tangenziale di Napoli	763.0	13.2	776.2	12.2	-15.8	105,272
Autostrada Tirrenica	268.7	25.7	294.4	24.0	-2.7	17,765
Raccordo Autostradale Valle d'Aosta	75.3	20.5	95.7	14.6	-17.0	8,197
Trafo del Monte Bianco	5.1	3.5	8.6	13.5	-24.9	4,044
TOTAL GROUP OPERATORS	38,923.9	7,187.3	46,111.3	23.0	-10.3	41,976

⁽¹⁾ Figures expressed in millions of kilometres travelled, rounded to the first decimal place. The figures for the Mont Blanc tunnel refer to paying traffic. From 1 January 2021, Tangenziale di Napoli has altered the conventional distance applied to vehicles at toll stations from 10.88 to 10 km.

⁽²⁾ The performance includes the leap-year effect, reducing the Group's total traffic by approximately 0.28%.

* ATVD - Average theoretical vehicles per day, equal to number of kilometres travelled/journey length/number of days.

MONTHLY TRAFFIC TRENDS ON THE GROUP'S NETWORK IN 2021



% change in km travelled 2021 vs 2020

Total	-35.9%	-20.0%	68.6%	233.7%	103.8%	21.5%	15.4%	9.2%	9.8%	17.1%	55.9%	51.8%	23.0%
2 axles	-41.3%	-24.2%	85.9%	367.1%	131.6%	22.9%	17.3%	9.4%	10.7%	20.8%	72.4%	63.8%	25.5%
3+ axles	-4.0%	1.4%	30.7%	61.0%	24.4%	13.9%	3.4%	6.9%	4.3%	-0.8%	5.8%	7.7%	11.0%

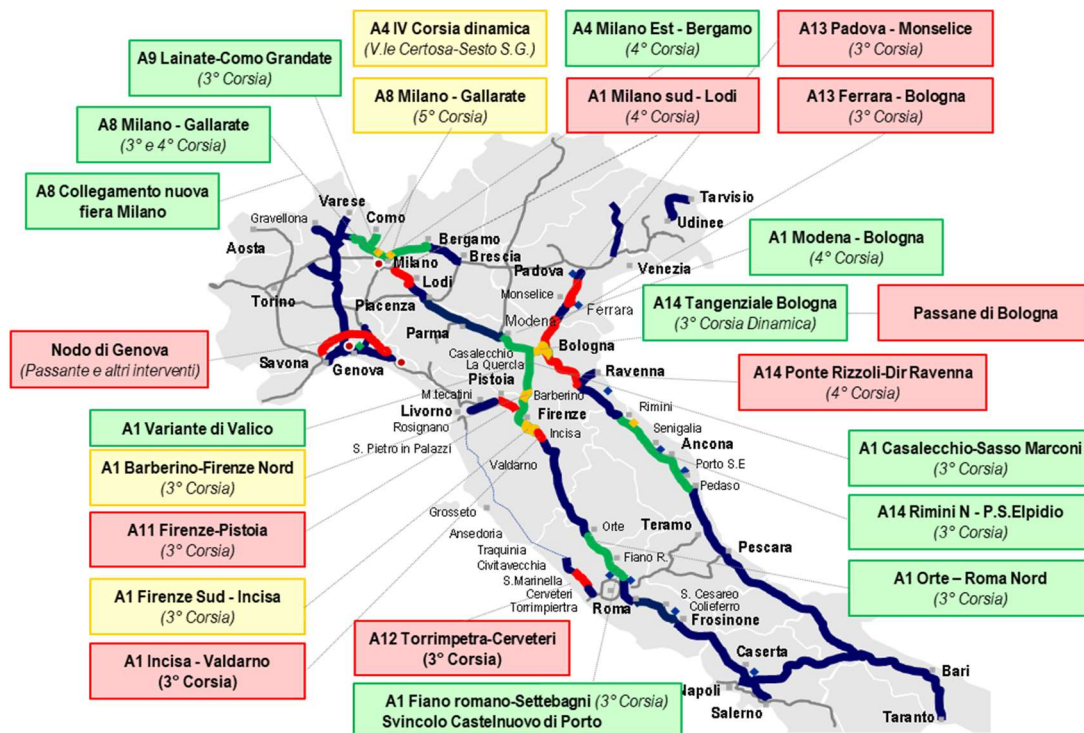
Capital expenditure

AUTOSTRADE PER L'ITALIA'S INVESTMENT COMMITMENTS

The major investment programme that Autostrade per l'Italia is carrying out covers a series of works designed to improve, upgrade and modernise the motorway network, and extend the life of the infrastructure. It includes work on tunnels, bridges and viaducts, other minor infrastructure, crash and lateral barriers and technology systems, in addition to over €0.9 billion in unremunerated investment in the Liguria area under the Settlement Agreement between the Ministry of Sustainable Infrastructure and Mobility and ASPI bringing to an end the dispute over alleged serious breaches.

The Financial Plan involves an overall commitment for expenditure of approximately €14.1 billion between 2021 and 2038, including the above unremunerated investment in the Liguria area. ASPI has also offered to invest a further optional sum of €1.3 billion to be included in the next update of the Financial Plan.

The following map shows the geographical location of key major works carried out, in progress and to be carried out.



CAPITAL EXPENDITURE IN 2021

Despite the difficulties caused by the pandemic, involving the need to respect the related safety regulations, capital expenditure on the motorways operated by the Group continued in 2021, with investment amounting to €1,002 million.

(€m)	2021	2020
Major works in 1997 Agreement	157	119
Other investment included in 1997 Agreement ⁽¹⁾	131	114
Genoa Interchange	-	15
Other major works in IV Addendum of 2002	98	104
Noise Abatement Plan (CIPE determination)	1	13
New projects in 2020 Financial Plan ⁽²⁾	-	103
Projects included in Extraordinary Maintenance Plan⁽³⁾	443	-
ASPI's investment in infrastructure operated under concession⁽⁴⁾	830	468
Autostrade per l'Italia: capitalised costs	40	41
Other operators (including capitalised costs)	30	7
Total investment in infrastructure operated under concession	900	516
Investment in property, plant and equipment	23	21
Investment in intangible assets	79	31
Total capital expenditure	1,002	568

(1) Includes the Bologna Bypass.

(2) Includes "Widening to three/four lanes required by art. 15 of Single Concession Arrangement, reducing congestion on the busiest sections of the network " and "New projects included in the network upgrade/modernisation plan designed to prolong the useful life of infrastructure".

(3) As noted previously, the projects included in the extraordinary maintenance plan have been included in capital expenditure from 2021. In contrast, in 2020, these projects were included in maintenance costs.

(4) The figure for 2021 does not include the cost of projects carried out at ASPI's expense, the cost of which will not be recovered through tolls, amounting to €1.2 billion, with a total of €299 million included in the settlement agreement under "New projects in the 2020 Financial Plan (€275 million) and Genova Bypass (€24 million). These amounts have been excluded from capital expenditure from 2021 as they are included in cash outflows represented by operating uses of provisions. This follows the adjustments applied from 2021 due to changes in the regulatory framework. In contrast, in the table for 2020, these projects were included in capital expenditure and amounted to €489 million.

Autostrade per l'Italia continued work on the following projects in 2021:

- projects included in the Agreement of 1997, with particular regard to the widening of the A1 between Barberino and Florence North and between Florence South and Incisa to three lanes. The most important of the works completed as part of the upgrade of the A1 motorway between Florence South and Incisa led to the opening to traffic, in July 2021, of 4.5 km of third lane between the Florence South toll station and the Chianti service area;
- projects included in the IV Addendum of 2002, with particular regard to works involved in the second lot forming part of the fifth lane of the A8 motorway between Milan and Lainate, landscaping works for the widening of the A14 between Rimini and Porto Sant'Elpidio to three lanes, the interventions included in the second phase of the Tunnel Safety Plan, and preparatory work for the Genoa Bypass;
- other investment in major works, primarily relating to construction of the fourth free-flow lane for the A4 in the Milan area, in the section between the Viale Certosa and Sesto San Giovanni junctions;
- other expenditure on the existing network, including ongoing improvements to quality and safety standards on the network, work on toll stations, operating properties and service areas, and improvements to equipment and technology.

Finally, full implementation of the Modernisation and Upgrade Plan, launched in 2019, began in 2021, with expenditure totalling €273 million. This expenditure is presented as a cash outflow, as it is included in projects carried out at ASPI's expense, the cost of which will not be recovered through tolls and amounting to up to €1.2 billion.

MAJOR WORKS

The most strategic and complex projects that ASPI intends to launch in the coming years are the *Gronda di Genova* (Genoa Interchange) and the *Passante di Bologna* (Bologna Bypass).

GENOA INTERCHANGE



BOLOGNA BYPASS



With regard to the new road and motorway system serving Genoa (the so-called "*Gronda di Genova*" or Genoa Interchange), a project requiring total investment of €4.3 billion, most of the work involved in preparing for the start-up of work has been completed (surveys, expropriations, the movement of existing services interfering with construction, etc.), with the costs incurred so far amounting to

approximately €200 million. Tenders have been called for works amounting to a further €600m (whilst awaiting for formal approval of the detailed designs by the Ministry of Infrastructure and Sustainable Mobility, necessary before contracts can be awarded).

Within the scope of the activities involved in construction of the *Gronda di Genova*, at the explicit request of the Special Commissioner responsible for overseeing the Genoa emergency and reconstruction of the Polcevera bridge, Autostrade per l'Italia began certain of the works included in the design for Lot 1A in 2020. These were considered urgent as they were interfering with work on reconstruction of the bridge.

The *Gronda* aims to reduce traffic using the urban section of the A10 between the Genoa West (Port of Genoa) toll station and the Voltri district, by redirecting through traffic to a new motorway running parallel to the existing road, thereby effectively widening the motorway by adding another road alongside.

A revised design for the Bologna Bypass was recently agreed on with the Ministry of Infrastructure and Sustainable Mobility, partly after talks with the relevant local authorities. The new bypass will relieve congestion on a key artery for the development of the entire country, as well as for the area it will cross.

The final design involves total investment of €1.7 billion in order to resolve traffic problems in the Bologna area by widening 13 km of the existing motorway and ring road, featuring a highly innovative approach, including from an environmental viewpoint. The design was given final approval by the Services Conference held on 18 January 2022.

The detailed design is now being prepared and will reflect the requirements imposed by the MIMS. Preparations are expected to begin in the summer of 2022, with the main worksites due to open at the beginning of 2023.

Upgrade and modernisation of the network operated under concession (*)

	Km covered by project	Value of project (a) (b)	Km opened to traffic	State of progress in 2021 (b)
	(km)	(€m)	(km)	(€m)
Autostrade per l'Italia: Projects under Arrangement of 1997	231.8	7,439	203.5	6,706
Upgrade of A1 motorway between Bologna and Incisa	120.0	6,905	91.7	6,219
Remaining investment in third and fourth lanes	111.8	534	111.8	486
Other investment included in Single Concession Arrangement of 1997	n/a	4,640	n/a	2,944
Autostrade per l'Italia: Projects included in IV Addendum of 2002	275.3	8,444	233.4	4,125
Genoa Interchange (<i>Gronda</i> , <i>Nodo San Benigno</i> , etc.)	39.7	4,320	n/a	224
Widening of A14 Rimini - Porto Sant'Elpidio (including landscaping works)	154.7	2,465	154.7	2,325
Other third and fourth lanes	77.1	1,139	74.9	1,065
Tunnel Safety Plan	n/a	344	n/a	344
Other projects (junctions, link road for new Milan Exhibition Centre, etc.)	3.8	176	3.8	167
Noise abatement work in addition to the work included in "Other investment" (New works in the Single Concession Arrangement of 2007)	n/a	900	n/a	224
Other third and fourth lanes originally indicated in art. 15 of the Single Concession Arrangement of 2007	154.0	2,403	-	69
New projects to upgrade and modernise the network	n/a	2,668	n/a	366
Upgrade of technology (including smart roads)	n/a	98	n/a	21
Work to ensure regulatory compliance of infrastructure and work on motorways	n/a	445	n/a	109
Upgrade of safety barriers pre Ministerial Decree 223/92	n/a	1,211	n/a	31
Upgrade of safety barriers on third-party flyovers and junctions	n/a	40	n/a	1
Work on tunnels (improvements to visibility and structural work)	n/a	874	n/a	204
Improvements to road network in Genoa		930	n/a	-
Tunnel under the port	n/a	700	n/a	-
Junction and link to road network in the Fontanabuona area	n/a	230	n/a	-
Total investment in major works by ASPI	661.1	27,425	436.9	14,434

(*) The figures shown in the table also include works included in the unremunerated investment plan.

(a) Total cost of carrying out the project, based on amounts included in the Financial Plan, annexed to the Addendum to the Concession Arrangement, in the process of being approved by the MIMS.

(b) Excludes capitalised costs (financial expenses and staff costs).

(1) Work on the Barberino-Florence North section is in progress; the executive design for lot 2B + 1 South of the Florence South-Incisa section was approved in August 2018 and the tender procedure is in progress, whilst work on lot 1 North is in progress. 4.5km of third lane was opened to traffic on 30 July 2021 (Florence South - Chianti service area)

(2) Includes construction of the Modena Ring Road, a work requested by local authorities. Approval of the executive design amounting to approximately €59 million, which was sent to the Grantor on 3 April 2020, is pending.

(3) Total investment of €247 million, of which €59 million in the Major Works Plan of 1997 and €188 million in "Other investment" in the Arrangement of 1997.

(4) Includes the Bologna Bypass.

Major works of other operators

	Km covered by project	Value of project (a) (b)	Km opened to traffic	State of progress in 2021 (b)
	(km)	(€m)	(km)	(€m)
ASPI Group operators ⁽¹⁾				
A5 RAV - Morgex- Entrèves section	12.4	430	12.4	422
A3 Autostrade Meridionali, third lane Naples-Pompei East/Scafati	20.0	552	20.0	550
A12 Autostrada Tirrenica ⁽³⁾	18.6	222	18.6	222
Total investment in major works by other operators	51.0	1,204	51.0	1,194

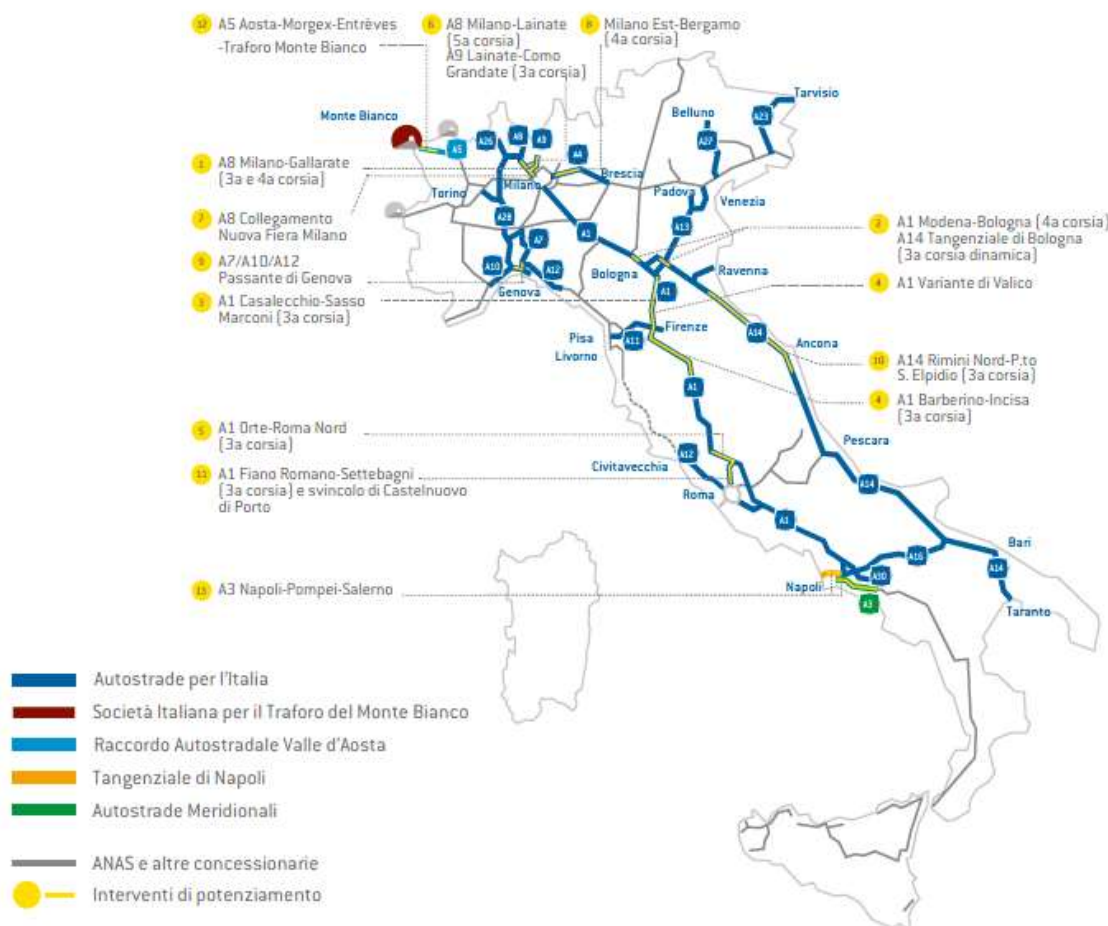
(a) Total cost of carrying out the works, as assessed at 31 December 2020, including the base bid price (net of bid or agreed reductions), available funds, recognised reserves and early completion bonuses.

(b) Excludes capitalised costs (financial expenses and staff costs).

(1) The table only shows investment in major works (e.g., widening to three lanes by SAM, construction of the Tarquinia-Civitavecchia section of motorway by SAT)

(2) The concession held by Autostrade Meridionali expired on 31 December 2012. As requested by the Grantor, from 1 January 2013 the company has continued to be responsible for day-to-day operation of the motorway, whilst awaiting the transfer of the concession to the new operator subject to inclusion of the related costs in the value of its takeover right.

(3) In January 2022, SAT submitted its Addendum to the Single Concession Arrangement of 2009, which defines the scope of the concession, in keeping with the provisions of the *Milleproroghe* Decree of 2020, which revised the expiry date for the concession to 2028 and excluded completion of the motorway along the Tyrrhenian coast. Only once the Addendum has been approved will the company withdraw all its legal actions challenging the Decree.



2.7.2 Engineering and construction

This segment includes the contribution from companies engaged in the design, construction and maintenance of infrastructure. As mentioned in the preamble to section 2.2, “Group financial review”, Pavimental and Pavimental Polska were acquired in 2021, whilst Tecne began operating from December 2020. As a result, there are no comparative amounts. Operating revenue for 2021, amounting to €687 million, was primarily generated by work on maintenance and modernisation of the network carried out for Autostrade per l’Italia.

EBITDA for 2021 amounts to €26 million, whilst operating cash flow totals €23 million.

2.7.3 Innovation and technology

Operating revenue for 2021, amounting to €143 million, is up €51 million compared with the comparative period. This primarily reflects the new international contracts awarded to Movyon and an increase in work carried out for the Autostrade per l’Italia Group. The growth in revenue was accompanied by a rise in direct service, development and procurement costs linked to the company’s business.

EBITDA for 2021, amounting to €14 million, is in line with the comparative period and reflects the contribution from Infomobility, consolidated from the second quarter of 2021.

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Key performance indicators for Group companies

€m	OPERATING REVENUE ⁽¹⁾		
	2021	2020	Increase/ (Decrease) Absolute
ITALIAN MOTORWAYS			
Autostrade per l'Italia	3,406	2,746	660
Autostrade Meridionali	84	68	16
Tangenziale di Napoli	67	54	13
Società Italiana per il Traforo del Monte Bianco	58	52	6
Autostrada Tirrenica	44	32	12
Raccordo Autostradale Valle d'Aosta	27	24	3
<i>Intrasegment adjustments</i>	-3	-2	-1
TOTAL ITALIAN MOTORWAYS	3,683	2,974	709
ENGINEERING AND CONSTRUCTION			
Pavimental	584	-	584
Pavimental Polska	12	-	12
Tecne Gruppo Autostrade per l'Italia	89	3	86
<i>Intrasegment adjustments</i>	2	-	2
TOTAL ENGINEERING AND CONSTRUCTION	687	3	684
INNOVATION AND TECHNOLOGY			
Movyon	134	93	41
Free to X	6	-	6
Infomobility	5	-	5
<i>Intrasegment adjustments</i>	-2	-1	-1
TOTAL INNOVATION AND TECHNOLOGY	143	92	51
OTHER SERVICES			
Essediesse	26	27	-1
Giove Clear	14	14	-
Ad Moving	3	3	-
<i>Intrasegment adjustments</i>	1	1	-
TOTAL OTHER SERVICES	44	45	-1
<i>Consolidation adjustments</i>	-685	-84	-601
TOTAL AUTOSTRAD PER L'ITALIA GROUP	3,872	3,030	842

(1) The alternative performance indicators presented above are defined in the section, "Alternative performance indicators".

(2) The resolution adopted by the General Meeting of the shareholders of the (former) Autostrade Tech SpA, regarding the change to the company name, was registered on 23 February 2022.

EBITDA ⁽¹⁾			CAPITAL EXPENDITURE ⁽¹⁾		
2021	2020	Increase/ (Decrease)	2021	2020	Increase/ (Decrease)
Absolute			Absolute		
1,933	544	1,389	971	560	411
30	11	19	9	2	7
21	12	9	5	2	3
69	24	45	8	-	8
25	15	10	2	2	-
11	8	3	7	2	5
-	-	-	-	-	-
2,089	614	1,475	1,002	568	434
23	-	23	9	-	9
2	-	2	-	-	-
1	-2	3	4	3	1
-	-	-	-	-	-
26	-2	28	13	3	10
15	14	1	8	3	5
-2	-	-2	4	-	4
1	-	1	-	-	-
-	-	-	-	-	-
14	14	-	12	3	9
-	2	-2	-	-	-
1	1	-	-	-	-
1	1	-	-	1	-1
-	-	-	-	-	-
2	4	-2	-	1	-1
-6	-1	-5	39	-	39
2,125	629	1,496	1,066	575	491

2.8 Regulatory aspects

The Group consists of six separate companies that hold six concessions for the construction, operation and maintenance of toll motorways extending for a total of approximately 3,000 km (around 50% of Italy's motorway network) and including 218 service areas (as at 31 December 2021).

Operator	Section of motorway	Kilometres in service	Expiry date
Autostrade per l'Italia	A1 Milan – Naples	803.5	
	A4 Milan – Brescia	93.5	
	A7 Genoa – Serravalle	50.0	
	A8/9 Milan – lakes	77.7	
	A8/A26 link road	24.0	
	A10 Genoa – Savona	45.5	
	A11 Florence – Pisa North	81.7	
	A12 Genoa – Sestri Levante	48.7	
	A12 Rome – Civitavecchia	65.4	
	A13 Bologna – Padua	127.3	
	A14 Bologna – Taranto	781.4	
	A16 Naples – Canosa	172.3	
	A23 Udine – Tarvisio	101.2	
	A26 Genoa – Gravellona Toce	244.9	
	A27 Mestre – Belluno	82.2	
	A30 Caserta – Salerno	55.3	
	TOTAL	2,854.6	2038
Autostrade Meridionali ⁽¹⁾	A3 Naples– Salerno	51.6	2012
Raccordo Autostradale Valle d'Aosta	A5 Aosta – Mont Blanc	32.3	2032
Tangenziale di Napoli	Naples ring road	20.2	2037
Autostrada Tirrenica ⁽²⁾	A12 Livorno – Civitavecchia	54.8	2028
Società Italiana per azioni per il Traforo del Monte Bianco	Mont Blanc tunnel	5.8	2050

(1) In compliance with the concession arrangement, in December 2012 the Grantor requested Autostrade Meridionali to continue operating the motorway after 1 January 2013, in accordance with the terms and conditions of the existing arrangement, whilst awaiting the transfer of the concession to the new operator.

(2) Art. 35, paragraphs 1 and 1-ter of Law Decree 162 of 2019, in repealing art. 9 of Law 531/82, has established that SAT, under the terms of the single concession arrangement executed on 11 March 2009, shall be responsible solely for operation of the sections of motorway forming the A12 motorway between Livorno, Grosseto and Civitavecchia open to traffic at the date of entry into effect of the law converting the Decree through to 31 October 2028. The MIMS and the Company will thus proceed to execute a revised single concession arrangement that takes into account the new legislation.

The concession relationship is governed by a Single Concession Arrangement between the then Grantor, ANAS (now the Ministry of Sustainable Infrastructure and Mobility or "MIMS") and each operator.

In particular, on the one hand, the operators have an obligation to provide for technical management of the infrastructure operated under concession, maintaining the infrastructure to a specified level of serviceability by performing maintenance and repairs and network upgrades. Operators are also responsible for upgrading the network via contracting out the works, submitting designs for improvement, upgrade and extraordinary maintenance projects to the Grantor for approval and for paying the related concession and sub-concession fees to the State. On the other hand, operators have the right to receive consideration in return for providing the above services. This is done through the collection of tolls, applying and revising the related tariffs in accordance with mechanisms established in the Concession Arrangements.

In terms of the regulatory frameworks applied to the Group's operators, the Concession Arrangements currently in force may take two different forms, with the exception of Società per il Traforo del Monte Bianco: a "rebalancing" mechanism and a "confirmation" or "convalidation" mechanism (the latter relating to Autostrade per l'Italia alone). Both are cost-based, enabling the recovery, through toll increases, of the costs of construction, maintenance and operation, in addition to an appropriate return on invested capital.

In the case of Società per il Traforo del Monte Bianco, this operator's concession arrangement provides for tariff increases based on the average inflation rates recorded in France and Italy.

In accordance with European law (European Directive 23/2014) and Italian legislation (Legislative Decree 50/2016), concessions are awarded by public tender and have a limited duration estimated on the basis of the construction or operation services requested of the operator.

As a result, at the end of the concession term, the operator has an obligation to hand over all the motorway infrastructure built (the "reversible assets") to the Grantor. The assets must be in a good state of upkeep and handed over free of charge, unless the operator has the right to receive a sum based on the so-called "takeover value", calculated on the basis set out in the Concession Arrangement.

As mentioned, under the Concession Arrangements currently in force, the regulatory frameworks are applied by operators based on the mechanisms and procedures set out in the Single Concession Arrangements and the related requests for toll increases are submitted to the Grantor, together with the relevant justifications, for approval.

Following the entry into force of Law Decree 109/2018, the regulatory framework has changed, in that this legislation has extended economic regulation – originally carried out by the Transport Regulator (ART) only with regard to new concessions – to all concessions whose five-year regulatory periods had expired at the time the Law Decree came into force and for which the process of approving the Financial Plan had yet to be completed. Among the companies affected, ART included Autostrade per l'Italia and the Group's other operators.

As a result, under art. 37, paragraph 2(g) of Law Decree 201/2011, as amended by Law Decree 109/2018, ART now *"has the power to establish tariff systems for tolls based on the price cap method, determining the productivity factor X on a five-yearly basis"*.

Following this change in the legislative framework, ART initiated a procedure aimed at establishing a tariff system for tolls based on *"a standardised tariff framework based on the price cap method"*, for each of the operators whose five-year regulatory period had expired and for whom the five-year review had not been completed before the entry into force of the above Decree 109/2018.

On conclusion of the consultation launched with determination 16, ART published a determination setting out the "tariff system" for each operator.

With the exception of Società per il Traforo del Monte Bianco which has a different concession regime, and despite challenging the above ART determinations in court, as described in greater detail below, all the Group's operators have submitted revised Financial Plans that reflect application of the new tariff framework to the Grantor (reserving the right to pursue the above legal challenges). In the case of Autostrade per l'Italia, which submitted its updated Financial Plan on 5 November 2021, the Addendum and the Financial Plan received a favourable opinion from the Interministerial Committee for Economic Planning and Sustainable Development (CIPRESS) on 22 December 2021, with minimal changes required and recommendations. These were all then included in revised versions of the above documents and submitted to the Grantor on 4 February 2022 for formal approval.

2.8.1 ASPI's tariff systems and regulatory net invested capital

With regard to Autostrade per l'Italia, on 19 June 2019, ART issued Determination 71/2019 which, as noted above, has introduced a new regulatory mechanism for setting tariffs, establishing a series of criteria aimed at stabilising the nature and amount of remuneration to cover allowed costs.

The method for determining tariffs has radically changed, with the switch from a "confirmation" or "convalidation" type mechanism (with remuneration based on 70% of the real inflation rate plus investment factors "X" and "K") to a "rebalancing" mechanism, based on a price cap, with determination of an "X" factor for efficiency, to be set periodically by ART. This mechanism has three specific components:

- (i) an "operational" charge, to remunerate operating costs and investment in non-reversible assets deemed eligible by the Grantor;
- (ii) a "construction" charge, remunerating investment in reversible assets recognised by the Grantor;
- (iii) an "additional" charge, remunerating specific costs that the operator is required to pay to the State and other entities.

With regard to the construction charge, and more specifically to regulatory net invested capital (NIC) subject to remuneration, the following details apply:

- based on the existing tariff framework provided for in the concession arrangement in force at the date of publication of the determination, regulatory NIC has been divided into two categories: "construction services completed or in progress" – to which a "safeguard mechanism" applies, thereby guaranteeing remuneration at an internal rate of return (IRR) calculated on the basis of the pre-existing tariff framework - and "construction services to be performed", remunerated at the WACC indicated in the determination;
- goodwill, recognised by ASPI at the time of the extraordinary transaction that took place in 2003, is deemed eligible for remuneration as part of regulatory NIC after deducting amortisation calculated on the basis of the expiry of the concession;
- for the purposes of determining initial regulatory NIC, reversible assets eligible for remuneration include rights deriving from specific obligations to perform construction services (concession rights accounted for in the financial statements under IFRIC 12), and from the expansion, upgrade and improvement of motorway infrastructure, net of the present value of any construction services to be performed in the future, adjusted to coincide with NIC determined under ITA GAAP;
- regulatory NIC includes notional items deriving from the pre-existing tariff framework and adjusted to take into account all the investment costs incurred in previous years that the Grantor has not recognised, applying cuts to design costs following an expert appraisal;
- reversible assets used in determining regulatory NIC refer to investment/construction services less depreciation, provided that they are recognised by the Grantor; this category also includes the works included in the Extraordinary Maintenance Plan; they do not, on the other hand, include investment costs to be borne entirely by the operator as agreed with the Government and the authorities in Liguria, as described in the settlement agreement signed on 14 October 2021.

Autostrade per l'Italia's regulatory NIC as at 31 December 2021, derived from the financial Plan submitted to the Grantor on 5 November 2021, amounts to €13,525 million.

Autostrade per l'Italia's investment programme included in the Financial Plan, which is in the process of being approved, includes a total commitment of €27.4 billion, including approximately €14.1 billion relating to the period from 2020 to 2038. This breaks down as follows:

(€bn)	Value in Financial Plan (*)	To be performed 2020-38 (**)
Major works in 1997 Agreement	7.4	1.0
Other investment included in 1997 Agreement		
Other investment in major works (***)	2.0	1.5
Other investment in the existing network	2.6	0.5
Major works in IV Addendum of 2002	4.2	0.4
Gronda di Genova	4.3	4.1
Noise Abatement Plan (CIPE determination)	0.9	0.7
New projects in 2020 Financial Plan:		
Widening to three/four lanes required by art.15 of Single Concession Arrangement, reducing congestion on the busiest sections of the network	2.4	2.3
New projects included in the network upgrade/modernisation plan designed to prolong the useful life of infrastructure	2.7	2.7
Work on the road network in Genoa in the settlement agreement	0.9	0.9
Total new Financial Plan	27.4	14.1

(*) Financial Plan submitted to the Grantor; the Addendum and related annexes, including the Financial Plan, are in the process of being approved.

(**) forecast period in the new Financial Plan

(***) includes the Bologna Bypass

2.8.2 Significant regulatory aspects

This section provides details of updates or new developments relating to significant regulatory events affecting Group companies and occurring through to the date of approval of these consolidated financial statements.

Collapse of a section of the Polcevera road bridge in Genoa

A section of the Polcevera road bridge on the A10 Genoa-Ventimiglia collapsed on 14 August 2018, causing the deaths of 43 people. The causes of this tragic incident have yet to be identified at the date of approval of this Annual Report. A number of the legal and regulatory implications arising from this incident are described below.

Talks with the Government regarding the dispute over alleged serious breaches

With regard to ongoing talks between ASPI and the Ministry of Sustainable Infrastructure and Mobility (the *Ministero delle Infrastrutture e della Mobilità Sostenibili*, or “MIMS”) aimed at resolving the dispute initiated on 16 August 2018 over the Ministry’s allegations of serious breaches of the Concession Arrangement following the collapse of a section of the Polcevera road bridge, there were numerous exchanges of correspondence between the parties, with the aim of subscribing the settlement Agreement and the new Addendum and annexes, including the updated Financial Plan.

On 15 July 2021, Autostrade per l’Italia once again submitted a draft of the III Addendum to the Single Concession Arrangement, together with the Financial Plan and the other annexes, to the Grantor. On 21 July 2021, the Grantor informed the Company that the documentation received had been sent to the Attorney General’s Office in order to obtain its opinion on the proposal for an agreed settlement of the dispute over alleged serious breaches.

Following this, further talks were held with representatives of the Government and local authorities in the Liguria region (the Regional Authority, Genoa City Council and the Port Authority). As a result of these talks, the focus of the measures provided for in the settlement agreement of 2020 was shifted more towards the Liguria area, reallocating the funds in order to better serve the public interest.

In a note dated 14 October 2021, the Grantor announced that *“in view of the significant degree of public interest in the proposal, and having received approval from the political authorities, the text of the Agreement of 23 September 2020 has been revised to reflect the reallocation of the sum in question, as indicated by the above company”*. On the same date, the settlement agreement was signed by the MIMS and ASPI, bringing to a close the dispute over alleged serious breaches of its concession arrangement.

Implementation of the agreement requires completion of the following steps:

- (i) registration by the Court of Auditors of the decree approving the settlement Agreement;
- (ii) approval of the Addendum to the Single Concession Arrangement of 2007 - including all the annexes, above all the Financial Plan - and registration by the Court of Auditors of the related decree of approval issued by the MIMS and the Ministry of the Economy and Finance;
- (iii) completion of the change of control of ASPI in accordance with the related share purchase agreement between Atlantia SpA and HRA.

Subsequently, on 5 November 2021, ASPI announced that it had submitted the updated Addendum, Financial Plan and related annexes, as revised according to the Grantor’s requests, to the Grantor.

On 19 December 2021, the MIMS informed ASPI of the ART’s determinations regarding the III Addendum and the related annexes, specifying that ART *“has provided observations on the draft III Addendum, the annexes, including the Financial Plan and the method for setting rates of return”* and has requested the Company *“to reflect the suggestions put forward and provide all the necessary clarifications”*.

On 20 December 2021, ASPI replied to the note from the MIMS of 19 December, communicating its response to the observations made by ART on the Addendum and the related annexes and providing the requested clarifications.

Following this, on 22 December 2021, the Interministerial Committee for Economic Planning and Sustainable Development (*CIPRESS*), having received the documentation in order to complete its examination, expressed a favourable opinion on the III Addendum to ASPI’s Single Concession Arrangement and the related Financial Plan for the period 2020-2024.

In a letter dated 20 January 2022, the MIMS, having received the CIPESS determination of 22 December 2021 from the Cabinet Office (Department for Economic Policy Planning and Coordination), informed ASPI that the CIPESS determination *“is in the process of being submitted to the Court of Auditors for a review of compliance with the law”* and requested the Company to *“provide a formal undertaking to amend the points in the Concession Arrangement referred to in the CIPESS Determination in question”*.

On 4 February 2022, ASPI submitted the draft III Addendum to the Single Concession Arrangement of 2007 and annex C, amended in accordance with the above CIPESS Determination, to the Grantor.

With respect to the change of control of ASPI and the related clearance, on 15 June 2021, Atlantia SpA informed ASPI that it had agreed to sell its entire 88.06% stake in Autostrade per l'Italia SpA to Holding Reti Autostradali SpA (the corporate vehicle owned by the consortium consisting of CDP Equity SpA, The Blackstone Group International Partners LLP and Macquarie European Infrastructure Fund 6 SCSp, which had submitted a binding offer for the stake). Atlantia also informed the Company that completion of the sale is subject to a series of conditions precedent.

In particular, Atlantia SpA notified ASPI that the sale is, among other things, subject to the Grantor's issue of *“the clearance for the sale required in relation to the concessions held by ASPI and other ASPI Group companies”*.

In a letter dated 4 August 2021, ASPI sent the Grantor a formal request for clearance, pursuant to art. 10-bis, paragraphs 6 and 8 of the Single Concession Arrangement, regarding the change of control resulting from the signature by Atlantia SpA and Holding Reti Autostradali of the share purchase agreement for the sale of Atlantia's entire stake in ASPI. On 17 November 2021, the Grantor issued the Decree approving the *“change of control involving the transfer of the 88.06% interest from Atlantia SpA to Holding Reti Autostradali SpA”*. As later specified in a note from the Grantor dated 31 January 2022, the Decree makes approval of the transaction subject to the following conditions:

- prior acquisition by the representative of Holding Reti Autostradali SpA of a formal commitment regarding certain aspects regarding, among other things: (i) confirmation of the obligations deriving from the Single Concession Arrangement of 2007 and the future obligations contained in the III Addendum currently under approval, with reference to implementation of the investment programme and ordinary maintenance plan; (ii) compliance with the condition set out in art. 10-bis, paragraph 6(a) of the Concession Arrangement, providing for an increase in equity of at least €10 million for each percentage point interest in the operator's issued capital; (iii) continued compliance with the requirement to ensure financial strength, as established in annex O to the Concession Arrangement in force and with the relevant changes in the III Addendum;
- completion of the approval process for the III Addendum to the Concession Arrangement and the Settlement Agreement bringing to a close the dispute over alleged serious breaches brought by the Grantor on 16 August 2018.

Transport Regulator – quantification of COVID-19 financial aid following losses incurred as a result of the health emergency caused by Covid-19

Following a specific request from AISCAT, the Ministry of Sustainable Infrastructure and Mobility has requested the Transport Regulator to devise a clear, consistent scheme to be applied to all motorway operators to quantify how much financial aid is due to each operator to mitigate losses incurred as a result of the health emergency caused by Covid-19.

ART highlighted the need for operators, at the time of each periodic update of their financial plans, to formally account for the progressive impact for the entire period of the state of emergency (which is expected to come to an end on 31 March 2022), based on the quantification method provided by ART.

In this sense, ASPI has included aid receivable for the lockdown period from March to June 2020 in the Financial Plan currently awaiting approval. In addition, the amount of the aid to cover the progressive economic effects of the pandemic through to 31 December 2021, determined using the criteria set out in the notes accompanying the regulator's scheme, will be computed in the first half of 2022 and subject to certification by an audit firm, will be recovered via use of a specific component for additional expenses at the time of periodic revision of the Financial Plan.

The progressive impact relating to the expiry of the state of emergency, and any further impact resulting from a prolongation of the emergency, will be quantified and settled in accordance with the procedure drawn up on the basis of the indications provided in the above notes from ART dated 4 May and 15 July 2021.

Toll increases for 2022

In a letter dated 15 October 2021, ASPI submitted a proposal for a toll increase to the Ministry of Sustainable Infrastructure and Mobility with effect from 1 January 2022, including the amount requested for 2021. In accordance with ART Resolution 71 of 2019 - with respect to which the objections raised by ASPI remain in place until the III Addendum to be stipulated is effective - this proposal provided for a toll increase of 3.12%, corresponding to the sum of: (i) a 1.40% increase for 2022; (ii) the unrecognised 1.70% increase for 2021; and (iii) the so-called "2022 compound increase effect" - equal to 0.02% - due to the failure to apply the 2021 increase. The Ministry, as well as assessing the request for an increase, should also set the level of the discount to be applied to motorway users, thereby determining the actual toll increase. In this regard, the Company will use part of the provisions set aside in previous years to cover the discount granted to motorway users.

Article 13, paragraph 3 of Law Decree 162 of 30 December 2019, as last amended by article 2, paragraph 1 of Law Decree 121 of 10 September 2021, converted, with amendments, by Law 156 of 9 November 2021, states that: "*for motorway operators whose five-year regulatory period has expired, the deadline for increasing motorway tolls for 2020 and 2021, as well as the tolls for all the years included in the new regulatory period, shall be postponed until the procedure for updating the Financial Plans drawn up in accordance with the resolutions adopted ... by the Transport Regulator has been completed*".

On 31 December 2021, the Ministry of Sustainable Infrastructure and Mobility announced that "*the tolls applied on the motorways operated by companies whose concession arrangements are being updated/revised are also confirmed for 2022. Any increase will be applied exclusively to the newly drawn up contracts, which will implement the tariff framework laid down by the Transport Regulator*".

The Ministry of Sustainable Infrastructure and Mobility adopted the same approach to the operators RAV, TANA and SAT, who did not receive any formal notification. In the light of the above, the companies are considering what action to take.

Exclusively regarding Autostrade Meridionali ("SAM"), in a memorandum of 31 December 2021, the Ministry of Sustainable Infrastructure and Mobility forwarded the Ministry of Sustainable Infrastructure and Mobility/Ministry of Economy and Finance decree, issued on the same date, stating that the increase applicable from 1 January 2022 was 0%. The reason for this measure is SAM's failure to submit the transitional Financial Plan - namely the Financial Plan relating to the period between the expiry of the concession and the date of actual transfer of the motorway to the new operator - drawn up on the basis of CIPE Resolution 38/2019. This is despite the fact that, on 10

November 2021, the Council of State issued a ruling annulling the memoranda in which the Grantor had asked SAM to draw up a rebalanced Financial Plan in accordance with the above CIPE Resolution 38/2019. SAM appealed against the Grantor's determination that no toll increase was applicable for 2022.

In the case of Traforo del Monte Bianco (SITMB), which operates under a different regulatory regime based on a bilateral agreement between Italy and France, an increase of 2.87% was applied, corresponding to the sum of 1.92% (representing to the average inflation rate recorded in Italy and France from 1 September 2019 to 31 August 2020), and an additional extraordinary increase of 0.95% based on the principle of application of parallel increases to be agreed upon for the Frejus and Mont Blanc tunnels requested by the Frejus company and also applicable to Traforo del Monte Bianco, regarding which allocation of the higher revenues should be defined.

Agreement to upgrade the Bologna bypass and ring road

With regard to the agreement to upgrade the Bologna bypass and ring road signed on 15 April 2016 by Autostrade per l'Italia, the Ministry of Infrastructure and Transport, the Emilia-Romagna Regional Authority, the Metropolitan Council for Bologna and Bologna City Council, after an initial Services Conference held in June 2020, a new Services Conference meeting was held on 29 July 2021, which gave rise to new requirements for the project.

ASPI carried out a technical analysis of these requirements, which was sent to the Grantor. The Grantor agreed with this technical analysis, and subsequently convened the third meeting of the Services Conference for 18 January 2022. At the meeting of 18 January 2022, further requirements emerged which will be assessed in agreement with the Grantor and incorporated in the detailed design, unless the Grantor decides otherwise. At the end of the Conference, having assessed the outcomes and taken into account the favourable opinions expressed or recorded at the meeting, the chairman declared the proceedings to be favourably closed.

Moreover, after further requests to supplement the project presented by Bologna City Council and deemed by the Ministry of Sustainable Infrastructure and Mobility to be "feasible in phase 2", at the same meeting of the Services Conference, Bologna City Council requested that a second trilateral agreement be signed between the Ministry of Sustainable Infrastructure and Mobility, ASPI and Bologna City Council, before commencement of the works, in addition to and independent of the existing agreements between the Ministry, ASPI and the other bodies, aimed at regulating eligibility, timing and methods regarding the design and implementation of the "Phase 2" works. This request was supported by the Ministry of Sustainable Infrastructure and Mobility and ASPI, which confirmed its willingness to sign this additional agreement regarding assessment of possible design solutions and the implementation of future projects, and the related financing, in accordance with the Grantor's determinations.

Autostrade Meridionali

Award of the concession for the A3 Naples – Pompei – Salerno motorway

Autostrade Meridionali ("SAM") appealed the decision to award the SIS Consortium the new concession to operate the A3 Naples-Pompei-Salerno motorway before Campania Regional Administrative Court, requesting its cancellation after suspension of the award. On 21 October 2020, the Campania Regional Administrative Court ruling, rejecting the appeal filed by Autostrade Meridionali and, consequently, declaring the appeal filed by SIS to be inadmissible, was published. On 4 February 2022, the Council of State rejected the appeal brought by Autostrade Meridionali

against the award of the contract for the A3 Naples-Salerno motorway concession to the SIS Consortium. In brief, this latter ruling deemed that the assessments made by the contracting authority regarding the successful Consortium's bid were not defective in law. The Interministerial Decree relating to the concession arrangement signed by the MIMS and the SIS Consortium on 29 July 2021 was registered without observations on 8 February 2022 and, in the coming months, following the outcome of talks with the Grantor aimed at establishing the value of Autostrade Meridionali's takeover right, the new operator is expected to begin operating the motorway.

Dispute regarding the failure to prepare the Financial Plan and CIPE Resolution 38/2019

With regard to the legal proceedings initiated by SAM against the Ministry of Sustainable Infrastructure and Mobility to obtain adoption of a Financial Plan to rebalance the concession arrangement, on 10 November 2021, the Council of State issued a ruling that partially revised the first instance ruling. In particular, the Council of State:

- stated that CIPE Resolution 38/2019 is merely a directive addressed by the CIPE to the granting Ministry, and that the grantor does not have the power to unilaterally determine the terms for the return on invested capital, nor to unilaterally amend the terms of the Single Concession Arrangement. Therefore, pending takeover by the new operator, the parties are obliged to negotiate the terms for the return on invested capital, to be applied in the revised Financial Plan or in the approval of a rebalanced plan;
- partially reversing the ruling at first instance, dismissed SAM's appeal in so far as it sought annulment of CIPE Resolution 38/2019, on the grounds that it was a directive, and not binding for the operator;
- confirmed the ruling of the court of first instance and annulled the memoranda in which the Grantor had requested SAM to draw up a rebalanced Financial Plan in accordance with CIPE Resolution 38/2019.

Given this ruling, the company has taken the appropriate steps, in accordance with the principles of law affirmed in this judgment. In particular, discussions have been initiated with the Grantor, which are still in progress, to define the remuneration to be applied for the period of the extension of the concession after 31 December 2012, and therefore the takeover right. In this regard, it should be noted that, as provided for in the Single Concession Arrangement signed in 2009, Autostrade Meridionali is entitled to payment of a "takeover right" - which is currently subject to a dispute pending before the Campania Regional Administrative Court, as described below – based on the company's unamortised infrastructural capital expenditure, as authorised by the Grantor, up to the date the new operator is expected to begin operating the motorway. The value of this right is recognised in financial assets in the financial statements. This amount, to be paid by the incoming operator (as provided for in the above-mentioned tender specifications), must be settled at the same time as the incoming operator takes over.

Autostrada Tirrenica: developments in the regulatory framework

Article 35, paragraph 1-ter of Law Decree 162/2019, converted, with amendments, into Law 8/2020, established that Autostrada Tirrenica ("SAT") shall only manage the sections of the A12 Livorno-Grosseto-Civitavecchia motorway link open to traffic on the date the law converting the decree came into force. On completion of the procedure to revise SAT's concession, the other sections will be assigned to ANAS, which will also implement the Tarquinia-San Pietro in Palazzi project, including an upgrade of the Aurelia state highway 1. In view of this, article 2, paragraphs 2-ter and 2-quater of

Legislative Decree 121/2021 (the "Infrastructure Decree"), converted into Law 156/2021, has established that, in order to reduce the time needed to implement the latter project, pending definition of the procedure to revise SAT's concession, ANAS is authorised to purchase the designs drawn up by SAT, subject to payment of a set amount exclusively regarding the design costs and intellectual property rights referred to in article 2578 of the Civil Code. In this respect, a government grant of €36.5 million has been allocated, subject to verification of the designs by ANAS.

Moreover, the Budget Law (Law 234 of 30 December 2021) provides for SAT to draw up a Financial Plan within 30 days of its entry into force, authorising total expenditure of up to €200 million as a grant to ensure the feasibility of the Financial Plan for the concession granted to SAT, and specifying that payment of the grant is subject to completion of the approval procedure relating to the agreements.

On the basis of this new regulatory framework, in a memorandum dated 28 January 2022, SAT sent the Grantor a proposal regarding an addendum to the Single Concession Arrangement and a Financial Plan rebalanced to take into account the expiry of the concession on 31 October 2028, together with the related annexes.

Tangenziale di Napoli: five-yearly revision of the Financial Plan

On 12 January 2022, on the instructions of the Grantor, Tangenziale di Napoli sent the Ministry of Sustainable Infrastructure and Mobility and the Transport Regulator a proposal regarding a Second Addendum to the Single Concession Arrangement for the five-year period 2019-2023, together with the related annexes and the Financial Plan (included in the version already sent on 18 June 2021). On 9 February 2022, the Transport Regulator issued Opinion 1/2022 to the Grantor. The company is awaiting comments from the Ministry of Sustainable Infrastructure and Mobility, and instructions regarding the actions to be taken in order to finalise and sign the Second Addendum to the Single Concession Arrangement. Among other things, the new plan provides for:

- the introduction of "non-recurring maintenance" costs in the construction charge component;
- recovery of the effects of Covid-19 in the period March-June 2020 through the "additional charge" component of tolls. As the economic effects will be quantified on the basis of total data at the end of the state of emergency, the figures shown in the proposed Financial Plan are purely provisional and will be subject to adjustment on the basis of the memoranda issued by the Transport Regulator during 2021.

Procedures for the award of contracts by ASPI to external contractors and to Group companies following Constitutional Court Ruling 218/2021

Constitutional Court Ruling 218/2021 declared the constitutional illegitimacy of art. 177 of Legislative Decree 50/2016, and of art. 1, paragraph 1 of Law 11/2016 (the "*Delegated law implementing EU directives regarding public procurement*").

In particular, according to the Constitutional Court, the requirement that holders of existing concessions, which have not been awarded under a project financing model or via public tender, must award 80% (60% for motorway operator) of the contracts via a public tender process constitutes "*an unreasonable and disproportionate measure with respect to the purpose of the legislation, albeit legitimate, and is therefore detrimental to economic freedom*".

Without prejudice to the foregoing, the consequences of the above ruling with regard to the manner in which ASPI awards contracts to Group companies are set out below.

It should be noted that, with the declaration of unconstitutionality contained in the above art. 177, operators, including motorway operators, are no longer legally obliged to outsource. Therefore, they may freely decide how to perform the services provided for in their concession arrangements, either through the award of contracts to external contractors, or by insourcing services, either directly or via subsidiaries.

2.9 Operating review for Autostrade per l'Italia's network

Network operations

The cost to the Group for maintenance, safety and traffic management on the network in 2021 (excluding work at service areas and the cost of maintenance personnel) was €1,330 million (of which €1,270 million was spent by Autostrade per l'Italia). This expenditure is made up of the following:

- maintenance costs of €462¹ million;
- €868 million spent on safety and traffic management (including capitalised maintenance costs), which is a portion of the total amount of operating expenditure as mentioned above.

Safety and maintenance

There were 13,099 accidents on the network managed by Autostrade per l'Italia and the Group's other operators in 2021 (up 30.7% compared with 2020), although the increase is 6.8% if the number of kilometres travelled is also taken into account in the calculation formula. The global accident rate is up to 28.5 from 26.7 in 2020, whilst the death rate is 0.22, compared with 0.21 in 2020.

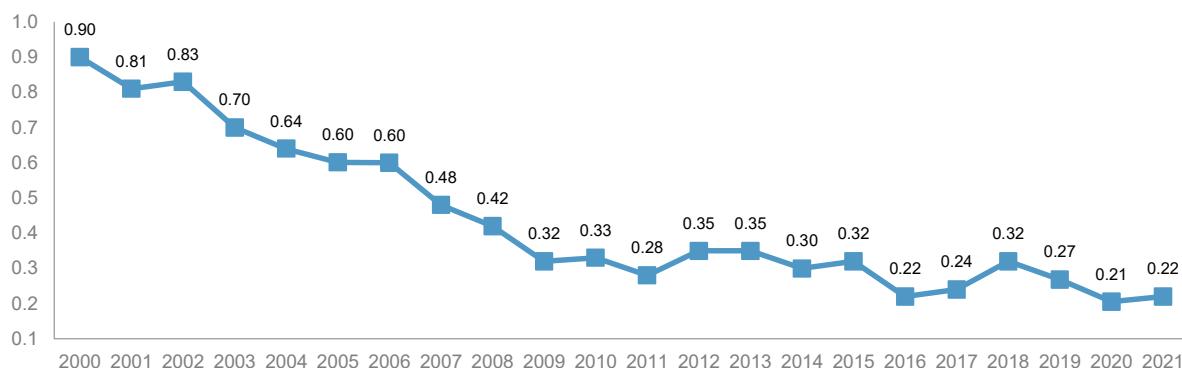
ACCIDENT RATES ON THE NETWORK OPERATED BY THE AUTOSTRADE PER L'ITALIA AND THE GROUP'S ITALIAN OPERATORS

	2000	2020	2021
Global accident rate (number of accidents per 100 km travelled)	60.6	26.7	28.5
Accident rate on carriageways	-	23.8	25.0
Casualty rate (number of accidents per 100 km travelled)	15.8	5.9	6.8
Fatal accident rate (number of accidents per 100 km travelled)	0.71	0.18	0.21
Fatality rate (number of deaths per 100 km travelled)	0.90	0.21	0.22

(Data for 2021 is provisional)

¹ The above maintenance costs do not include the works relating to the €443 million Extraordinary Maintenance Plan, which were capitalised in the concession rights, and include €88 million in costs relating to reconstruction of the Polcevera road bridge. The consolidated amount for maintenance is €462 million following the elimination of intercompany amounts.

FATALITY RATE ON THE NETWORK OPERATED BY THE AUTOSTRADE PER L'ITALIA GROUP



(data for 2021 is provisional)

The indicator that measures the number of accidents at so-called blackspots (the Blackspot Accident Index¹ is 28.26 for 2021 ²(33.6 in 2019; 18.93 in 2020³), marking a reduction of 53.2% compared with 2013, when the indicator was introduced. Approximately 146 specific initiatives were implemented during 2021, to add to the over 2,500 such initiatives carried out from 2002, since when accidents at these points on the network have fallen by approximately 93%.

The improvement was also achieved thanks to deployment of the “Tutor” system for measuring average speeds, in addition to the continual improvement of quality standards and specific infrastructure and operational measures. These include the introduction of new “Guidelines for the installation, management and removal of roadworks on Autostrade per l’Italia’s network” and information campaigns designed to raise safety awareness among road users.

Monitoring of the network

To ensure that the motorway infrastructure, works and equipment is in good working order, and thereby guarantee the best possible standards of safety and service quality, the local Area Offices responsible for the various sections of the motorways operated by Autostrade per l’Italia and its subsidiaries carry out routine monitoring and maintenance.

Surveillance of motorway assets is now carried out by third parties selected through public tenders.

In the last quarter of 2019, Autostrade per l’Italia decided to go ahead with outsourcing the surveillance of major infrastructure along the network, via a European tender called in February 2021 that awarded the contract to a temporary consortium consisting of Proger Spa, Bureau Veritas Nexta srl, Tecno Piemonte spa, and Tecno Lab srl. The three-year contract, which is renewable for another two years, involves surveillance of the following assets:

⁽¹⁾ PISM Index: the number of accidents at blackspots per billion km travelled.

⁽²⁾ The figures for 2021 are provisional whilst awaiting consolidation of the data.

⁽³⁾ The result is affected by the reduced traffic volumes relating to the Covid-19 pandemic.

- bridges, viaducts and underpasses with a span of 10m or more;
- flyovers;
- tunnels;
- major third-party infrastructure (infrastructure owned by another entity, which interferes with the ASPI network);
- minor infrastructure (span < 10 m);
- support structures for tunnel, bridge and viaduct installations.

In 2021, following a public tender, ASPI extended the outsourcing of inspection activities to leading external companies to include other "minor" assets:

- sites of geotechnical interest, and network support and protection structures;
- hydraulic equipment;
- safety barriers and noise barriers.

In order to further check the correctness and effectiveness of the surveillance process for bridges, viaducts and other network assets, second-level audits have been entrusted to specialised external companies. These checks, involving a sampling method and the collection of appropriate evidence, regard the inspection activities carried out by the external companies entrusted with the surveillance system, as well as those carried out directly by the Company's internal staff, who perform the first-level audits.

The second-level audits are carried out using the following methods:

- desk review checks: aimed at verifying the completeness and consistency of the content of the inspection forms in accordance with the inspection manuals, the relevant legislation, company procedures, and contractual and specification requirements;
- on-site checks: aimed at verifying the consistency between the inspection forms and the state of the assets in accordance with the inspection manuals, the relevant legislation, company procedures, and contractual and specification requirements.

These activities come within ASPI's wider three-level Internal Audit system:

- first-level audits carried out internally and entrusted to business owners and line managers;
- second-level audits, as specified above;
- third-level audits, involving the assurance and consultancy activities of the Company's Internal Audit department.

With regard to the inspection of bridges, viaducts and flyovers in 2021, the surveillance model was updated in line with the revision of the Surveillance Manual and the related Catalogue of Defects for bridges and viaducts, which was issued in 2020, in order to achieve two key objectives:

- an exhaustive and comprehensive opinion;
- an objective and unambiguous assessment.

This manual implements the provisions of the "Guidelines for the classification and management of risk, safety assessment and monitoring of existing bridges", issued by the National Public Works

Council in April 2020 and approved by Ministerial Decree 578 of 17 December 2020, regarding surveillance activities and tools for managing the surveillance results, and also sets out requirements and operational guidance on:

- the type and frequency of inspection;
- inspection methods;
- qualification of inspection personnel;
- documentation methods for inspection results;
- systematic revision of the decision-making model regarding determination of the defectiveness of individual parts of infrastructure;
- inputting data into the computer database that supports infrastructure surveillance management;
- definition of an indicator that represents the overall state of deterioration of a piece of infrastructure, obtained by analysing the defectiveness of each of its individual components in order to provide a concise assessment of its state.

During 2021, development of the inventory model for the network's bridges and viaducts and management of inspection processes was also completed on the IBM Maximo Enterprise Asset Management platform (ARGO project). The advanced routine inspection (annual) of all the network's bridges and viaducts was thus completed in the new system.

On the ARGO platform, inspections are carried out with a mobile application that digitises the entire inspection process and ensures complete traceability of activities. A 3D model is then available for each infrastructure, which identifies each morphological element (i.e., on the individual beam, transverse, elevation, etc.) and associates any defects, thus providing an accurate snapshot of the state of the infrastructure.

The content of the inspection forms and the binding regulations for each type of inspection are consistent with the guidelines for the classification and management of risk, safety assessment and monitoring of existing bridges issued by the National Public Works Council.

The platform is also integrated with the AINOP database (set up at the Ministry of Sustainable Infrastructure and Mobility by Law 130/2018), which is used by Italy's national agency for railway, road infrastructure and motorway safety (ANSFISA) used for consultation of all the information needed to make inspections of infrastructure in order to check that maintenance procedures are correctly carried out by operators, as well as for inspection activities and sample checks of infrastructure.

With regard to tunnel surveillance activities, the guidelines are set out in the Tunnel Inspection Manual issued by the Directorate General for the Oversight of Motorway Concessions of the Ministry of Sustainable Infrastructure and Mobility on 25 May 2020, which describes in detail the necessary activities for gaining a thorough knowledge of the state of conservation of tunnels.

Since 2020, ASPI has aligned its surveillance model with this document, and launched a major inspection campaign across all the network's tunnels, consisting of physical inspections of the surfaces of the linings exposed by the current drainage systems (runoff drains). All the defects for which remedial action has been planned in the short/medium term were immediately dealt with in order to make tunnels safe, and, based on the priorities emerging from the surveillance, in-depth assessment inspections were carried out.

In 2021, activities relating to implementation of the important assessment plan regarding the network's tunnels continued, in accordance with methodologies shared and approved by the Ministry of Sustainable Infrastructure and Mobility. On the basis of the technical discussion initiated with the coordinating body of the Ministry of Sustainable Infrastructure and Mobility, using a risk-based approach, ASPI is planning assessment activities for tunnels and any ensuing interventions deemed necessary, in line with the guidelines for the "Classification and management of risk, safety assessment and monitoring of existing bridges" issued by the National Public Works Council.

With reference to bridges and viaducts, a wide-ranging long-term assessment plan has been launched - which is also in line with the guidelines for the "Classification and management of risk, safety assessment and monitoring of existing bridges", adopted pursuant to Ministerial Decree 578/2020 of the Ministry of Sustainable Infrastructure and Mobility - for a 24-month trial period on road and motorway infrastructure managed by ANAS or by motorway operators.

In view of the large number of structures on the network, the assessment plan has initially given priority to structures with a span of more than 10 m. It is planned to extend and complete these activities, including for flyover assets and smaller structures (with spans of 6m to 10m), as of 2022. Specifically, in accordance with the various stages of the investigation referred to in the above guidelines, ASPI first activated preventive safety assessments of approximately 900 structures in which defects were detected that needed to be further investigated using the surveillance activities required by law.

On the basis of the outcomes of the above activities, any necessary maintenance work will be identified for each piece of infrastructure, whether for conservation or network modernisation purposes, which will be shared with the Ministry of Sustainable Infrastructure and Mobility, in accordance with the content and principles set out in the Financial Plan.

In compliance with the requirements of Ministerial Circular no. 24600 of 14 September 2019¹, and in agreement with the Ministry of Sustainable Infrastructure and Mobility, in 2021 ASPI continued to activate a series of partnerships with leading universities in order to guarantee highly qualified and independent oversight of the operating procedures adopted to determine the state of the infrastructure, as well as to define maintenance programmes relating to management of all the assets on the motorway network.

Pavements

Draining pavement has been laid throughout Autostrade per l'Italia's network, with the exception of roads liable to ice over, tunnels and roads where high traction paving has been laid or sections where major works are due to take place or are in progress.

¹ Note 24600 of 14 October 2019 "Management of concession relationships. Implementation of maintenance and management procedures" issued by DGVCA/MIT (now Ministry of Sustainable Infrastructure and Mobility).

	2000	2019	2020	2021
Square metres (x 1,000)	11,256	7,037	10,103	8,138
of which square metres with draining pavement (x 1,000)	2,319	4,668	6,947	5,410
Total cubic metres (x 1,000)	586	425	567	480
Total percentage of Autostrade per l'Italia's network surfaced with draining pavement	18.9%	83.5%	83.3%	83.1%

Safety initiatives

As always, Autostrade per l'Italia ran numerous initiatives and campaigns in 2021 to promote safety:

- the plan for managing peak-time traffic during the summer, via additional road traffic information, the removal of all road works and increasing traffic flow at toll stations;
- the "Together we are safe" communication campaign was launched during the summer peak-traffic period, in partnership with the police, to raise motorists' awareness of good driving behaviour;
- Autostrade per Genova, the section of the website dedicated to Ligurian motorways, has been enriched and reorganised to provide road users with detailed information on planned roadworks, which is updated every week with maps broken down by motorway showing their location;
- in order to inform road users about the status of scheduled maintenance on the viaducts along Autostrade per l'Italia's motorway network, an interactive section has been published that enables users to navigate a map to view checks and maintenance schedules, which is updated on a quarterly basis, as well as planned intervention schedules;
- a new system of signs indicating roadworks and types of maintenance work has been installed;
- traffic forecasts, made available on a specific section of Autostrade per l'Italia's website, at Hi-Point information desks at service areas and on Autostrade per l'Italia's My Way app;
- the "Snow Plan", put into practice each year in collaboration with the highway police and aimed at stressing Autostrade per l'Italia's commitment in terms of personnel and equipment used to manage emergency situations, in addition to providing a series of useful suggestions for motorists travelling on the motorway in snow. There is a specific section of the website dedicated to winter operations, providing a handbook containing advice on driving during the winter and details of the winter equipment road users are required to carry;
- application of the "Guidelines for the installation, management and removal of roadworks on Autostrade per l'Italia's network".

Traffic management

The Total Delay⁽⁵⁾ on the network managed by Autostrade per l'Italia in 2021 amounted to approximately 9.2 million hours, compared with 5.4 million hours in 2020.

The Total Delay Work, a sub-indicator of Total Delay, which measures disruption caused by roadworks on motorways, recorded a figure of approximately 1,736,679 hours⁽⁶⁾ in 2021, an increase of 21% compared with 2020 (1,434,730 hours). These increases primarily reflect the upturn in traffic in 2021 compared to the previous year, which was strongly affected by the traffic restrictions introduced as a result of the health emergency. Autostrade per l'Italia schedules roadworks in accordance with criteria designed to limit traffic disruption, the most important of which are:

- a prior assessment of the impact on traffic of each roadwork to identify the best period of the year in which to carry out the work and the best layout of the site in order to reduce disruption to a minimum;
- an increase in the number of road workers and equipment used to reduce the time required;
- the suspension of work at busy times of day;
- more information given to road users on the sections affected and the most critical times of day, with suggestions on how to organise journeys and choose alternative routes, including the information available via a range of media (RTL, ISORADIO, <https://www.autostrade.it/en/home>, the MyWay app, etc.).

In terms of the provision of information:

- there are a total of 1,939 variable message panels providing traffic information on Autostrade per l'Italia's network;
- the agreement with the radio broadcaster, RTL, continued in 2021 alongside the existing partnership with RAI Isoradio, with the broadcast of 27 live bulletins a day by operators from the MyWay group and Autostrade per l'Italia's Traffic Operations centre over the radio and in radiovision, in addition to another 70 reports broadcast via Radio DAB Rtl 102.5 Viaradio Autostrade per l'Italia;

⁽⁵⁾ Total Delay: the sum of the difference between the average transit time for each section of the entire network in the period under review and the equivalent time at an average speed typical of the section in question, multiplied by the number of journeys. From 1 January 2017, a new algorithm for calculating the Total Delay was introduced. This results in a more accurate estimate of "delays" on Autostrade per l'Italia's network and a more precise breakdown into sub-indicators (Accident, Traffic and Works), above all in the case of concomitant events on the same section of motorway, introducing a basis for temporal as well as spatial comparison. The algorithm has been certified in accordance with the ISO 9001:2015 standard.

⁽⁶⁾ TDW in 2021 amounts to 1,730,079 hours. 930,294 of these hours (approximately 53.8% of the total) come under the responsibility of the Genoa Area Office I, and mainly relate to the tunnel inspection and maintenance programme.

- News on serious disruptions continues to be available via FM radio (Rai Isoradio 103.3, Rtl120.5 Fm, Rtl 102.5 Dab);
- a total of 321,574,559 calls were made to the traffic information centre, with a total of 99.9% answered;
- as at 31 December 2021, live coverage on the MyWay slots on SkyTG24 was provided on approximately 1,000 occasions; there were over 10,000 reports on SkyMeteo24's 502 channel, where MyWay is on air every day from 7.10 in the morning until 9.40 at night. In addition, around 2,400 reports were broadcast over La7's digital terrestrial radio channels (La7d and La7d), and around 2,400 reports were broadcast over Canale 5's digital terrestrial radio channel.

Toll collection and payment systems

In 2021, payment transactions on Autostrade per l'Italia's network were up 19.3% on 2020, as shown in the table below, mainly due to the increase in traffic on the network.



Transactions by method of payment on Autostrade per l'Italia's network

Method of payment	Number of transactions 2021	%	Number of transactions 2020	%	Increase/ (decrease) 2021/2020 (%)
MANUAL CASH PAYMENTS	42,341,426	6.2%	35,297,048	6.2%	20.0%
Automated cash	85,921,554	12.6%	75,568,822	13.3%	13.7%
VIACard direct debit	14,714,445	2.2%	15,947,230	2.8%	-7.7%
Telepass ⁽¹⁾	438,068,314	64.4%	370,484,667	65.0%	18.2%
Prepaid cards	5,867,596	0.9%	5,395,646	0.9%	8.7%
Credit cards	52,899,301	7.8%	36,572,114	6.4%	44.6%
FASTpay	28,479,552	4.2%	22,096,303	3.9%	28.9%
TOTAL AUTOMATED PAYMENTS	625,950,762	92.0%	526,064,782	92.2%	19.0%
Other (unpaid tolls, strikes, evasion, transits using automated self-service VIACard "zero" tollgates at ASPI's stations in the city of Genoa)	12,136,240	1.8%	8,931,404	1.6%	35.9%
GRAND TOTAL	680,428,428	100.0%	570,293,234	100.00%	19.3%

(1) In 2021, Telepass payments include 1,187,336 SIT-SET transactions.

Transactions by method of payment on the network operated by Autostrade per l'Italia and the Group's other operators*

Method of payment	Number of transactions 2021	%	Number of transactions 2020	Increase/ (decrease) % 2021/2020	(%)
MANUAL CASH PAYMENTS	62,788,470	7.6%	51,487,666	7.5%	21.9%
Automated cash	117,776,905	14.2%	102,666,266	14.9%	14.7%
VIAcard direct debit	16,757,530	2.0%	17,809,530	2.6%	-5.9%
Telepass ⁽¹⁾	519,579,045	62.7%	437,243,449	63.3%	18.8%
Prepaid cards	6,870,684	0.8%	6,276,602	0.9%	9.5%
Credit cards	60,155,804	7.3%	41,046,702	5.9%	46.6%
FASTpay	30,568,873	3.7%	23,685,197	3.4%	29.1%
TOTAL AUTOMATED PAYMENTS	751,708,841	90.8%	628,727,746	91.1%	19.6%
Other (unpaid tolls, strikes, evasion, transits using automated self-service VIAcard "zero" tollgates at ASPI's stations in the city of Genoa)	13,788,690	1.7%	10,082,226	1.5%	36.8%
GRAND TOTAL	828,286,001	100.0%	690,297,638	100.0%	20.0%

(*) Excluding the Mont Blanc Tunnel.

(1) In 2021, Telepass payments include 1,235,552 SIT-SET transactions.

Service areas

There are currently 218 service areas along the motorway network operated by Autostrada per l'Italia and the Group's other motorway operators, 204 of which are on motorways operated by Autostrade per l'Italia. In addition, the Villa Costanza rest area on the A1 at Firenze Scandicci also offers food services, and motorists can park their cars there without leaving the motorway, board a tram and reach the centre of Florence in a few minutes.

In 2020, via the wholly owned subsidiary Free To X, Autostrade per l'Italia began implementation of the high-voltage electric charging infrastructure project - pursuant to Legislative Decree 257/2016 implementing the so-called DAFI Directive - at the Secchia West, Flaminia East and San Zenone West service areas on the A1 Milan-Naples motorway, and at the Conero West service area on the A14 Bologna-Taranto motorway. Moreover, the additional construction sites envisaged in the Plan for high power charging station infrastructure, and preparatory activities for liquid natural gas and hydrogen plant infrastructure on the ASPI network were started up.

Implementation of Autostrade per l'Italia's service area upgrade programme continued in 2021, as agreed with the Grantor in 2017. The programme covers 60 service areas and involves both extensive upgrades (makeovers) and refurbishment work designed to improve comfort and access at services areas for road users.

As at 31 December 2021, work on the refurbishment of 24 service areas and the makeover of a further 13 was completed. Work is currently in progress or included within broader network development

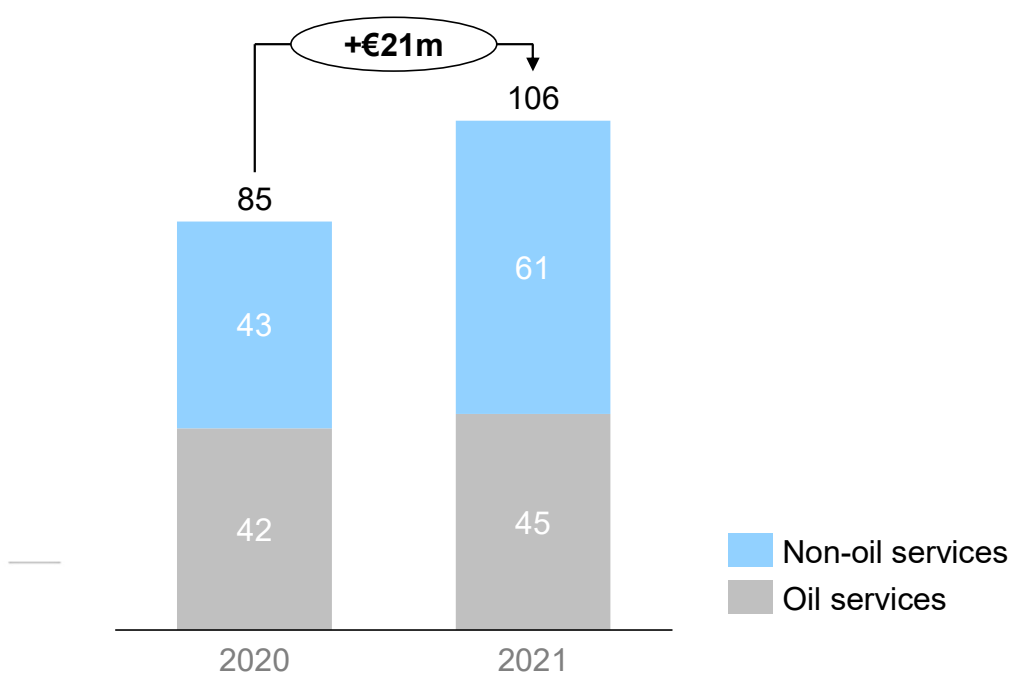
projects for the makeover of 4 areas, and the refurbishment of another 3 areas will soon be started. Another 16 makeovers are currently being developed or are awaiting the related consents.



In 2021, recurring royalties received from sub-operators in service areas on the network managed by Autostrade per l'Italia and the Group's other motorway operators totalled €105 million, an increase of €21 million compared with the previous year.

In 2021, Autostrade per l'Italia implemented a series of support measures for oil and refreshment service sub-operators to mitigate the negative effects of the Covid-19 health emergency on their business and to guarantee the quality standard of the services provided to motorway customers, given the limitations on their use following the measures issued by the Government and the relevant bodies. These measures include elimination of the guaranteed minimum annual fees, caps on oil and refreshment service royalties, the granting of discounts on fixed maintenance and activity-based fees, and provision of grants for special cleaning and sanitation activities carried out at retail outlets and toilets.

RECURRING ROYALTIES FROM SUB-OPERATORS - AUTOSTRADE PER L'ITALIA AND SUBSIDIARIES (€m)



Innovation, research and development

The Group's innovation, research and development activities aim to develop innovative, technologically advanced solutions designed to enhance the quality of the motorway service and boost its resilience, whilst also responding to climate change challenges and reducing their impacts, in line with the development guidelines set out in the 2020-2024 Plan (to which reference should be made for further details), and in compliance with European transport, sustainability, security and resilience objectives. In particular:

- guarantee 360° safety on roads, at construction sites and at places of work;
- ensure the highest quality standards throughout the value chain, from planning to execution and operation, including via the use of advanced analytical models and innovative infrastructure representation tools (BIM 3D-Building Information Technology);
- strengthen our commitment to digitalisation, through the development of information systems and the application of the highest technological standards, in order to improve the operational management of infrastructure and the efficiency of transport;
- "put the customer first", by offering new services to travellers throughout their journeys;
- develop a green and smart mobility for the future, in accordance with sustainability criteria.

These activities, some of which are long-term in nature, are undertaken by the relevant departments, generally in synergy with Group companies, and on occasion in collaboration with national and international research centres and universities or, in certain cases, industrial partners. Numerous projects were carried out in 2021, some of which were co-financed at EU level.

The activities completed and/or entered production in 2021 include:

- implementation of cashback for road users affected by construction site delays on motorways;
- implementation of the IBM Maximo Enterprise Asset Management system for innovative management of concession assets and enhancement of data assets;
- digitisation of registration and supervision procedures for bridges and viaducts;
- trialling vehicle category detection systems for tolling;
- new functions for monitoring and providing services to service area users, with the aim of improving the level of safety, offering innovative services, and improving the user experience of existing services, including providing support to operators;
- trialling the use of G5 technology, for implementation of C-ITS services (Cooperative ITS), to be provided to the vehicles of equipped users.

The main activities carried out in 2021 include:

- free-flow toll collection systems: for tracking and managing vehicles within motorway areas;
- evolution of traditional motorway operation systems with a view to developing new functions and services;
- technologies and vehicle-infrastructure interfacing to support innovative smart mobility services;

- Mobility Management systems for traffic control: construction of free-flow lanes using AID technology with high-precision radar); number plate detection and recognition; detection of hazardous goods, analysis of mobility events; use of artificial intelligence/machine learning (AI/ML) modules relating to accidents, management of expected traffic flows and possible disruptions in the presence of roadworks;
- testing of automated tunnel traffic detection and control systems in some of the main tunnels of the *Variante di Valico* - Fast route: installation of an experimental monitoring system for mobile telephony;
- digitalisation of the process of managing motorway assets by adopting key enabling technologies for use in the development of innovative approaches to the enhancement of data assets: the creation of a new platform, based on IBM's Maximo Enterprise Asset Management software;
- navigable 3D modelling of infrastructure and its components, subdivided into separate parts, and with associated geo-referenced data on the state of repair;
- creation of an Internet of Things (IoT) platform for monitoring infrastructure, supplemented with three-dimensional models obtained from drone surveys;
- innovative operation and infrastructure assessment systems: revision and evolution of standards and methodologies relating to the control and monitoring of motorway assets; in-depth study of the behaviour of structures subject to ageing, with particular regard to bridges and viaducts and methodological validation of actual infrastructure in the field;
- knowledge and assessment of the overall state of conservation of the network's tunnels using high-resolution instrumental survey techniques, supplemented by a new expert analysis method for mapping, monitoring and classifying the state of tunnels and its evolution;
- hydrogeological assessment of the network;
- predictive maintenance for pavements based on innovative Pavement Management Systems, thanks to new measuring systems and artificial intelligence algorithms: testing of innovative resurfacing solutions that are better suited to current traffic patterns and local environmental needs;
- development of integrated systems to assess the resilience of transport networks to climate events and the required levels of performance and service;
- Smart energy and environmental sustainability: testing of the recovery system for kinetic energy produced by vehicle traffic, to be integrated with existing systems for recovery from renewable sources (i.e., photovoltaic panels), to be installed in deceleration areas of the motorway network, such as service area and toll lane entrances;
- design system for the installation of widespread photovoltaic systems;
- metamaterials and energy harvesting: feasibility analysis on the transformation of vibrations caused by noise generated on motorways into energy for small applications;
- development of systems and initiatives to encourage an Open Innovation approach, as well as cross-fertilisation between Company know-how and tools and external expertise deriving from start-ups, universities, research institutes, consultants and non-competing companies.

EU-funded projects include participation in European programmes for the development and application of ITS-Intelligent Transport Systems services, involving various projects aimed at

increasing the efficiency of transport, especially freight transport, and logistics, road safety and user information along European road corridors.

Group companies' total expenditure on innovation, research and development in 2021 amounts to approximately €30 million, an increase of €11 million compared with 2020. This sum represents the total amount spent by the Group on research and development, including operating costs, staff costs and capital expenditure.

2.10 Workforce

As at 31 December 2021, the Autostrade per l'Italia Group employs 8,559 staff on permanent contracts and 661 temporary staff, making a total workforce of 9,220 (an increase of 1,542, equal to 20.1%, compared with the 7,678 of 31 December 2020). 1,647 of the additional personnel are the result of the Autostrade per l'Italia Group's first-time consolidation of Pavimental and Pavimental Polska from January 2021. The number of women in the workforce as at 31 December 2021 is 1,992 (1,771 as at 31 December 2020).

The increase of 1,201 in permanent staff is primarily linked to the following companies:

- Pavimental (an additional 1,348) and Pavimental Polska (an additional 68), consolidated for the first time from the end of January 2021;
- Tecne (up 115), following an increase in the workforce after the company became fully operational;
- Movyon (up 58), due to an expansion of certain organisational units;
- Infomobility (up 33), consolidated within the Group from the end of March 2021;
- Autostrade per l'Italia (down 382), due to terminations arising from the extraordinary early retirement scheme launched in 2021, and a slowdown in turnover primarily among toll collectors, partially offset by new hires linked to the Transformation Plan;
- Essediesse (down 23), primarily due to a slowdown in turnover.

The increase of 341 in temporary staff is primarily linked to the following companies:

- Pavimental (up 218) and Pavimental Polska (up 13), consolidated for the first time from the end of January 2021;
- Autostrade per l'Italia (up 69), due to greater use of seasonal toll collectors on temporary contracts;
- Tecne (up 26), following an increase in the workforce after the company became fully operational;

The average workforce of the Autostrade per l'Italia Group is up from 6,621 in 2020 to 8,778 in 2021, marking a total increase of 2,157 (32.6%), including agency staff. This increase is primarily linked to the following companies:

- Pavimental (an additional 1,340 on average) and Pavimental Polska (an additional 84 on average), consolidated for the first time from the end of January 2021;
- Tecne (up 585 on average), after the company began operating in December 2020;
- Autostrade per l'Italia (up 56 on average), reflecting the expansion of certain organisational units in connection with the Transformation Plan, partially offset by the extraordinary early retirement scheme, concentrated in the second half of 2021, and a slowdown in turnover primarily among toll collectors;
- Movyon (up 51 on average), due to an expansion of certain organisational units;
- Infomobility (up 33 on average), consolidated within the Group from the end of March 2021;

Information on the performance of staff costs is provided in the "Group financial review".

PERMANENT STAFF AT THE AUTOSTRADA PER L'ITALIA GROUP

	31 Dec 2021	31 Dec 2020	Increase/(Decrease)	
			absolute	%
Senior managers	142	120	22	18.3%
Middle managers	456	394	62	15.7%
Administrative staff	3,828	3,347	481	14.4%
Operational personnel	2,424	1,474	950	64.5%
Toll collectors	1,709	2,023	-314	-15.5%
Total	8,559	7,358	1,201	16.3%

TEMPORARY STAFF AT THE AUTOSTRADA PER L'ITALIA GROUP

	31 Dec 2021	31 Dec 2020	Increase/(Decrease)	
			absolute	%
Senior managers	1	-	1	n/a
Middle managers	3	1	2	n/a
Administrative staff	99	42	57	135.7%
Operational personnel	308	89	219	246.1%
Toll collectors	250	188	62	33.0%
Total	661	320	341	106.6%

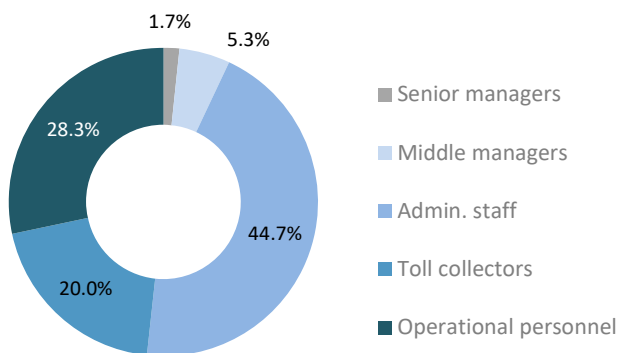
AVERAGE WORKFORCE AT THE AUTOSTRADA PER L'ITALIA GROUP

	2021	2020	Increase/(Decrease)	
			absolute	%
Senior managers	139	103	36	35.0%
Middle managers	442	339	103	30.4%
Administrative staff	3,887	2,785	1,102	39.6%
Operational personnel	2,424	1,411	1,013	71.8%
Toll collectors	1,886	1,983	-97	-4.9%
Total	8,778	6,621	2,157	32.6%

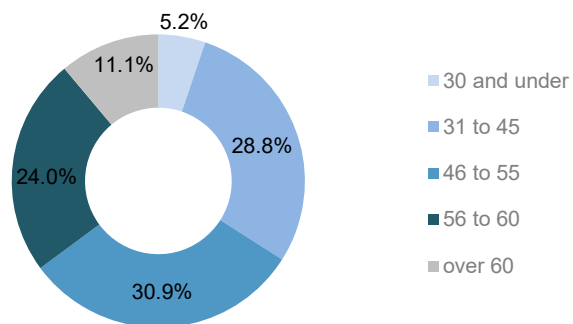
Breakdown of the Group's workforce

(permanent employees)

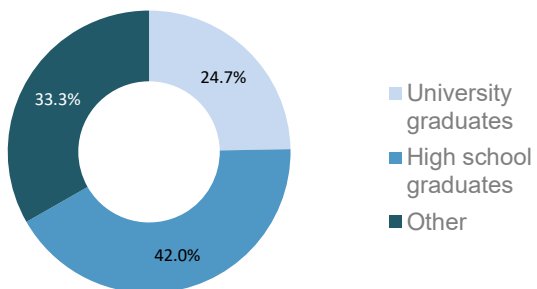
DISTRIBUTION OF PERMANENT STAFF BY CATEGORY



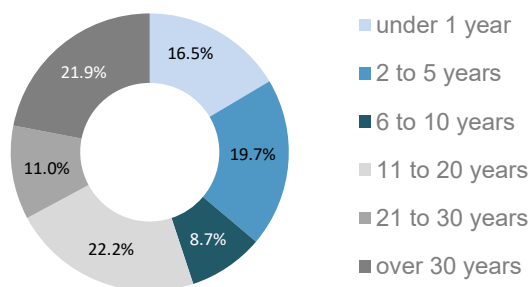
DISTRIBUTION OF PERMANENT STAFF BY AGE RANGE



DISTRIBUTION OF PERMANENT STAFF BY EDUCATIONAL QUALIFICATION



DISTRIBUTION OF PERMANENT STAFF BY LENGTH OF SERVICE



HR transformation

As set out in the Transformation Plan launched in 2020, Autostrade per l'Italia's key priorities include substantial investment to raise levels of safety and innovation by deploying significant resources across the network and to maintenance. In 2021, the world of human resources was also involved in this Transformation Plan, in the wake of the changes brought about in recent years by factors such as digitalisation, the development of data analytics systems and infrastructure, and the changing role of HR, which is mainly shifting towards coaching operational departments.

This gave rise to the HR Transformation Plan, with the aim of defining the new mission of the Human Capital, Organisation and HSE department. The Plan was conceived and developed on the basis of four strands:

- review of HR processes and the employee journey;
- review of the Group's organisation and governance;
- a data-driven mindset, with the aim of instilling a data-driven leadership culture and decision-making approach;
- development of key founding and enabling elements to underpin the other initiatives included in the Business Plan.

With a view to encouraging the adoption of a data-driven approach to guide and accompany the change management process at all levels of the Company, the HR Dashboard was developed in 2021 to support the management of factors that have an impact on staff costs. The HR Dashboard is an interactive data visualisation tool that enables sharing, monitoring, analysis and performance evaluation of key HR indicators relating to staff costs. The tool enables monitoring at Company, managerial and organisational unit level, as well as the possibility to drill down to the individual employee level. This allows for implementation of prompt analyses and identification of reactive, dynamic and effective intervention tools.

As well as promoting digitalisation and process optimisation, The HR Transformation Plan also encourages a data-driven approach to decision-making and policies based on transparency, integration, listening and active engagement of people.

Staff management and development

In 2021, with a view to supporting the achievement of ambitious Transformation Plan goals, and sustaining and developing skills, which represent a unique and distinctive asset for driving transformation and breaking through new technological frontiers to serve infrastructure networks and new integrated mobility systems, Autostrade per l'Italia undertook coordinated action regarding various aspects of the management, development and training of our people. The main initiatives that took place in 2021 were:

- definition of a new behavioural and leadership model that identifies Autostrade per l'Italia Group people;
- overall revision of the professional model and the structuring of the related skills catalogue, involving identification of 12 professional families, over 60 professions and 200 ASPI professional skills;

- the People4CompanyValue initiative to assess the 180° performance of all the Company's administrative staff, middle managers and senior managers (approximately 2,700 staff involved), by re-designing the process and the supporting IT tools. In 2022, the new process will be extended in to Autostrade per l'Italia's operational personnel and toll collectors as well as to our subsidiaries' staff, partly thanks to deployment of the new SAP SuccessFactors system;
- the Change4CompanyValue initiative to boost internal mobility, via an in-house recruiting process whose innovations include precise selection times, rapidity and the introduction of re-skilling activities for people selected to take on new roles in the Company;
- the launch of the innovative Lead, Excel, Develop (LED) programme for the development and training of talented young people (under 35). The initiative is designed to train the Group's new managers via a tailor-made pathway for each participant, consisting of various "stimuli" such as management training, specialist training, participation in panels and debates, corporate projects linked to the Strategic Plan, and an individual coaching programme aimed at improving all the professional and human aspects of the participants. For this first edition, 51 talented young people were selected from across all the Group companies;
- implementation of an important training plan to support the new hybrid working methods with a view to spreading the new leadership models and organisational culture, based on a renewed set of values, as well as boosting the development of an integrity and anti-corruption culture. The plan signed with the labour unions, called "Working remotely: flexible working, cross-cutting skills and support tools", involved more than 1,700 staff, with a per capita commitment of 96 hours of training, with a view to strengthening, developing and growing key skills, in order to:
 - accelerate and facilitate the technological transition of production and organisational models;
 - adapt staff skills to meet the new challenges introduced by the Business Plan and the new digital ways of working;
 - spread the Company's values and internalise the behaviours of the new people evaluation model;
- the launch of the second level master's degree in integrated engineering and motorway network management, designed in partnership with the Polytechnic Universities of Turin and Milan and MIP and dedicated to 20 recent engineering graduates under 30 with an excellent academic background, who will be hired by the Group from June 2021 for 24 months under an advanced training scheme (featuring an important training programme of over 1,400 hours of academic and company training, as well as the development of project work);
- the launch of the customised off-road master's degree for future leaders, a management programme aimed at 25 talented young people, in collaboration with SDA Bocconi Management School as part of the two-year agreement signed in 2020;
- the launch of the customised advanced management programme dedicated to around 20 young Group executives in collaboration with Luiss Business School, with which a two-year agreement was signed at the end of 2020;
- as part of the two-year agreement with the Sant'Anna School of Advanced Studies, activation of advanced training courses on corporate legality and combating public and private wrongdoing;
- activation of a training package for Group managers aimed at strengthening and aligning managerial skills (data-driven mindset, communication in crisis situations, safety culture, 360° ESG sustainability, culture of inclusion, culture of integrity);

- the launch of a new 12-month onboarding training programme for new hires, featuring the introduction of a buddy system, in which a senior colleague is tasked with helping new hires to integrate and learn about corporate processes. Digitalisation of the new onboarding process, thanks to the introduction of the new SAP SuccessFactors system, also began in 2021;
- within the scope of the Motorways of Knowledge, a network of strategic partnerships with the most prestigious universities and business schools aimed at ensuring the evolution and continuous sharing of expertise, new collaborations were set up, including with:
 - University of Naples Federico II, involving a three-year agreement for the creation of a Smart Infrastructure Academy and the development of R&D activities in infrastructure design and maintenance engineering;
 - La Sapienza University of Rome, regarding fellow sponsorship of a master's degree in infrastructure analysis and monitoring, including internships in our business departments, and R&D activities relating to diversity and inclusion policies, with particular reference to new flexible working models;
 - Tor Vergata University, regarding fellow sponsorship of a second level master's degree on anti-corruption.

In 2021, the Group confirmed its commitment to developing corporate welfare policies aimed at the entire workforce, with a particular focus on initiatives aimed at new flexible ways of working, re-establishing social relations, proximity and psychological support. In particular, Autostrade per l'Italia introduced the right to disconnect for 1.5 hours a day during the health emergency, in order to enable supervision of children engaged in distance learning. An agreement regarding remote working was also signed, including solutions that have a direct impact on improving work-life balance: flexible working hours, the right for remote workers to disconnect for 4 hours, and the concept of working from everywhere.

As part of the broader programme of cultural change, a Diversity, Equality and Inclusion department was set up, with the aim of proposing, guiding and monitoring all initiatives relating to the development of an increasingly inclusive organisational culture geared towards the enhancement of all forms of diversity.

The main initiatives that took place in 2021 were:

- establishment, with the labour unions, of a bilateral committee for the protection and inclusion of diversity, with a view to monitoring the trend of women's employment at the Company, guaranteeing equal career opportunities and developing initiatives aimed at pursuing an increasingly cutting-edge corporate welfare policy, which can provide concrete support for joint parenting;
- preparation of a Diversity, Equality and Inclusion Manifesto that sets out a programme to enhance pluralism within the Company (gender, generations, disability), which was presented to the Minister for Equal Opportunities and the Family on 21 June 2021;
- implementation of a series of initiatives to further attract talented young women, in partnership with leading business schools and polytechnic universities with which ASPI has entered into technical and scientific teaching collaboration agreements, including participation in career days, involvement of students in corporate challenges, and provision of scholarships for female STEM students at the Polytechnic University of Milan;
- implementation of a training and awareness-raising programme to encourage young people to opt for a STEM degree, especially women: over 20 hours dedicated to around 400 high school

students (4th and 5th year) and their teachers, with the participation of HR managers, master craftsmen and role models from Autostrade per l'Italia;

- definition of a new recruitment policy, including a pledge to consider at least 1 woman out of every 3 candidates for each new vacancy during the final selection stage;
- delivery of training courses on the culture of inclusion, involving around 1,700 staff, with approximately 15,000 hours devoted to the subject;
- launch of a certification process in accordance with the ISO30415 standard, definition of Group diversity and inclusion guidelines, and incorporation of diversity and inclusion principles in the Integrated Quality Management Systems Policy, in order to support the 2021-2023 programme and ensure a truly inclusive working environment;
- implementation in schools of initiatives to raise awareness of respect for and protection of the dignity and inviolability of the person, setting up of a listening and primary care centre to combat all forms of abuse, and strengthening the internal regulatory system with an anti-harassment handbook to complement the Code of Ethics in order to spread and raise awareness of whistleblowing.

Organisation

Autostrade per l'Italia's organisational model continued to evolve in 2021, with the aim of facilitating and supporting the process of change the Company has embarked on, and, together with other enabling factors, helping to implement the Strategic Transformation Plan.

In line with this goal and in continuation of the efforts made in the previous year, the organisational actions undertaken in 2021 resulted in:

- evolution of the Company's operating model via:
 - establishment of the Operations Business Unit, tasked with strengthening business areas focused on operational network management, overseeing and commercially developing service areas, and consolidating the "matrix" operating model between central technical departments and the Area Offices;
 - definition of a new organisational model for the Engineering and Construction Business Unit, aimed at strengthening the business areas responsible for implementation of Business Plan infrastructure projects, national plans and modernisation of the network, and consolidating the "matrix" operating model between central technical departments and the Area Offices;
 - definition of Tecne's new organisational model regarding the development of engineering design, works management and safety coordination processes, which are needed to implement the investments envisaged in Autostrade per l'Italia's Business Plan;
- establishment of the Planning, Control and Company Transformation department to strengthen oversight of planning and control issues, as well as the monitoring of Transformation Plan initiatives;
- strengthening of the Internal Audit and Risk Management system by defining a new organisational model for the Risk, Compliance and Quality department and fine-tuning the organisational structure of the Internal Audit department;

- strengthening of business innovation management, in order to grasp captive and non-captive opportunities by setting up a research, development and technological innovation hub for the Group at Movyon;
- strengthening of quality control by introducing a quality assurance hub and units focused on aspects of quality control in the business areas;
- consolidation of the Autostrade per l'Italia Group via incorporation of new companies (e.g., Pavimental), the start-up of operations by new companies (Free To X), and reshaping of the subsidiary coordination model to include group functions that guide key processes and activities for achievement of the Group's strategic objectives.
- In addition, with a view to facilitating the process of sharing performance, the status of initiatives and corporate and Group strategic projects, and cooperation between organisational structures, the Dialogue4CompanyValue process was further optimised in 2021.

Workplace health and safety

The Autostrade per l'Italia Group deems that the human factor plays a decisive role in the planning, operation and long-term development of our activities, and therefore we consider our commitment to workers' health and safety to be a strategic investment for the future.

A number of health and safety initiatives were launched in 2021, aimed at continuous improvement and the achievement of concrete, valid and significant results - above all a reduction in accident rates - which will lead to Autostrade per l'Italia's recognition as a health and safety management leader and the creation of 360° safe workplaces, in line with the Company's values.

A Health, Safety and Environment Committee was set up, whose main mission is to spread and establish a robust safety culture at the Company, and to constantly improve HSE best practices.

In 2021, this committee promoted the adoption of Autostrade per l'Italia Group's Health and Safety Programme, which will be made official and shared with stakeholders in 2022. The Health and Safety Programme is based on 7 key elements (pillars), and for each key element illustrates "our commitment" and "how we achieve it":

- 1) leadership and management
- 2) worker participation
- 3) risk analysis and assessment
- 4) prevention and protection
- 5) education, training and awareness
- 6) monitoring, checks and improvement
- 7) dialogue with contractors and subcontractors

The health and safety leadership programme, called Active Safety Value, which was designed and launched in 2020, continued in 2021. In this programme the Company decided to develop our own distinctive methodology, set out in accordance with our organisation and specific operating area, with the aim of strengthening and instilling a safety culture, by leveraging health and safety management leadership and the cascading process, and shifting the mindset of the Group's people, in the interests of health and safety protection. The programme provides for the training of safety coaches, safety supporters and trainers, and involves over 1,200 people. The project was also launched at Pavimental in 2021 and will be extended to other Group companies in 2022.

To strengthen health and safety leadership, boost commitment to health and safety within the Group, and expand improvement and prevention actions, Autostrade per l'Italia introduced a number of distinctive safety tools: safety walks, safety meetings and safety moments.

In 2021, the Group's training programme also addressed contractor workers via induction and onboarding procedures regarding rules and behaviour to be adopted at worksites, in line with Autostrade per l'Italia's health and safety mission and worldwide rules, which involved over 10,000 employees from external companies.

The development of the project to strengthen first- and second-level audits at construction sites was also vital for achievement of the safety objectives, with the aim of increasing the number of checks with the help of external companies, in order to have an accurate picture of the situation and effectively guide preventive actions. In 2021, the audit programme covered more than 1,500 sites.

In addition, a single standard for analysing Group health and safety accidents and close calls was defined during the year, in order to ensure a rapid and effective flow of data and information regarding events, and systematic dissemination of lessons learned. The procedure involves seeking to determine the root causes of accidents (root cause analysis using SCAT methodology), with the aim of identifying the most appropriate solutions to prevent reoccurrence of similar events. Root cause analysis is based on the assumption that it is far better to systematically prevent and solve the underlying problems, rather than merely dealing with the immediate causes and tackling the problem on a case-by-case basis.

In 2021, Autostrade per l'Italia's Health and Safety Dashboard was also created and shared with internal stakeholders, with a view to:

- ensuring the availability of user-friendly, timely and reliable data and KPIs regarding accident performance, in order to support health and safety decision-making, operational and control processes, and ensure consistency by using a single repository;
- monitoring performance trends, and comparing them with the set targets;
- monitoring the effectiveness of health and safety initiatives undertaken to reduce accidents and identify areas and opportunities for improvement.

Industrial relations

Dialogue with the labour unions in 2021 was primarily focused on accompanying the new Group Transformation Plan.

Under the national labour union agreement of 15 April 2021, a portion of the performance bonus was awarded exclusively to employees in service at 31 December 2020, and a new assessment method, in line with management objectives, was introduced, based on four parameters: profitability; operational excellence and digitalisation; safety and quality; sustainability.

Furthermore, in the agreements of 5 and 12 May 2021, the Company and the labour unions agreed to use the legislative instrument represented by the *Contratto di Espansione*, a form of early retirement for workers who have yet to reach retirement age. This will encourage generational turnover and consequently make the system more efficient and accelerate the processes of digitalisation and organisational transformation.

In line with the Company's Transformation Plan, the agreement of 11 May 2021 launched the New Skills Fund, a major training plan to disseminate Autostrade per l'Italia's renewed values and new organisational culture.

As part of the restructuring of the Group's commercial services and the creation and development of the new company, Free To X, in the agreement with the labour unions of 29 July 2021 it was decided to close 41 Punto Blu customer help desks across Autostrade per l'Italia's entire network to the public, while the remaining 15 will be converted to handle the new services envisaged in Free To X's plan.

With the labour union agreement of 30 September 2021, the trialling of a new organisational model was launched, which provides for the shared management of two neighbouring tollbooths on night shifts and sets out a plan for gradual automation of toll stations during 2022 and 2023.

Moreover, with a view to developing a new participatory model with the labour unions the following committees were set up:

- a bilateral committee to develop and improve a range of initiatives for the protection and inclusion of diversity, as mentioned above;
- a bilateral strategic development committee that will provide a participatory and consultative mechanism for workers, thus enabling their involvement in the Group's strategic processes, via a new approach to enhance transparency and improve the value system.

With regard to work organisation, agreements were reached to manage the emergency pandemic:

- recognition, on an experimental basis, for all non-operational staff working remotely, of the right to disconnect for a maximum of 1.5 hours per day, during the morning, to assist children engaged in distance learning, as previously mentioned;
- trialling of a hybrid work organisation model to achieve a balanced alternation between face-to-face and remote work, which, among other objectives, enables promotion of sustainable mobility and minimisation of environmental impacts. The model, in line with Government decisions to continue the state of emergency, will be valid until 31 March 2022.

2.11 Corporate governance and ownership structures

This section sets out the main features of Autostrade per l'Italia's Corporate Governance, thereby fulfilling the disclosure requirements for companies issuing shares admitted to trading on regulated markets provided for by art. 123-*bis* of Legislative Decree 58 of 24 February 1998 (the "Consolidated Finance Act" or "CFA"), in terms of the disclosures required by paragraph 2, letter b)¹.

As Autostrade per l'Italia does not have shares listed on the market managed by Borsa Italiana, the Company is not required to adhere to the principles of the Corporate Governance Code (formerly the Voluntary Code). However, the Company has adopted governance procedures that comply with many of the Code's provisions, thereby aligning itself with corporate governance best practices.

2.11.1 Autostrade per l'Italia SpA's ownership structure

2.11.1.1 Structure of the issued capital

Autostrade per l'Italia's issued capital consists of registered ordinary shares. The shares are indivisible and each share has one voting right. The holders of Autostrade per l'Italia's shares may vote at the Company's ordinary and extraordinary general meetings and, otherwise, exercise the shareholder and patrimonial rights granted to them under existing legislation, within the limits established by the legislation and the Company's Articles of Association.

As at 31 December 2021, the Company's issued capital amounts to €622,027,000, represented by 622,027,000 ordinary shares with a par value of €1.00 each.

Autostrade per l'Italia's shareholder structure at the date of this Annual Report is as follows.

Shareholder	No. of shares held	% of issued capital
Atlantia SpA	547,776,698	88.0632%
Appia Investments Srl (*)	43,148,952	6.9368%
Silk Road Fund Ltd.	31,101,350	5%

(*) An investment vehicle owned by Allianz Group, EDF Invest and DIF.

To provide a full picture, it should be noted that, on 12 June 2021, the shareholder, Atlantia SpA ("Atlantia") signed an agreement with Holding Reti Autostradali SpA ("HRA") - a company in which CDP Equity SpA, The Blackstone Group International Partners LLP and Macquarie European Infrastructure Fund 6 SCSp hold interests - regarding the sale of the entire interest held by Atlantia

¹ Given that the Company has not issued shares admitted to trading on a regulated market or in a multilateral trading system, the Company has chosen to apply the option granted by paragraph 5 of art. 123-*bis* of the Consolidated Finance Act and to omit publication of the disclosures referred to in paragraphs 1 and 2, with the exception of those required by paragraph 2, letter b) of the same article 123-*bis*.

SpA. The transfer of the Autostrade per l'Italia shares held by Atlantia to HRA will be completed once the conditions precedent in the sale agreement have been fulfilled or waived.

The shareholders, Appia Investments Srl and Silk Road Fund Ltd., did not exercise their tag-along right under Autostrade per l'Italia's Articles of Association by the deadline specified therein, and, therefore, the transfer to HRA will not affect the Autostrade per l'Italia shares they hold.

Autostrade per l'Italia is under the legal control of Atlantia SpA, a joint-stock company listed on the screen-based trading system (*Mercato Telematico Azionario*) operated by Borsa Italiana SpA. The Company is managed and coordinated by Atlantia pursuant to articles 2497 *et seq.* of the Italian Civil Code until 15 October 2021. On this date, Atlantia informed the Company, among other things, that, at a Board meeting held on 14 October 2021 - in view of its organisational, operational and managerial restructuring, which has led Atlantia to focus on its core activities relating to portfolio management, strategy, risk, talent acquisition, partnership, innovation and sustainability, and following the redefinition of relations with its subsidiaries, which are granted full managerial autonomy - it was decided to cease management and coordination of Autostrade per l'Italia, among others, and consequently to repeal the related Management and Coordination Regulations adopted on 19 January 2018, as subsequently amended by Atlantia's Board of Directors on 15 February 2019.

On 9 November 2021, having conducted the necessary evaluations, Autostrade per l'Italia's Board of Directors acknowledged that Atlantia had ceased to manage and coordinate Autostrade per l'Italia and instructed the relevant bodies to take the necessary steps to meet the ensuing legal requirements.

2.11.1.2 Restrictions on the transfer of Autostrade per l'Italia's shares

The Company's Articles of Association place certain restrictions on the transfer of Autostrade per l'Italia's shares. Specifically, the restrictions establish that:

- (a) the transfer of shares (or other equity-like financial instruments) held by minority shareholders is subject to prior approval by the Company's Board of Directors. This approval may, however, only be refused when the transfer is to one of the prohibited transferees indicated in the Articles of Association;
- (b) in the event that a minority shareholder wishes to transfer their shares (or other equity-like financial instruments held), they must give the other shareholders the right of first refusal, meaning that the minority shareholder wishing to sell has an obligation to offer the shares first to Autostrade per l'Italia's other shareholders; and
- (c) in the event that the majority shareholder wishes to transfer their shares (or other equity-like financial instruments held) and the transfer gives rise to a change of control, as a result of which the transferee becomes the new majority shareholder, the minority shareholders must be given a tag-along right, obliging the majority shareholder to ensure that the purchaser of the shares must also purchase the shares held by the minority shareholders who choose to exercise such right.

The above restrictions do not apply to transfers between shareholders and their affiliates, with the exception of transfers to one of the prohibited transferees indicated in the Articles of Association.

Restrictions on transfers provided for in the shareholder agreements governing Autostrade per l'Italia's shares are described below in section 2.11.1.3.

2.11.1.3 Shareholder agreements governing Autostrade per l'Italia's shares

Shareholder agreement signed, among others, by Atlantia, Appia and Silk Road

On 26 July 2017, Atlantia SpA ("**Atlantia**"), Appia Investments Srl ("**Appia**") and Silk Road Fund Co., Ltd. ("**Silk Road**") entered into a shareholder agreement (the "**Agreement**").

In addition to Atlantia, Appia and Silk Road, the Agreement was also signed by Allianz Infrastructure Spain Holdco II Sàrl (initially Allianz Infrastructure Luxembourg I Sàrl), Allianz Pensionskasse Aktiengesellschaft, Allianz Pensionskasse Aktiengesellschaft, DIF Infrastructure IV Coöperatief UA, DIF Infrastructure V Coöperatief UA and Électricité de France SA, solely in respect of specific provisions in the Agreement, in that they are (direct or indirect) shareholders of Appia.

The signatories to the Agreement agreed to include all the shares they hold in Autostrade per l'Italia in the Agreement.

Given that, pursuant to Articles 2359, paragraph 1 of the Italian Civil Code and 93 of the CFA, at the Closing Date, the Company, through its 58.98% interest, exercises legal control over Autostrade Meridionali SpA ("**SAM**"), whose shares are traded on the screen-based trading system (Mercato Telematico Azionario) operated by Borsa Italiana SpA, the commitments given under the Agreement regard the shares of a company that controls an issuer of listed shares and, as such, are subject to the provisions of Article 122 of the CFA, and specifically Article 122, paragraphs 1 and 5, letters a), b) and d) of the CFA.

By executing the Agreement, Atlantia, Appia and Silk Road intended to establish the terms and conditions governing their mutual relations as shareholders of Autostrade per l'Italia.

The Agreement came into effect at the signature date (being 26 July 2017) and is tacitly renewable for further periods of three years unless one or more of the parties decides to withdraw, to be notified in writing at least six months prior to each expiry date.

Given that the above deadline has passed without any of the parties exercising their right of withdrawal, at the natural expiry date the Agreement will be automatically renewed for a further three years until 26 July 2023.

For further information on the content of the Agreement, reference should be made to the Essential Information on the Agreement published pursuant to Article 122 of the TUF and Article 130 of CONSOB Regulation 11971 of 14 May 1999, and available on Autostrade Meridionali SpA's website (www.autostrademeredionali.it) in the section *Governance / Quotazione Titolo / Patti Parasociali* and on CONSOB's website.

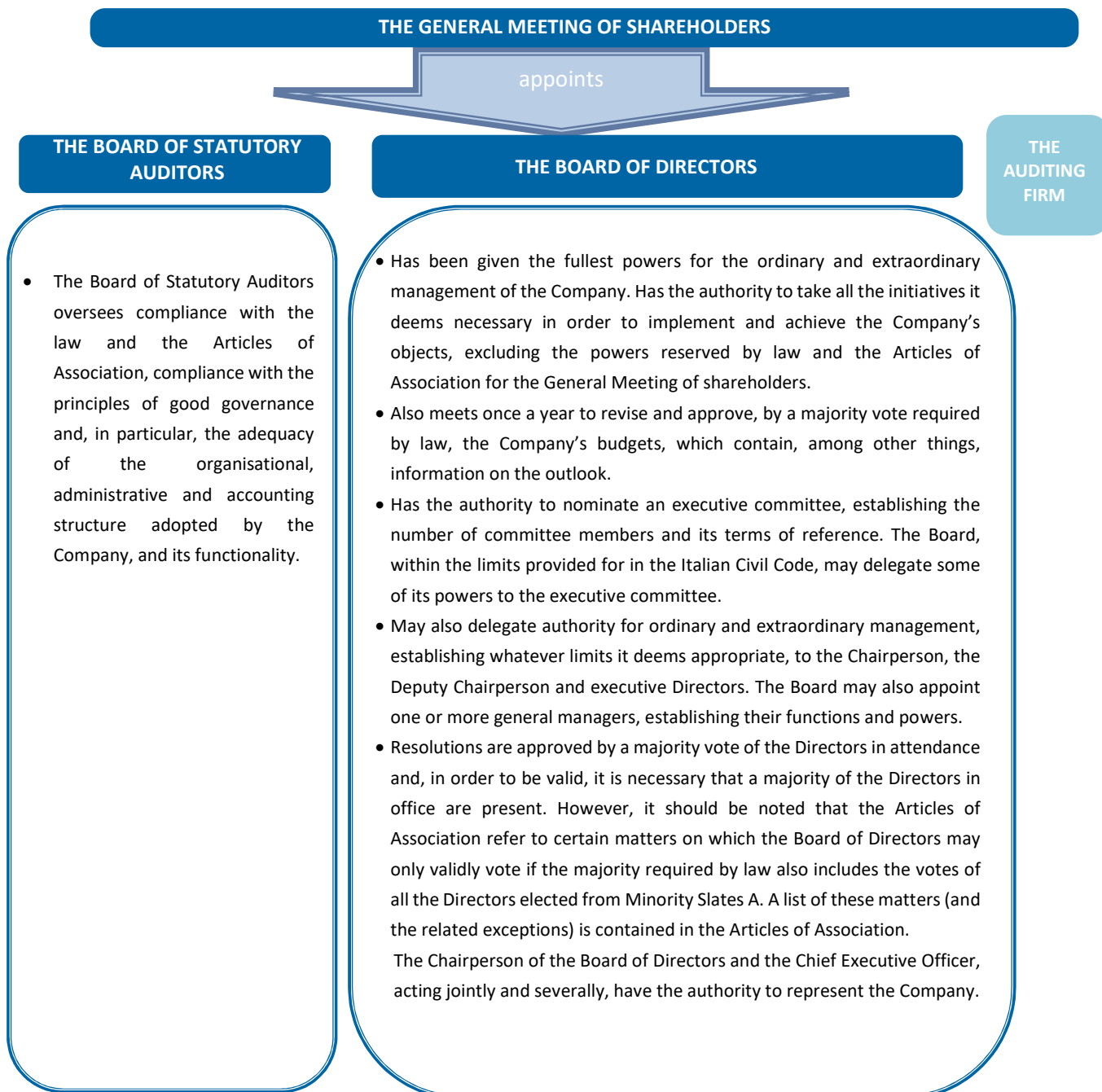
2.11.2 Autostrade per l'Italia SpA's corporate governance system

The Corporate Governance system adopted by Autostrade per l'Italia SpA (the "**Company**" or "**Autostrade per l'Italia**") is based on a collection of rules that are in line with regulatory guidelines and *best market* practices, in line with the applicable Statutory and regulatory requirements.

The Company's corporate governance structure takes the traditional Italian form which – without prejudice to the role of the General Meeting of shareholders – assigns executive responsibility to the Board of Directors and responsibility for supervision to the Board of Statutory Auditors. This corporate governance structure, like the Company's overall organisational structure, is in keeping with Autostrade per l'Italia's aim of maximising operational efficiency.

The Company's corporate bodies are the General Meeting of shareholders, the Board of Directors and the Board of Statutory Auditors. The powers and roles of the various corporate bodies are

governed by law, the Articles of Association and the resolutions passed by the competent bodies, as the case may be.



2.11.2.1 The General Meeting of shareholders

General Meetings enable shareholders to play an active role in the life of the Company, deliberating on matters falling within its purview in accordance with the law and the Articles of Association. General Meetings may be held in ordinary and extraordinary session.

The Ordinary General Meeting, in particular, must be called, at least once a year, within one-hundred and twenty days after the end of the financial year, or, in certain instances, within one-hundred and eighty days.

The resolutions adopted by ordinary and extraordinary general meetings are passed by the majority required by law. As a partial exception to the above rule, applicable on a general basis, the Articles of Association refer to certain matters on which the General Meeting may only validly vote if the above majority also includes the votes of all the minority shareholders who individually, at the date of the relevant General Meeting, hold at least 5% of the Company's issued capital. A list of these matters (and the related exceptions) is contained in the Articles of Association.

The procedures for calling and conducting General Meetings and for shareholders to exercise their rights are governed by law and the Articles of Association.

2.11.2.2 The Board of Directors

Composition and term of office

In accordance with the Articles of Association, the Board of Directors has no less than seven and no more than twenty-three members, elected by ordinary General Meeting of shareholders for a period of not more than three years. The same General Meeting determines the number of Directors to be elected based on the number of slates presented (see below). Directors may be re-elected on expiry of their term of office.

With regard to composition, reference should be made to section 1.6 "Corporate bodies" of this report.

Election and replacement of members of the Board of Directors

The Articles of Association require the entire Board of Directors to be elected by slate vote. The related slates may be submitted by one or more shareholders representing, individually or jointly with other shareholders, at least 5% of the Company's issued capital. Each shareholder may take part in the presentation of a slate.

The slates are voted on and each shareholder, regardless of the number of shares held and whether or not they have submitted a slate, may vote on only one slate.

Members of the Board of Directors are elected in the following manner:

- (a) if only one slate has been submitted, all the members of the Board of Directors are elected from that slate;
- (b) if two or more slates have been submitted;
 - (i) all the Directors, less the number of Directors that, in accordance with the criteria described in point (ii) below, must be elected from the Minority Slates, are elected from the Majority Slate in sequential order as they appear on the slate. The number of Directors elected from the Majority Slate cannot, in any event, be less than 60% (after rounding up) of the total number of Directors to be elected;

- (ii) the remaining Directors are elected from the Minority Slates as follows: (A) one Director from each Minority Slate A¹ and (B) one Director from Minority Slate B² obtaining the greatest number of votes, in each case, in the same sequential order as the candidates appear on the slates. With regard to the criteria described in point (i), the number of Directors elected from the Minority Slates may not exceed, on an aggregate basis, 40% (after rounding down) of the Directors to be elected;
- (c) if no slate is submitted, the Directors are elected by majority vote of the General Meeting, as required by law, following the presentation of candidates meeting the relevant requirements. Should two or more Minority Slates B obtain the same number of votes, a further deciding vote is held.

In line with the above, if during the financial year one or more Directors leaves their post, the Board of Directors proceeds to replace – via co-optation pursuant to Article 2386 of the Italian Civil Code – the departing Director with a candidate from the same slate to which the departing Director belonged. The General Meeting, called to confirm the co-opted Director, then approves the replacement, by majority vote, applying the same criterion. If, for whatever reason, it is not possible to replace the departing Director in the above manner (*e.g.* because there are no further candidates available from the slate to which the departing Director belonged), or because the Director co-opted by the Board of Directors is not confirmed by the General Meeting, or because a majority of the members of the Board of Directors elected by General Meeting leave their posts, the entire Board of Directors is deemed to have been terminated and a new General Meeting must be called to elect a new Board of Directors in accordance with the slate vote mechanism.

¹ A slate presented by a minority shareholder individually holding an interest equal to at least 5% of the Company's issued capital.

² A slate presented by a group of shareholders holding an aggregate interest equal to at least 5% of the Company's issued capital.

THE BOARD OF DIRECTORS

HAS ESTABLISHED

THE MAJOR WORKS COMMITTEE

Is responsible for monitoring, among other things, the performance and completion of construction contracts. Comprises at least five members and includes the Chairman of the Board of Directors, the Chief Executive Officer and a Director from each Minority Slate A.

The secretary of the Major Works Committee is the secretary to the Board of Directors.

THE INTERNAL CONTROL AND RISK COMMITTEE

Is responsible for preparing information in order to support the Board of Directors in their related assessments and decision-making, in relation to the internal control system and risk management, and with regard to periodic financial reporting. Consists of non-executive Directors, most of whom are independent, including at least one with appropriate experience of matters relating to accounting and finance or risk management; The Committee issues a half-yearly report to the Board on its activities.

The secretary to the Internal Control and Risk Committee is the head of the Internal Audit department.

THE HUMAN RESOURCES COMMITTEE

Is responsible for advising and making proposals to the Board regarding remuneration policies and incentive schemes, as well as spreading a culture of long-term value and alignment with shareholder interests. Consists of non-executive Directors, including at least one who is independent and has appropriate experience of finance and remuneration policies. The Committee, through its Chairman, periodically reports on its activities to the Board of Directors.

The secretary to the Human Resources Committee is the head of the Human Capital, Organisation and HSE department.

THE SUSTAINABILITY COMMITTEE

Is responsible for advising and making proposals to the Board regarding sustainability, in order to promote the progressive integration of environmental, social and governance factors into the Company's activities with a view to creating sustainable value for shareholders and other stakeholders in the medium to long term. Consists of non-executive Directors, including at least one who meets the independence requirements set out in the Company's Articles of Association. The Committee, through its Chairman, periodically reports on its activities to the Board of Directors.

The secretary to the Sustainability Committee and Sustainability Office Leader is the CFO

With regard to its composition, reference should be made to section 1.5 "Corporate bodies" of this report.

2.11.2.3 The Board of Statutory Auditors

Composition and term of office

The Board of Statutory Auditors may have three or five standing members and two alternates, elected by General Meeting, partly in order to comply with the requirements of the Single Concession Arrangement entered into by the Company with ANAS SpA, whose place was taken by the Ministry of Sustainable Infrastructure and Mobility from 1 October 2012. The general Meeting of shareholders establishes the number of members of the Board of Statutory Auditors when electing the Board.

The Statutory Auditors remain in office for three years and their term expires on the date of the General Meeting called to approve the financial statements for the last financial year of their term of office.

With regard to its composition, reference should be made to section 1.5 "Corporate bodies" of this report.

Election and replacement of members of the Board of Statutory Auditors

The Board of Statutory Auditors is elected by slate vote.

The slates may be submitted (i) individually, by the Majority Shareholder, and (ii) individually or jointly with other shareholders, by each Minority Shareholder holding at least 5% of the Company's issued capital. Each shareholder may take part in the presentation of a slate.

The slates are voted on and each shareholder, regardless of the number of shares held and whether or not they have submitted a slate, may vote on only one slate. Members of the Board of Statutory Auditors are elected in the following manner:

- (a) if only one slate has been submitted, all the standing and alternate members of the Board of Statutory Auditors are elected from that slate, with the exception of the statutory auditors to be elected in accordance with the terms of the Single Concession Arrangement;
- (b) if two or more slates have been submitted:
 - (i) all the standing and alternate Auditors, with the exception of (A) the Auditors that must be elected or designated in accordance with the terms of the Single Concession Arrangement and (B) the Auditors that must be elected from the slate obtaining the second highest number of votes, are elected from the slate receiving a majority of the votes in sequential order as they appear on the slate;
 - (ii) one standing and one alternate Auditor are elected from the slate obtaining the second highest number of votes in sequential order as they appear on the slate, without prejudice to the fact that, if one or more slates receive the same number of votes, the slate from which the above standing and one alternate Auditor are to be taken must be drawn by lot, conducting the draw in accordance with the procedure established by the Chair of the General Meeting, so as to ensure that the draw is conducted in a transparent and non-discriminatory manner.

As stated, the above mechanism does not affect the designation and election of a member of the Board of Statutory Auditors in compliance with the terms of the Single Concession Arrangement.

The standing Auditor elected from the slate obtaining a majority of the votes at the General Meeting and occupying the lowest sequential position in the slate is automatically appointed Chairperson of the Board of Statutory Auditors.

In the event of replacement of a standing Auditor, the vacant position is filled by the longest serving alternate Auditor, and any new Auditors remain in office until the next General Meeting of shareholders, which elects any new standing or alternate Auditors to the Board, as required.

In the event of replacement of the Chair, the longest serving standing Auditor holds the Chair until the next General Meeting of shareholders.

If outgoing members of the Board of Statutory Auditors cannot be replaced by alternate Auditors, a General Meeting of shareholders must be convened to appoint new members to the Board.

2.11.3 Internal control and risk management system

2.11.3.1 Introduction

The internal control and risk management system consists of all the instruments, rules, procedures and corporate organisational structures designed to enable - via the adequate identification, measurement, management and monitoring of the main risks - sound and correct management of the Company in a manner consistent with the Company's objectives set out by the Board of Directors.

The risk management and internal control system established by the Board of Directors shall be based on the following general principles:

- **operational powers:** operational powers are assigned taking account of the size and risks associated with the various categories of transactions;
- **organisational structures:** the organisational structures are arranged in such a way to avoid functional overlaps and the concentration of responsibility for highly critical or risky activities in one individual;
- **regular reports:** each process is subject to a set of standards and a related regular report designed to measure its efficiency and effectiveness;
- **regular analyses:** the professional knowledge and skills available within the organisation are periodically analysed in terms of their match with the objectives assigned;
- **operating processes:** operating processes are defined in such a way as to ensure that there are adequate documentary records enabling their continuous assessment in terms of fairness, consistency and responsibility;
- **security systems:** security systems guarantee an adequate level of protection for the corporate organisation's assets and data, to allow access to data as required in order to carry out the activities assigned;
- **risk monitoring:** the risks connected to achievement of objectives are identified and periodically monitored and updated. Negative events that may pose a threat to the organisation's business continuity must be appropriately assessed and the related protections adapted;
- **ongoing supervision:** the risk management and internal control system must be subject to continuous supervision to enable periodic assessment and ongoing adaptation.

2.11.3.2 Governance of the internal control and risk management system

The governance model of the internal control and risk management system is inspired by best practices in this field, including:

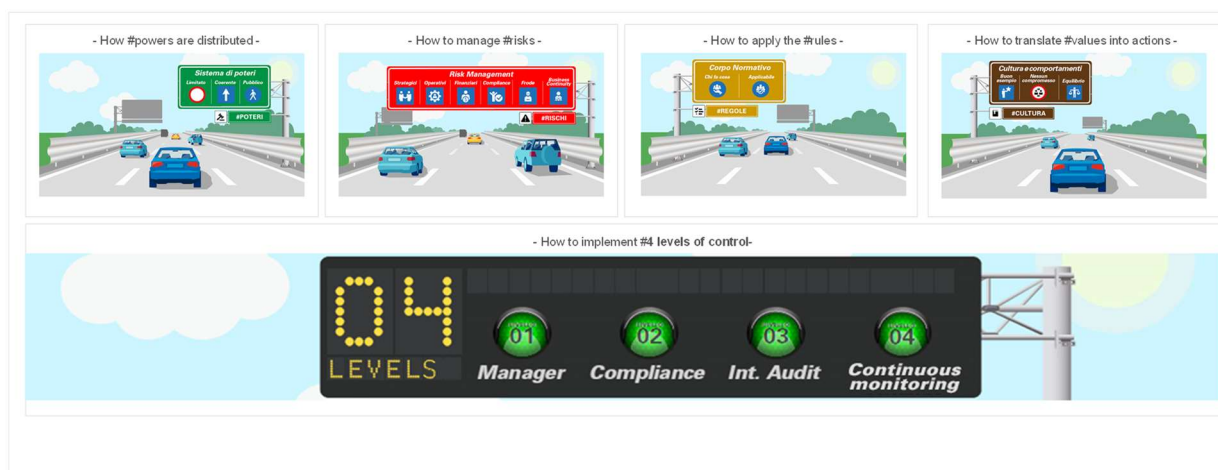
- the **Board of Directors** provides overall guidance and approves the risk appetite and the risk-based Audit Plan.
- the **Internal Control and Risk Committee**, among others, is tasked with assisting the Board of Directors (i) in defining the guidelines of the internal control and risk management system; in assessing the adequacy of the system, at least once a year, in terms of the characteristics of the Company and the risk profile adopted and its effectiveness; (ii) in evaluating the results presented by the Statutory Auditor in any letter of recommendations and in the report on key issues arising from the statutory audit; (iii) in approving regular financial reports. The Internal Control and Risk Committee has investigative, proposal-making and advisory functions regarding the internal control and verification system in all the subsidiaries;
- the **Internal Audit department** is responsible for verifying the adequacy and functionality of the internal control and risk management system, including through preparation and implementation of the risk-based Audit Plan, which is submitted to the Board of Directors for approval.
- the **Risk, Compliance and Quality department** aims to strengthen the internal control and risk management system, as well as to promote and develop risk culture, regulatory compliance, business continuity management, anti-fraud management and quality.

Moreover, with the aim of increasing the development and dissemination of a risk management and monitoring culture, the following organisational roles have been established within Autostrade per l'Italia to manage risks in specific areas:

- Contract Risk Manager for infrastructure contract risks;
- Tax Risk Officer for tax risks;
- Data Protection Officer for privacy risks (GDPR);
- Chief Information Security Officer for cyber security risks;
- Head of Anti-corruption for corruption risks;
- Manager Responsible for Financial Reporting pursuant to art. 154-bis (CFA).

2.11.3.3 Framework of the internal control and risk management system

In order to strengthen the risk culture and the internal control and risk management system, Autostrade per l'Italia has defined a framework composed of four elements which, if appropriately monitored, provide senior management with an overview of achievement of the Company's objectives, in compliance with laws and regulations, and ensure data integrity and reliability.



Powers

Powers must be limited, consistent and public. In this regard ASPI has adopted guidelines that set out the control principles and governance rules relating to delegation of powers of signature and representation of the Company to staff members.

Risk management

ASPI has established a systematic enterprise risk management process to detect and assess risks that might jeopardise achievement of Plan objectives.

Rules

ASPI's body of regulations consists of various internal regulatory instruments organised in accordance with a defined hierarchy. To this end, ASPI has adopted a "gold standard" which defines the Company's document architecture, and a "quality gate" process for guidelines, procedures, operating instructions and manuals.

Values

ASPI has identified the core values of the Company's culture that guide the application of rules through good example, absence of compromise and a balance between performance and compliance.

The system is monitored at the level of Management (Level I), Risk and Compliance functions (Level II), the Internal Audit department (Level III) and via continuous monitoring activities (Level IV). In particular, as part of Autostrade per l'Italia's wider Digital Transformation Plan, a project has been launched to automatically and continuously monitor potential events entailing risk or fraud. So far, this solution has been developed for the "procure to pay" process, from the management of suppliers' data through to settlement of their invoices.

2.11.3.4 Main characteristics of existing risk management and internal control systems in respect of the financial reporting process

2.11.3.4.1 The internal control system for financial reporting

In the context of the internal control system, with reference to the process of financial reporting, the Autostrade per l'Italia Group has implemented and continually revises an internal control system for financial reporting, based on a series of administrative and accounting procedures such as to guarantee their truthfulness, accuracy, reliability and punctuality in accordance with the regulations governing their preparation.

The planning, implementation and maintenance of this system, and its regular assessment, are informed by international best practices and compliant with the "Internal Control Integrated

Framework” published by the Committee of Sponsoring Organizations of the Treadway Commission, which is the internationally recognised framework of reference for the implementation, analysis and assessment of internal control and risk management systems.

The Autostrade per l’Italia Group’s internal control system for financial reporting provides for regulations, procedures and guidelines that ensure application of reference accounting standards for all its subsidiaries, in order to ensure a true and fair picture of the Group's results of operations and financial position.

The setting up of audits is performed after a process conducted according to a top-down, risk-based approach, aimed at identifying the organisational entities, processes and specific activities capable of generating the risk of unintentional errors or fraud that could have a material impact on financial reports.

2.11.3.4.2 Description of the main characteristics of existing risk management and internal control systems in respect of the financial reporting process

(A) Phases of the existing risk management and internal control systems in respect of financial reporting

The process of monitoring the internal control system for financial reporting is reiterated on a six-monthly basis in compliance with the provisions contained in art. 154 *bis*, paragraph 5 of the CFA.

PHASES OF THE INTERNAL CONTROL SYSTEM FOR FINANCIAL REPORTING

<p>1. IDENTIFICATION OF FINANCIAL REPORTING RISKS</p> <p>risk identification activities are based on the assessment of qualitative and quantitative aspects concerning, firstly, the selection of significant companies to be included in the analysis, and then the classes of transaction and significant accounts.</p>	<p>2. ASSESSMENT OF FINANCIAL REPORTING RISKS</p> <p>Risks are assessed at entity and Information Technology General Controls (ITGC) level and at process level. The former includes risks of fraud, incorrect working of IT systems and other unintentional errors, while the latter includes risks directly connected with financial reporting (underestimation, overestimation, inaccuracy etc.).</p>	<p>3. IDENTIFICATION OF CONTROLS FOR THE RISKS DETECTED</p> <p>the risks detected are addressed through controls capable of mitigating them, both at entity level and at process level. Key controls are determined according to top-down risk-based criteria; such controls are deemed necessary to ensure with reasonable certainty the prevention and timely identification of material errors in financial reporting.</p>	<p>4. ASSESSMENT OF CONTROLS FOR THE RISKS DETECTED</p> <p>the process of analysing and assessing the internal control system for financial reporting continues with the assessment of the identified controls in terms of adequacy (effectiveness of control design) and in terms of effective application.</p> <p>Effective application is tested through specific activities performed by management and the relevant department available to the Manager Responsible for Financial Reporting.</p>
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The **Manager Responsible for Financial Reporting** will, at least every six months, bring to the attention of the Company's Board of Directors the Board of Statutory Auditors and the Internal Control and Risk Committee the results of the activities performed and the assessment process described above by checking the adequacy of the administrative and accounting procedures, and their effective application, in view of the issue of the attestations provided for by art. 154 *bis* of the CFA.

(B) Roles and Functions involved

The internal control and risk management system requires a clear identification of the roles involved in its planning, implementation, monitoring and upgrading over time.

The above components of the internal control and risk management system are coordinated and interdependent and the system, as a whole, involves – in different roles and on a collaborative and coordinated basis - management bodies, supervisory and oversight bodies, the Company's management and the Atlantia Group.

2.11.3.4.3 The Manager Responsible for Financial Reporting

AUTOSTRADE PER L'ITALIA'S MANAGER RESPONSIBLE FOR FINANCIAL REPORTING			
RESPONSIBILITIES	POWERS AND MEANS	REQUIREMENTS	APPOINTMENT
<p>The Manager Responsible for Financial Reporting is responsible for: monitoring the internal control system on financial reporting; ensuring the preparation of the administrative and accounting procedures necessary to prepare the annual financial statements, the consolidated financial statements and the half-year condensed interim financial statements, as well as any other periodic financial reports;</p> <p>compliance with art. 154-<i>bis</i> by issuing the attestations required by the applicable laws and regulations.</p>	<p>The Manager Responsible for Financial Reporting is supported by the Administration and Planning unit, which is responsible for operational management of the internal control system for financial reporting, and ensures that it is designed, implemented, monitored and updated at the level of the Autostrade per l'Italia Group, including through coordination by leading external experts.</p>	<p>The Manager Responsible for Financial Reporting is selected from candidates with at least three years' experience in positions with appropriate responsibility for administration and finance, or administration and control in listed joint-stock companies, and who possess the integrity required by the regulations in force. The Directors fix the related remuneration and the term of office, which is renewable, and grant the manager all the authority and instruments necessary in order to carry out the duties assigned to them by law.</p>	<p>In accordance with art. 41 of the Articles of Association, in compliance with the provisions of art. 154-<i>bis</i> of the CFA, the Board of Directors, subject to obtaining the required opinion of the Board of Statutory Auditors, appoints and dismisses the Manager Responsible for Financial Reporting. In accordance with these provisions, at a meeting on 1 August 2019, the Board of Directors appointed Alberto Marco Milvio as Manager Responsible for Financial Reporting, from 2 September 2019 until approval of the financial statements for the year ended 31 December 2021.</p>

2.11.3.5 Tax Compliance Framework

On 12 November 2019, the tax authority approved Autostrade per l'Italia's admission to the collaborative compliance scheme, pursuant to the provisions of Legislative Decree no. 128/2015. Admission has been backdated to 1 January 2018.

The cooperative compliance scheme enables taxpayers to discuss uncertainties or disputes regarding taxation with the tax authority in advance, so as to arrive at an agreed assessment of the facts underlying the business's decisions regarding uncertain tax treatments, thereby anticipating and avoiding the need for further checks and controls by the authority.

In order to be admitted to the cooperative compliance scheme, Autostrade per l'Italia implemented a system for identifying, managing and controlling tax risk, as contained in the Tax Compliance Framework ("TCF"). The TCF is in keeping with the guidelines set out in the Tax Strategy approved by

the Company's Board of Directors, which identified the necessary principles and values for responsible tax risk management, with the ultimate aim of reconciling the need to meet the legitimate interests of all stakeholders, compliance with the law and protection of the interests of the community. In the context of corporate governance, with regard to the definition of sound and prudent procedures for managing the tax variable, the TCF:

- (i) is part of the internal control and risk management system, in connection with the financial reporting process relating to the identification, measurement, management and monitoring of the main corporate risks and, in this context, interacts with the system of controls already in place for financial reporting purposes;
- (ii) supports the organisation and management model pursuant to Legislative Decree 231 of 8 June 2001, which Autostrade per l'Italia has adopted.

Autostrade per l'Italia uses the TCF to proactively manage tax risk, meaning the risk of committing a violation of tax laws or of abusing the principles and purposes of tax legislation, ensuring the timely identification of any risk, and its proper measurement and control.

In particular, within the scope of the TCF two areas where tax risk may occur have been identified:

- processes and compliance: in which case the risk is associated with Company processes, regarding both business and the tax function;
- interpretation of tax laws: in which case the risk relates to: (i) the interpretation typically involved in the tax function, (ii) the advice given to other Company departments with regard to routine and mere compliance transactions, as well as any non-routine transactions.

The guidelines for managing tax risk through the TCF are set out in a document called the Tax Compliance Model ("TCM"), approved by Autostrade per l'Italia's Board of Directors. This, in turn, makes reference to another two documents relating to the two different areas of risk mentioned earlier: (i) the "Tax Risk Map", relating to the risks connected with processes and compliance; and (ii) the "Policy for managing interpretation risk", which applies to the risks connected with the interpretation of tax laws.

Governance of the TCF has also led to the establishment of the Tax Risk Officer and the Tax Steering Committee - chaired by the CFO/Manager Responsible, and comprising (i) the Head of Risk Management (ii) the Head of Compliance (iii) the Head of Criminal Proceedings, (iv) the Head of Administration and Planning, (v) the Head of Taxation and (vi) the Head of Administration and ESG Reporting Compliance (secretary) - to whom the necessary tasks are assigned in order to ensure effective implementation of the Tax Compliance Framework, as a control system which, by guaranteeing effective control of the risk of non-compliance with tax regulations, enables the Company to pursue sustainable growth of its assets and protect its reputation over time.

2.11.3.6 Head of the Internal Audit department

The Head of the Internal Audit department:

- a) oversees the effectiveness of the internal control and risk management system both on a continuous basis and with reference to specific requirements, and in accordance with international standards. The process extends to information systems, including accounting systems, and follows audit plans approved annually by the Board of Directors, and based on a structured process for assessing and prioritising the main risks according to a risk-based approach;

- b) is not responsible for any operational department and reports to the Chairman of the Board of Directors;
- c) has direct access to all the information needed to carry out his duties;
- d) prepares periodic reports containing an assessment of whether the internal control and risk management system is fit for purpose;
- e) promptly prepares reports on any events of particular significance;
- f) submits the reports referred to in points d) and e) to the Chairman of the Board of Statutory Auditors, the Internal Control and Risk Committee and the Board of Directors;
- g) coordinates the activities of Autostrade per l'Italia Group's Ethics Officer and Whistleblowing Team.

2.11.3.7 Independent Auditors

KPMG SpA are the Independent Auditors engaged to perform the statutory audit of the separate and consolidated financial statements, the periodical assessment of the propriety of bookkeeping and a limited scope audit of the consolidated interim reports of Autostrade per l'Italia for the financial years 2021-2029.

The firm was engaged by the General Meeting of shareholders held on 29 May 2020, based on a reasoned opinion from the Board of Statutory Auditors.

The Independent Auditors must meet the requirements of any applicable law or regulation throughout their period of office.

The Independent Auditors have free access to any data, documentation and information required to carry out their activities.

The Board of Statutory Auditors and the Independent Auditors periodically exchange information and data on their respective audits.

2.11.3.8 Supervisory Board

Autostrade per l'Italia has set up a Supervisory Board.

In 2021, the composition of the Supervisory Board changed due to expiry of its three-year term of office from 1 July 2018 to 30 June 2021, and the appointment of new members by the Board of Directors for the year from 1 July 2021 to 30 June 2022.

The members of the Supervisory Board until 30 June 2021 were:

- Giovanni Ferrara - Chairman
- Giandomenico Lepore
- Diego Maletto

The members of the Supervisory Board from 1 July 2021 are:

- Anna Doro Tempestini - Chairman
- Enrico Mezzetti
- Pierpaolo Singer

In 2021, the Supervisory Board met on 12 occasions and reported regularly to the Company's Board of Directors and Board of Statutory Auditors on the activities carried out, with regard to both revision of the Organisational, Management and Control Model and monitoring. It confirmed that the Organisational, Management and Control Model adopted by the Company currently meets all the

necessary statutory requirements to prevent the commission of the offences referred to in Legislative Decree 231/2001.

2.11.4 Organisational, Management and Control Model (Legislative Decree 231/2001)

Autostrade per l'Italia has adopted an Organisational, Management and Control Model (hereafter 231 Model) to prevent commission of the offences referred to in Legislative Decree 231/2001.

The 231 Model consists of a General Section - which contains the key principles of the Model - and a Special Section, characterised by a "process-based" structure that includes a specific detailed section regarding individual sensitive activities. In view of the Company's transformation, the 231 Model is an integral part of the internal control system. It is constantly evolving and taking into account the complexity of the Company's organisational structure, in order to ensure that the various Company activities comply with the provisions of Legislative Decree no. 231/2001. At the same time, in order to guarantee effective control of the risk of committing offences, a regular update is envisaged, which last took place with the approval of the Board of Directors at the meeting of 8 February 2022.

In implementation of the Decree and in compliance with the Confindustria guidelines, Autostrade per l'Italia's Board of Directors set up a Supervisory Board tasked with monitoring the functioning, effectiveness and observance of Model 231, as well as keeping it updated. From July 2021, as mentioned above, a new Supervisory Board was set up, on a collegial basis and including members who are completely external, with the permanent presence of the Heads of the Internal Audit and the Risk, Compliance and Quality departments envisaged.

The Procedure for Market Announcements was last revised by the Board of Directors on 13 February 2020. This revision was necessary in order to apply new CONSOB guidelines on the "management of inside information". The revised procedure has, among other things: (i) introduced the concept of "relevant information", being Information on dates, events, projects or circumstances that, with continuous, repetitive, periodic or infrequent, occasional or unforeseen regularity, directly concern the Company and that, based on a reasonable assessment and a preliminary and forward-looking judgement, may, at a future date – including in the near future – become "Inside Information"; (ii) identified the persons responsible for the various phases of the process of assessing and classifying the information on Autostrade per l'Italia, including the Body for Assessing Relevant Information, the Body for Assessing Inside Information and Process Owners (being the heads of the various departments within Autostrade per l'Italia and its subsidiaries involved in the transaction/project/event for which sections of the Relevant Information List or the Insider Register are created).

2.11.5 Other procedures

A description of the Organisational, Management and Control Model – which also includes, among other things, the Group's Code of Ethics – is provided in the above section 2.11.3 in the part describing the internal control and risk management system.

2.11.5.1 Procedure for Market Announcements

In line with the provisions of Regulation (EU) no. 596/2014 of the European Parliament and Council (more commonly known as the "Market Abuse Regulation" or "MAR Regulation"), and in its capacity as an issuer of listed financial instruments, Autostrade per l'Italia established:

- (a) a Procedure for Market Announcements -last revised in April 2020 - which, among other things, regulates disclosure to the market of inside information, the procedure for delayed disclosure of inside information, and the keeping of a register of persons with access to inside information (insider register); and
- (b) an Internal Dealing Code of Conduct, containing, among other things, a description of the reporting and conduct obligations relating to transactions regarding listed bonds issued by Autostrade per l'Italia or the financial instruments connected to them, carried out by Relevant Persons (as defined in the Code of Conduct) and/or persons closely associated with them, as well as the related reporting to the Company, CONSOB and the market.

2.11.5.2 ASPI Group's Integrated Management Systems Policy

Group companies strive to implement and continuously improve their management systems via an integrated and synergistic approach, aimed at continuously improving performance and the effectiveness of risk containment.

Within the management systems framework, senior management establishes, implements and revises the ASPI Group's Integrated Management Systems Policy (hereinafter also Policy), which is fit for the organisation's purposes and context, and supports the strategic guidelines.

In particular, ASPI guarantees the entire organisation's constant commitment to the adoption and continuous improvement of management systems, in compliance with the ISO 9001, ISO 14001, ISO 45001, ISO 39001, ISO 27001, ISO 27701, ISO 27017, ISO 27018, ISO 30415 and ISO 37001 international standards, with a view to taking the risks associated with each system into account during operations, engaging key stakeholders, and respecting the Company values of transparency, responsibility, quality and performance, which are based on the founding principles of ethics, integrity, inclusiveness and sustainability.

ASPI is committed to:

- achieving, via an integrated and holistic approach, the objectives of the specific management systems: Quality - Road Traffic Safety - Environment - Occupational Safety - Data Security, Personal Data and Cloud Protection - Anti-Corruption - Diversity and Inclusion;
- applying the Policy to all relevant initiatives, so that it may be understood and effectively implemented within our organisation;
- disseminate the Policy to our key stakeholders (employees, institutions, communities, partners, suppliers, etc.) via effective internal and external communication initiatives;
- update the Policy with regard to changes in the internal and external context, and the development of the Company's Transformation Plan.

The Policy consists of common and specific principles, including those relating to anti-corruption. ASPI is aware of the negative impact that corruption can have on social and economic progress, so any behaviour that goes against the Company's commitment is forbidden and will also be prosecuted.

The principles provided for anti-corruption are set out below:

- setting a good example with regard to such values as integrity, transparency, inclusiveness and sustainability, turning commitment into specific actions, and reprehending "shortcuts";
- promoting a culture of ethics and integrity via communication campaigns focused on bringing the perception of consequences into line with reality, as well as providing advanced training courses to raise the awareness of Company management with regard to these issues;

- implementing and taking part in the definition of anti-corruption best practices and gold standards, via active participation and constant dialogue with institutional, national and international working groups (B20, OECD, etc.);
- using innovative technologies (e.g., artificial intelligence) to enable continuous monitoring of critical data, so that compliance capacity may be increased without jeopardising process performance;
- replacing and formalising general and specific principles of conduct within the body of Company regulations (to be implemented with regard to the main sensitive activities), which the Group must adhere to in order to ensure compliance with the Policy.

Compliance with the Policy and the Guidelines is obligatory for all the Group's worldwide staff and all persons who act in the name and/or on behalf and/or in the interest of the ASPI Group and who engage in business and professional relations with it.

As proof of the Company's commitment and confidence in pursuing its mission, ASPI has voluntarily implemented an anti-corruption management system for the purposes of assurance and as a way of proactively managing corruption risk and strengthening the culture of integrity. The system contains a series of activities designed and implemented with an integrated and synergic approach, with the aim of achieving ongoing improvements in performance and in the effectiveness of efforts to combat corruption risk.

A key element of the whole system is the Head of Anti-corruption, who has been tasked, among other things, with overseeing:

- (i) the Company's implementation of the Policy;
- (ii) specialist anti-corruption assistance to Company employees;
- (iii) verification that the general requirements of the corruption prevention management system have been met, and
- (iv) constant monitoring of the risk of corruption.

The availability of resources - both human and financial - and, above all, proximity to the business, enable the Head of Anti-corruption to be in constant touch with the strategic business areas that are potentially more exposed to the risk of corruption.

With a view to ensuring effective implementation and compliance with the system, for the purposes of continuous improvement, having access to the Company's senior management and Board of Directors is vitally important for the performance of the Head of Anti-corruption's role.

The Policy emphasises that the Group encourages the reporting of illegal conduct in good faith and, to this end, provides the necessary tools to enable prompt and effective communication of suspicions, ensuring maximum protection of both the whistleblower and the suspect, in accordance with applicable legislation.

2.12 Sustainability

Introduction

Autostrade per l'Italia SpA prepares its own non-financial statement pursuant to art. 6 of Legislative Decree 254/2016, to which reference should be made for a full presentation of the Group's ESG strategies, policies, objectives and results.

Our strategy

The transformation process launched in 2020 put sustainability at the heart of our operations, in keeping with the UN 2030 Agenda's Sustainable Development Goals and aligned the Group's ambition with our commitments and timeframes.

In particular, with our "net zero" carbon neutrality objective, the Group is committed to cutting emissions in line with the scenario that aims to keep the rise in global temperatures below 1.5°C in 2050. This process is linked to targets that have been submitted for certification by the Science Based Target initiative (SBTi), which should be granted in 2022.

Ways to achieve a sustainable model include, first and foremost, integrated management of the entire infrastructure life cycle, paying special attention to its resilience and safety features.

Also important in this context are the initiatives to guarantee sustainable development of new infrastructure to be built. The Group has laid the foundations for intervening throughout the entire infrastructure life cycle, and guaranteeing the adoption of sustainable design criteria thanks to the increasing use of materials with reduced emissions and the reuse of materials.

In 2021, ASPI submitted the new Bologna Bypass project in accordance with Envision certification criteria; this will be extended to other major new works in the pipeline. Evolution of the supply chain has begun, and ESG assessment criteria have been included in contracts.

Secondly, the Group is committed to building a new customer relationship by offering innovative services, developing predictive traffic information systems, simplifying operations at toll stations, and deploying new signage and communication technologies.

Finally, in order to achieve our sustainable transformation goals, the Group continued to enhance our human resources and knowledge base, and strengthened governance of ESG issues by setting up an internal board Sustainability Committee and a managerial ESG Committee, and identifying ESG sustainability ambassadors within the organisation.

The path to net zero

As a first step on the path to net zero, the Group defined and measured our overall carbon footprint in 2021, using 2019¹ as a reference. Following an analysis of benchmarks in line with the 1.5°C scenario, Autostrade per l'Italia presented our Scope 1,2 and 3 emission reduction targets in December 2021.

Science Based Target initiative (SBTi) certification is expected in 2022. 2021 already saw a substantial decline in emissions due to the Company's decision to use green energy sources.

Efforts to reduce our carbon footprint, include a commitment to install a network of high-powered electric charging stations which will be available in 100 service areas by 2023, thanks to the investment made by Free To X. Moreover, Elgea, a renewable energy production company, was recently set up to manage projects regarding the installation of photovoltaic panels along the motorway network, which when fully operational will cover all of ASPI's needs.

In 2021, energy consumption on a like-for-like basis compared with 2020, namely without considering the companies consolidated during the year, totalled 1,087 TJoules, down 0.5% on the previous year.

KEY ENVIRONMENTAL INDICATORS	2020	2021 Like-for-like scope	% change	2021 New scope
Energy consumption by type (TJoule)	1,092	1,087	-0.5%	1,446
Petrol	2.1	3		3
LPG	11.6	10.4	-9.6	37
Diesel	298	290	-2.7	410
Electricity	707	716	1.3	824
Natural gas	74	67	-9.2	93
heating oil				78
CO2 emissions (t)				
Direct emissions ⁽²⁾	26,985	27,227	+0.9%	44,726
Indirect emissions (location based)	56,930	55,198	-3.0%	63,557
Indirect emissions (market based)	61,462	0	-100%	7,617
Waste produced (t)	28,028	14,224	-49.2%	670,712
% of waste recycled/recovered	85,6	75,9	-11.4%	93.1
Water consumption (m3 x 1000)	913	1,609	76.1%	2,007

(2) They not include emissions from electricity consumption

¹ The reference year is 2019, as 2020 figures are deemed insignificant because they are affected by the pandemic. The scope of consolidation of Autostrade per l'Italia Group as at 31 December 2021 is used to calculate the baseline. Therefore, companies consolidated in 2021 are included.

Use of resources

In managing its activities – especially maintenance and the modernisation of infrastructure – Autostrada per l'Italia makes use of materials, including quarry materials, bitumen, iron and steel and cement. Optimising use of the materials employed is a constant concern in managing the Group's activities.

A total of approximately 1,609 thousand cubic metres of water was consumed in 2021, marking a sharp increase compared to 2020 due to increased activity and leaks, which were subsequently repaired, along the water network.

Waste

The total amount of waste produced in 2021 amounted to around 671 thousand tonnes, of which around 93% was recovered or recycled.

Government and the community

The Autostrade per l'Italia Group works closely with communities and maintains constant dialogue with central and local government authorities throughout all stages of its operations. The Group's vital counterparties are the Ministries of Sustainable Infrastructure and Mobility, Ecological Transition, Heritage and Culture and Tourism, parliamentary committees – during the discussion phase of new regulatory proposals for the sector – supervisory and monitoring bodies, and government-level technical organisations.

Also vital are relations with local stakeholders, regions and municipalities, as well as with government departments, in order to guarantee a shared approach to local planning for development.

In the context of policies focused on local areas, importance is given to enhancement of cultural excellence and landscape, carried out via the *"Sei in un paese meraviglioso"*¹ ("You're in a wonderful country") project. This project is designed to encourage road users to explore what Italy has to offer, above all places that are usually off the beaten track.

Suppliers

Autostrade per l'Italia's main suppliers are businesses that provide goods and services and those involved in the construction of new infrastructure and maintenance of the existing network, and companies that supply technology used in developing automated tolling systems and new safety and quality service standards for customers.

Fairness and transparency are the criteria that underpin the Group's supply chain management policy, which requires our suppliers to adhere to the ethical and behavioural principles set out in the

¹ For more information on the *"Sei in un paese meraviglioso"* project, go to: <http://www.autostrade.it/sei-in-un-paese-meraviglioso>.

Code of Ethics and Conduct, and to comply with environmental and occupational health and safety requirements. As part of our journey towards a sustainable supply chain, the Group is reviewing all stages of our supplier relations from an ESG perspective: procurement of goods and services; health and safety at construction sites; and the use and proper disposal of materials in the construction of infrastructure.

In 2021, Autostrade per l'Italia laid the foundations for a new sustainable supply chain model by launching a selection process for a specific ESG platform, which resulted in identification of the ESG Open Es platform.

Implementation of the platform will enable assessment of all suppliers from an ESG perspective by 2022, and they will be given a specific score. This tool will ensure compliance with ESG criteria throughout the contract lifecycle and encourage dialogue and collaboration with our suppliers, with whom we will be able to develop a shared pool of knowledge on ESG issues. The platform will initially be adopted by Autostrade per l'Italia and gradually extended to the subsidiaries.

2.13 Autostrade per l'Italia's risk management

Due to the nature of our business, consisting of complex processes (e.g., the development and construction of motorway infrastructure, traffic management), Autostrade per l'Italia is exposed to risks that may have a significant impact on the achievement of its business objectives.

In response, the Company has put in place an Enterprise Risk Management process, which operates in line with the ISO 31000 standard, with the aim of monitoring the Company's ability to achieve its business and strategic objectives by optimising performance, in accordance with the relevant legislative and regulatory requirements and ensuring the reliability and integrity of accounting and operational information.

At Autostrade per l'Italia, this process is managed by the Risk Management department that reports to the head of Risk Compliance and Quality, which is responsible for enabling synergies among key stakeholders and facilitating the integration of performance and compliance, so as to provide an integrated vision to senior management when taking strategic and business decisions. In particular, the Company is exposed to strategic, operational, financial and compliance risks.

The Risk Management department performs an enabling role with regard to risk appetite, by ensuring the implementation of Enterprise Risk Management activities via a process-based approach in agreement with the heads of Company departments, and integrated monitoring of action plans.

During 2021, in line with the previous year, the process of ongoing risk management improvement continued via: (i) the establishment of specific organisational controls aimed at managing Compliance, Business Continuity and Antifraud risks; (ii) the development of analytics and Key Risk Indicators to support risk identification and monitoring activities; (iii) the implementation of specific solutions for the synergistic monitoring of action plans; and (iv) the integration of multidisciplinary skills within the Risk, Compliance and Quality department.

Moreover, in order to increase the development and dissemination of a risk management and monitoring culture, the following organisational roles have been established within Autostrade per l'Italia to manage risks in specific areas:

- Contract Risk Manager for infrastructure contract risks;
- Tax Risk Officer for tax risks;
- Data Protection Officer for privacy risks (GDPR);
- Chief Information Security Officer for cyber security risks;
- Head of Anti-corruption for corruption risks;
- Manager Responsible for Financial Reporting pursuant to art. 154-*bis* (CFA).

Autostrade per l'Italia's main risks

The following risk clusters, identified by Autostrade per l'Italia following its Risk Assessment 2021, are appropriately managed via specific controls and action plans.

To mitigate risks that may arise from exogenous factors, the Company has, where applicable, made efforts to strengthen relations with key stakeholders, such as the Ministry of Sustainable Infrastructure and Mobility and the Ministry of the Economy and Finance, and introduced structured, transparent processes.

This has enabled us to adopt a participatory and proactive approach that provides clarity, whilst also facilitating organisational accountability, operational resilience and a timely response to adverse events.

Strategic risk

REG

1) Concession arrangement

Autostrade per l'Italia's business is regulated in accordance with specific legislation and regulations, and by the existing Concession Arrangement with the Grantor. Potential further changes that may be unilaterally imposed by the Grantor could have a negative impact on the Company's operating performance.

PEF

2) Approval of components of the Financial Plan

In view of the new regulatory framework¹ - which, at this time, has yet to be effectively applied to motorway operators – certain items included in the Financial Plan could be put into question, with the risk that the Grantor may not give its approval, or may only give partial approval, for the related amounts.

HR

3) Change management and human capital

Given the major transformation currently underway, Autostrade per l'Italia's ability to operate effectively in its business depends on the skills and performance of its personnel. Possible skill mismatches, loss of key personnel, and difficulties in attracting, training or retaining qualified personnel or in managing the change process, could, if not adequately and rapidly addressed, have an adverse effect on the Company's ability to achieve the objectives set out in the Business and Transformation Plan.

¹ Pending definition of the Financial Plan based on the new tariff framework introduced by to in ART Determination 71/2019.

BCM**4) Business continuity and the pandemic**

Autostrade per l'Italia manages a complex infrastructure network and its inability to manage emergencies, such as explosions, fires, landslides or other exogenous events, or to provide a timely response to potential crisis situations, or to adopt appropriate safety measures designed to protect the health of its workforce and safeguard business continuity during a pandemic, could have a major impact on operations.

ESG**5) Implementation of the ESG strategy**

The Company has adopted a specific strategy addressing key ESG issues of relevance to our business: our inability to effectively manage such issues could impact on our ability to achieve our objectives.

6) Climate change

Climate change could increase the severity of extreme weather events (floods, droughts, extreme temperature fluctuations) and, if not addressed as part of a structured and systematic approach, worsen the natural and hydrogeological conditions of local areas, with possible negative impacts on infrastructure and on the quality and continuity of the services provided by the Company.

Operational risk**SOP****1) Infrastructure safety**

The type of infrastructure that makes up Autostrade per l'Italia's network exposes the Company to both exogenous and endogenous events (for example, delayed maintenance), which could, if not managed in line with the inspection plans and control, compliance and quality standards put in place, cause a loss of static efficiency or the detachment of structural and/or non-structural works and assets.

SIC**2) Road safety**

Autostrade per l'Italia manages approximately 2,854 km of motorway network, including mountainous and flat sections, part of which interferes with other transport networks (for example: railways, provincial and municipal roads). The management of traffic exposes the Company to the risk of harm being caused to people and vehicles in the ordinary course of motorway use.

ECOW**3) Contractor management**

Delays affecting infrastructure construction and modernisation programmes, which historically have mainly had exogenous regulatory or operational causes (delays in approval of designs by the Grantor, requests for in-depth technical studies by the Ministry of Sustainable Infrastructure and Mobility, prolongation of Services Conferences at the request of local authorities, suspension of the Financial Plan, underproduction of external contractors, construction site constraints imposed by regional authorities, and increases in the price of materials) could lead to higher investment costs

and/or longer delivery times compared to initial estimates, with possible negative economic and financial repercussions.

SCM

4) Supply chain management

In light of the substantial capital expenditure envisaged in the Company's Strategic Transformation Plan, assessment, management and monitoring of third parties that have business relations with the Company (e.g., contractors, IT providers) are vitally important for the effective and efficient management of infrastructure construction and maintenance, in terms of continuity and quality of service, and also taking into account the current sharp rises in the market prices of raw materials.

IT

5) Digital and IT security

The Company's organisational complexity, the large number and geographical distribution of IT environments and automation and the use of remote working expose Autostrade per l'Italia to potential cyberattacks and related risks of exfiltration, alteration or damage to critical information and/or personal data contained in corporate databases, and to the impairment or unavailability of certain essential services relating to traffic management and the protection of motorway traffic safety. In addition, the digital transformation envisaged in the Business Plan expose Autostrade per l'Italia to risks linked to potential gaps in the design of application controls for the systems used, and to risks connected with the management of IT third parties, given the increase and importance of interactions with such counterparties.

HSE

6) Health, Safety and Environment

Given its type of business, the Company is exposed to risks linked to the health and safety of its staff, pollution, protection of the environment and waste disposal.

Financial risk

FIN

Information on financial risk management is provided in note 9.2, “Financial risk management” included in section 3 “Consolidated financial statements as at and for the year ended 31 December 2021”.

Compliance risk

IVAL

1) Breaches of legislation, regulations, ethical and governance principles

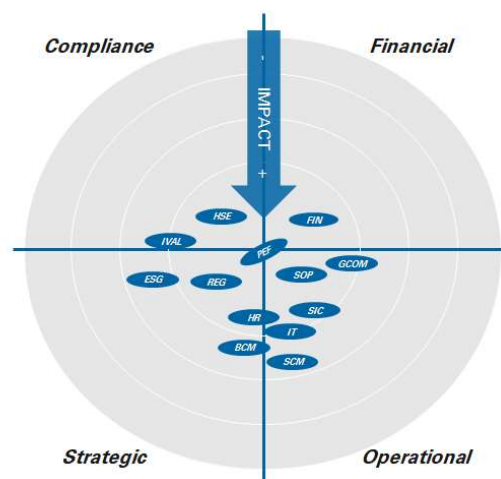
If not managed according to structured models and processes and in accordance with appropriate operational and organisational procedures, the Company’s employees, suppliers or partners could engage in conduct that violates laws , regulations, ethical or governance principles (e.g., corruption, discrimination, conflicts of interest, fraud, etc.).

2) Corporate responsibility

Personnel could commit offences on behalf of or in the interests of the Company in violation of Legislative Decree 231/01.

The Company’s main risks are shown below in terms of their nature and importance:

1	REG	Concession arrangement
2	PEF	Approval of components of the Financial Plan
3	SOP	Infrastructure safety
4	HSE	Health, safety and environment
5	HR	Change management and human capital
6	GCOM	Contractor management
7	IVAL	Corporate responsibility, breaches of legislation, regulations, ethical and governance principles
8	SIC	Road safety
9	SCM	Supply chain management
10	BCM	Business continuity and the pandemic
11	IT	Digital and IT security
12	ESG	Implementation of the ESG strategy and climate change
13	FIN	Finance



2.14 Related party transactions

Information on related party transactions is provided in note 10.5 to the consolidated financial statements and note 9.3 to Autostrade per l'Italia's separate financial statements.

2.15 Other information

Autostrade per l'Italia does not own, either directly or indirectly through trust companies or proxies, shares or units issued by parent companies. No transactions were carried out during the year involving treasury shares or shares or units issued by parent companies.

Autostrade per l'Italia does not operate branch offices.

With reference to CONSOB Ruling 2423 of 1993, regarding criminal proceedings or judicial investigations, the Company is not involved in proceedings, other than those described in note 10.7, "Significant legal and regulatory aspects", that may result in charges or potential liabilities with an impact on the consolidated financial statements.

The use of reserves to pay dividends is not provided for.

2.16 Proposal to appropriate profit for the year to be put to Autostrade per l'Italia SpA's Annual General Meeting for approval

Dear Shareholders,

With regard to the proposal to put before the Annual General Meeting of shareholders ("AGM") regarding distribution of profit for the year, taking into account:

- a) the text of article 44.1 of the Articles of Association, stating that: «[...] The remaining profit for the year shall be distributed to shareholders in proportion to their interests, to the maximum extent permitted by law, provided that the distribution is in keeping with the requirements of the Single Concession Arrangement, and with the financial covenants contained in the loan agreements to which the Company is party»;
- b) the text of article 25.2 (d) of the Articles of Association, stating that: «decisions relating to the following matters may be validly taken, both in first and second call, provided that the votes in favour making up the majority required by law also include the votes of the non-controlling shareholders who individually hold, at the date of the relevant General Meeting, at least five per cent (5%) of the Company's issued capital (with the exception of the instances provided for in article 33.6) below: [...] (d) the distribution of dividends in derogation of the dividend policy established in article 44 below [...]»;
- c) the text of articles 33.3 (f) and 47.2 of the Articles of Association, stating that, with regard to proposals to the General Meeting concerning one of the matters listed in article 25.2, the Board of Directors shall validly adopt resolutions with the majorities required by law, provided that these majorities include the favourable votes of the Directors nominated by the non-controlling shareholders;
- d) that the distribution to shareholders of profit for the year to the maximum extent permitted is in keeping with the requirements of the Single Concession Arrangement, and with the financial covenants contained in the loan agreements to which the Company is party;
- e) e) that the legal reserve has reached the level required by the Italian Civil Code, equal to one fifth of the issued capital;
- f) nevertheless, pending the completion of the approval process of the Agreement Scheme and considering the opportunity to replenish the net equity reserves in suspension of tax reduced last year following the loss in 2020;

it is proposed to:

- a) approve the financial statements as at and for the year ended 31 December 2021, which report a profit of the year of euro 681,876,751.87;
- b) having taken note of the accompanying documents, to allocate the profit for the year of Euro 681,876,751.87 to retained earnings.

It is recalled that this proposal must also be approved by the Shareholders' Meeting in compliance with the majorities provided for by art. 25.2 of the Statuto Sociale.

For the Board of Directors

The Chairman

2.17 Explanatory notes and other information

Alternative performance indicators (APIs)

In application of the CONSOB Ruling of 3 December 2015, governing implementation in Italy of the guidelines for alternative performance indicators (“APIs”) issued by the European Securities and Markets Authority (ESMA), the basis used in preparing the APIs published by the Autostrade per l’Italia Group is described below.

A list of the main APIs used in the Annual Report, together with a brief description and their reconciliation with reported amounts, is provided below:

- a) **“Gross operating profit (EBITDA)”**, the synthetic indicator of earnings from operations, calculated by deducting the operating change in provisions and operating costs, with the exception of amortisation, depreciation, impairment losses, reversals of impairment losses and provisions for the costs to be incurred over time in relation to the renewal of infrastructure operated under concession by Società Italiana per Azioni per il Traforo del Monte Bianco (“SITMB”), from operating revenue;
- b) **“Cash EBITDA”**, the synthetic indicator of cash earnings from operating activities, calculated by stripping out from EBITDA the “Operating change in provisions” and the non-cash effect of toll exemptions and discounts recognised in toll revenue, with the matching use of provisions for risks and charges made in previous years to cover the cost of the commitments included in the settlement agreement with the Ministry of Sustainable Infrastructure and Mobility (the “MIMS”) and the Government;
- c) **“Operating profit (EBIT)”**, the indicator that measures the return on the capital invested in the business, calculated by deducting amortisation, depreciation, impairment losses, reversals of impairment losses and the above provisions for the costs to be incurred over time in relation to the renewal of infrastructure operated under concession by SITMB from EBITDA. Like EBITDA, EBIT does not include the capitalised component of financial expenses relating to construction services, which is shown in a specific item under financial income and expenses in the reclassified income statement, whilst being included in revenue in the consolidated income statement in the statutory financial statements;
- d) **“Net invested capital”**, showing the total value of non-financial assets, after deducting non-financial liabilities;
- e) **“Net debt”**, indicating the portion of net invested capital funded by net financial liabilities, calculated by deducting “Current and non-current financial assets” from “Current and non-current financial liabilities”. The notes to the financial statements for the year ended 31 December 2021 also include the reconciliation of net debt with net debt calculated in compliance with the ESMA Recommendation of 4 March 2021;
- f) **“Capital expenditure”**, indicating the total amount invested in development of the Group’s businesses, calculated as the sum of cash used in investment in property, plant and equipment,

in assets held under concession and in other intangible assets, excluding investment linked to transactions involving investees;

- g) **“Operating cash flow”**, indicating the cash generated by or used in operating activities. Operating cash flow is calculated as profit for the period + amortisation/depreciation +/- impairments/reversals of impairments of assets +/- provisions/releases of provisions in excess of requirements and uses of provisions + other adjustments + financial expenses from discounting of provisions +/- share of profit/(loss) of investees accounted for using equity method +/- (losses)/gains on sale of assets +/- other non-cash items +/- deferred tax assets/liabilities recognised in profit or loss.

Reconciliations of the reclassified consolidated financial statements presented above with the matching consolidated income statement, statement of financial position and statement of cash flows, as prepared under international financial reporting standards (IFRS), are provided below.

RECONCILIATION OF THE CONSOLIDATED INCOME STATEMENT WITH THE RECLASSIFIED CONSOLIDATED INCOME STATEMENT

Cm	2021						2020					
	Reported basis			Reclassified basis			Reported basis			Reclassified basis		
	Ref.	Sub-items	Main entries	Ref.	Sub-items	Main entries	Ref.	Sub-items	Main entries	Ref.	Sub-items	Main entries
Reconciliation of items												
Toll revenue			3,474			3,474			2,791			2,791
Revenue from construction services			931						169			
Revenue from construction services - government grants and cost of materials and capitalised staff costs - construction services for which additional economic benefits are received	(a)	813							147			
Revenue from construction services: capitalised financial expenses	(b)	118							9			
Revenue from construction services provided by sub-operators	(c)	-							10			
Other revenue	(d)	-							3			
Other operating income	(e)		398									236
Revenue from construction services provided by sub-operators	(e+d)					398			(e+d)			239
Total revenue			4,803			4,803			3,196			3,196
TOTAL OPERATING REVENUE						3,872						3,030
Raw and consumable materials			-207			-207			-88			-88
Service costs			-1,341			-1,341			-1,489			-1,489
Gain/(Loss) on sale of elements of property, plant and equipment			-			-			-			-
Staff costs	(g)		-704			-704			-505			-505
Other operating costs			-525			-525			-425			-425
Concession fees	(f)		-438			-438			-362			-362
Lease expense			-9			-9			-9			-9
Other			-77			-77			-53			-53
Use of provisions for construction services required by contract and other provisions				(j)		-				(j)		325
Revenue from construction services: government grants and capitalised cost of materials and external services				(a)		813				(a)		147
Use of provisions for renewal of motorway infrastructure				(i)		9				(i)		-
COST OF MATERIALS AND EXTERNAL SERVICES												
CONCESSION FEES												
NET STAFF COSTS												
OPERATING CHANGE IN PROVISIONS AND OTHER ADJUSTMENTS												
Operating change in provisions			101						-417			-417
(Provisions)/ Uses of provisions for repair and replacement of motorway infrastructure			102			102			-188			-188
(Provisions)/Uses of provisions for renewal of motorway infrastructure			11						-15			-15
Provisions for renewal of motorway infrastructure	(h)	2							-15			-15
Uses of provisions for renewal of motorway infrastructure	(i)	9							-			-
Provisions/(Uses) of provisions for risks and charges			-12			-12			-213			-213
TOTAL NET OPERATING COSTS						-1,747						-2,401
Use of provisions for construction services required by contract			-			-			350			350
Amortisation and depreciation	(l)		-560			-560			-654			-654
Depreciation of property, plant and equipment			-34			-34			-23			-23
Amortisation of intangible assets deriving from concession rights			-481			-481			-605			-605
Amortisation of other intangible assets			-45			-45			-26			-26
(Impairment losses)/Reversals of impairment losses	(m)		-4			-4			-4			-4
GROSS OPERATING PROFIT (EBITDA)						2,125						629
AMORTISATION, DEPRECIATION, IMPAIRMENT LOSSES AND REVERSALS OF IMPAIRMENT LOSSES							(l+h+m)			(l+h+m)		
TOTAL COSTS			-3,240			-3,240			-3,230			-3,230
OPERATING PROFIT/(LOSS)			1,563			1,563			-33			-33
OPERATING PROFIT/(LOSS) (EBIT)						1,562						-43
Financial income			153						76			76
Other financial income	(o)		153						76			76
Financial expenses	(p)		-483			-483			-573			-573
Financial expenses from discounting of provisions for construction services required by contract and other provisions			-4			-4			-18			-18
Other financial expenses	(q)		-479			-479			-555			-555
Foreign exchange gains/(losses)	(r)		-			-			-			-
FINANCIAL INCOME/(EXPENSES)			-330			-330			-497			-497
Financial income/(expenses) from discounting of provisions							(p)		-4			-4
Other financial expenses, after other financial income							(o+q)		-325			-325
Capitalised financial expenses on intangible assets deriving from concession rights									-			-
Share of profit/(loss) of investees accounted for using the equity method	(s)		-3			-3	(s)		-3			-3
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS			1,230			1,230			-538			-538
Income tax (expense)/benefit			-480			-480			128			128
Current tax expense			-212			-212			-12			-12
Differences on tax expense for previous years			-			-			7			7
Deferred tax income and expense			-268			-268			132			132
PROFIT/(LOSS) FROM CONTINUING OPERATIONS			750			750			-410			-410
Profit/(Loss) from discontinued operations			-			-			1			1
PROFIT/(LOSS) FOR THE YEAR			750			750			-409			-409
of which:												
Profit/(Loss) attributable to owners of the parent			723			723			-407			-407
Profit/(Loss) attributable to non-controlling interests			27			27			-2			-2

RECONCILIATION OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION WITH THE RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€m	31 December 2021					31 December 2020				
	Reported basis		Reclassified basis			Reported basis		Reclassified basis		
	Ref.	Main entries	Ref.	Sub-items	Main entries	Ref.	Main entries	Ref.	Sub-items	Main entries
Property, plant and equipment	(a)	171			171	(a)	88			88
Intangible assets	(b)	15,385			15,385	(b)	17,432			17,432
Investments	(c)	78			78	(c)	73			73
Deferred tax assets	(d)	134			134	(d)	131			131
Other non-financial assets	(e)	-			-	(e)	-			0
Total non-financial assets (A)					15,768					17,724
Trading assets	(f)	808			808	(f)	545			545
Trading liabilities	(k)	-1,583			-1,583	(k)	-1,320			-1,320
Current tax assets/(liabilities), net			(l+h)		-141					60
Current tax assets	(l)	27					63			
Current tax liabilities	(h)	-168					-3			
Net non-financial assets/(liabilities) held for sale or related to discontinued operations			(w+z)		-			(w+z)		6
Assets held for sale or related to discontinued operations	(w)	-				(w)			6	
Non-financial liabilities held for sale or related to discontinued operations	(z)	-				(z)				
Other assets/(liabilities), net			(m+j)		-274					-126
Other assets	(m)	127				(m)	161			161
Other liabilities	(j)	-401				(j)	-287			-287
Net working capital (B)					-1,190					-835
Gross invested capital (C=A+B)					14,578					16,889
Provisions for construction services required by contract					-		-2,540			-2,540
Current provisions for construction services required by contract							-732			-732
Non-current provisions for construction services required by contract										-1,808
Other provisions			(y+n)		-3,338					-3,890
Other current provisions	(y)	-1,092				(y)	-2,525			-2,525
Other non-current provisions	(n)	-2,245				(n)				-1,365
Deferred tax liabilities	(p)	-316			-316	(p)	-37			-37
Other non-financial liabilities	(q)	-30			-30	(q)	-23			-23
Non-financial liabilities (D)					-3,684					-6,490
NET INVESTED CAPITAL (E=C+D)					10,894					10,399
Equity attributable to owners of the parent		2,277			2,277		1,488			1,488
Equity attributable to non-controlling interests		371			371		354			354
Total equity (F)		2,648			2,648		1,842			1,842
Net debt (G)					8,246					8,557
Non-current financial liabilities	(r)	8,216				(r)	7,706			
Non-current financial assets	(s)	-332				(s)	-336			
Current financial liabilities	(t)	2,829				(t)	3,631			
Cash and cash equivalents	(u)	-1,899				(u)	-1,954			
Current financial assets	(v)	-568				(v)	-490			
NET DEBT AND EQUITY (L=F+I)					10,894					10,399
TOTAL NON-CURRENT ASSETS	(a+b+c+d+e-s)	16,100				(a+b+c+d+e-s)	18,060			
TOTAL CURRENT ASSETS	(f+i+w+m+u-v)	3,429				(f+i+w+m+u-v)	3,219			
TOTAL NON-CURRENT LIABILITIES	(-z-n-p-q+r)	10,807				(-z-n-p-q+r)	10,939			
TOTAL CURRENT LIABILITIES	(-k-h-j-y+t)	6,073				(-k-h-j-y+t)	8,498			

RECONCILIATION OF THE STATEMENT OF CHANGES IN CONSOLIDATED NET DEBT WITH THE CONSOLIDATED STATEMENT OF CASH FLOWS

€M	2021		2020	
	Consolidated statement of cash flows	Changes in consolidated net debt	Consolidated statement of cash flows	Changes in consolidated net debt
Reconciliation of items				
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES				
Profit/(Loss) for the year	750	750	-409	-409
Adjusted by:				
Amortisation and depreciation	560	560	654	654
Operating change in provisions, excluding uses of provisions for renewal of motorway infrastructure	-496	-496	395	395
Financial expenses/(income) from discounting of provisions for construction services required by contract and other provisions	4	4	18	18
Share of (profit)/loss of investees accounted for using the equity method	3	3	8	8
Impairment losses/(Reversal of impairment losses) and adjustments of current and non-current assets	6	6	3	3
(Gains)/Losses on sale of non-current assets	-1	-1	-	0
Net change in deferred tax (assets)/liabilities through profit or loss	268	268	-132	-132
Other non-cash costs (income)	-108	-108	-20	-20
Operating cash flow		986		517
Change in operating capital (a)		419		-164
Other changes in non-financial assets and liabilities (b)		0		0
Change in working capital and other changes (a+b)	419		-164	
Net cash generated from/(used in) operating activities (A)	1,405	1,405	353	353
NET CASH FROM/(USED IN) INVESTMENT IN NON-FINANCIAL ASSETS				
Investment in assets held under concession	-939	-939	-516	-516
Purchases of property, plant and equipment	-38	-38	-22	-22
Purchases of other intangible assets	-89	-89	-37	-37
Capital expenditure		-1,066		-575
Increase in financial assets deriving from concession rights (related to capital expenditure)	8	8	1	1
Purchases of investments	-1	-1	-	-
Investment in consolidated companies net of cash and cash equivalents acquired (c)	-161			
Investment in consolidated companies, including net debt assumed (d)		-185		
Proceeds from sale of property, plant and equipment, intangible assets and unconsolidated investments	3	3	1	1
Net change in other non-current assets (e)	2	2	-	-
Net change in current and non-current financial assets (f)	-13		16	
Net cash from/(used in) investment in non-financial assets (B)		-1,239		-575
Net cash generated from/(used in) investing activities (C)	(g+f-e-d+c)	-1,228	-557	
NET EQUITY CASH INFLOWS/(OUTFLOWS)				
Dividends declared by the Group and payable to non-controlling shareholders		-11		-
Dividends paid by the Group to non-controlling shareholders	-11		-	
Net equity cash inflows/(outflows) (D)		-11		-
Net cash generated during year (A+B+D)		155		-222
Issuance of bonds	984		1,219	
Increase in lease liabilities	-		4	
Increase in medium/long-term borrowings (excluding lease liabilities)	32		2	
Redemption of bonds	-1,075		-502	
Repayments of medium/long term borrowings (excluding lease liabilities)	-166		-144	
Repayments of lease liabilities	-7		-3	
Net change in other current and non-current financial liabilities	-38		-9	
Net cash generated from/(used in) financing activities (E)	-281		567	
Change in fair value of hedging derivatives		52		-
Financial income/(expenses) accounted for as an increase in financial assets/(liabilities)		-5		-3
Other changes		109		60
Other changes in net debt (F)		156		57
Increase/(Decrease) in net debt during year (A+B+D+F)		311		-165
Net debt at beginning of year		-8,557		-8,392
Net debt at end of year		-8,246		-8,557
Increase/(Decrease) in cash and cash equivalents during year (A+C+E+G)	-104		363	
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,954		1,591	
NET CASH AND CASH EQUIVALENTS AT END OF YEAR	1,850		1,954	

Notes:

- a) the "Change in operating capital" shows the change in trade-related items directly linked to the Group's ordinary activities (in particular: inventories, trading assets and trading liabilities);
- b) this item shows the balance of cash flows not generated by operating activities, with an impact on profit/(loss) for the year of companies classified as "discontinued operations";
- c) this item includes the impact on net debt arising from corporate transactions;
- d) the "Net change in current and non-current financial assets" is not shown in the "Statement of changes in consolidated net debt", as it does not have an impact on net debt;
- e) "Net cash from/(used in) investment in non-financial assets" excludes changes in the financial assets and liabilities that do not have an impact on net debt;
- f) "Dividends declared by Group companies" regard the portion of dividends declared by the Parent Company and other Group companies attributable to non-controlling interests, regardless of the period of payment;
- g) "Dividends paid" refer to amounts effectively paid during the reporting period.

RECONCILIATION OF AUTO TRADE PER L'ITALIA SPA'S INCOME STATEMENT WITH THE RECLASSIFIED INCOME STATEMENT

€m	2021				2020			
	Reported basis		Reclassified basis		Reported basis		Reclassified basis	
	Ref.	Main entries	Ref.	Main entries	Ref.	Main entries	Ref.	Main entries
Reconciliation of items								
Toll revenue		3,203		3,203		2,569		2,569
Revenue from construction services		870				162		
Revenue from construction services - government grants and cost of materials and external services	(a)	830			(a)	142		
Capitalised staff costs - construction services for which additional economic benefits are received	(b)	40			(b)	8		
Revenue from construction services: capitalised financial expenses	(c)	-			(c)	9		
Revenue from construction services provided by sub-operators	(d)	-			(d)	3		
Other revenue	(e)	203			(e)	175		
Other operating income			(e+d)	203			(e+d)	177
Total revenue		4,275				2,906		
TOTAL OPERATING REVENUE				3,406				2,746
Raw and consumable materials		-69		-69		-66		-66
Service costs		-1,381		-1,381		-1,447		-1,447
Gain/(Loss) on sale of elements of property, plant and equipment		-		-		-		-
Other operating costs		-490				-398		
Concession fees	(a)	-416			(a)	-345		
Lease expense		-3		-3		-5		-5
Other		-71		-71		-48		-48
Use of provisions for construction services required by contract	(g)				(g)			327
Revenue from construction services: government grants and capitalised cost of materials and external services	(a)		830		(a)		142	
MAINTENANCE COSTS				-414				-829
COST OF OTHER EXTERNAL SERVICES				-280				-268
CONCESSION FEES				-416				-345
Staff costs	(f)	-451			(f)	-394		
NET STAFF COSTS			(f+b+h)	-412			(f+b+h)	-362
OPERATING CHANGE IN PROVISIONS				49				-399
Operating change in provisions		49				-399		
(Provisions)/ Uses of provisions for repair and replacement of motorway infrastructure		58		58		-186		-186
(Provisions)/Uses of provisions for risks and charges		-9		-9		-213		-213
TOTAL NET OPERATING COSTS				-1,473				-2,203
GROSS OPERATING PROFIT (EBITDA)				1,933				543
Use of provisions for construction services required by contract	(g)	-			(g)	326		350
Use of provisions for construction services required by contract	(h)	-			(h)	24		
Capitalised staff costs - construction services for which no additional economic benefits are received								
Amortisation and depreciation	(i)	-499			(i)	-603		
Depreciation of property, plant and equipment		-18				-18		
Depreciation of investment property		-				-1		
Amortisation of intangible assets deriving from concession rights		-435				-558		
Amortisation of other intangible assets		-41				-23		
Depreciation of right to use property, plant and equipment		-5				-3		
(Impairment losses)/Reversals of impairment losses on current and non-current	(j)	-4			(j)	-1		
(Impairment losses)/Reversals of impairment losses on property, plant and equipment and intangible assets								
(Impairment losses)/Reversals of impairment losses on other assets	(k)	-4			(k)	-1		
AMORTISATION, DEPRECIATION, IMPAIRMENT LOSSES AND REVERSALS OF IMPAIRMENT LOSSES			(i+j+k)	-503			(i+j+k)	-604
TOTAL COSTS		-2,845				-2,958		
OPERATING PROFIT/(LOSS)		1,430				-52		
OPERATING PROFIT/(LOSS) (EBIT)				1,430				-61
Financial income		185				90		
Dividends received from investees		17		17		-		-
Reversal of impairment losses on financial assets and investments	(l)				(l)			
Other financial income	(m)	185			(m)	90		
Financial expenses		-474				-565		
Financial expenses from discounting of provisions for construction services required by contract and other provisions		-3		-3		-15		-15
Impairment losses on financial assets and investments	(n)				(n)			
Other financial expenses	(o)	-471			(o)	-550		
Foreign exchange gains/(losses)	(p)	-			(p)	-		
Reversals of impairment losses/(Impairment losses) on investments			(l+n)	-			(l+n)	-
Other financial expenses, after other financial income			(m+o+p)	-303			(m+o+p)	-460
Capitalised financial expenses on intangible assets deriving from concession rights			(c)	-			(c)	9
FINANCIAL INCOME/(EXPENSES)		-289				-475		
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		1,141		1,141		-527		-527
Income tax (expense)/benefit		-459		-459		129		129
Current tax expense		-178				1		
Differences on tax expense for previous years		-				4		
Deferred tax income and expense		-281				124		
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		682		682		-398		-398
Dividends, after the related taxation, from discontinued operations		-				-		-
PROFIT/(LOSS) FOR THE YEAR		682		682		-398		-398

RECONCILIATION OF AUTOSTRADE PER L'ITALIA SPA'S STATEMENT OF FINANCIAL POSITION WITH THE RECLASSIFIED STATEMENT OF FINANCIAL POSITION

€m	31 December 2021					31 December 2020				
	Reported basis		Reclassified basis			Reported basis		Reclassified basis		
	Ref.	Main entries	Ref.	Sub-items	Main entries	Ref.	Main entries	Ref.	Sub-items	Main entries
Property, plant and equipment	(a)	92			92	(a)	79			79
Intangible assets	(b)	14,450			14,450	(b)	16,568			16,569
Investments	(c)	317			317	(c)	247			247
Non-financial assets (A)					14,859					16,895
Trading assets	(f)	621			621	(f)	473			473
Current tax assets/(liabilities), net			(f+h)		-132					53
Current tax assets	(l)	19				(l)	53			
Current tax liabilities	(h)	-151				(h)	0			
Investments held for sale or related to discontinued operations			(w+z)		-			(w+z)		6
Investments held for sale or for distribution to shareholders or related to discontinued operations	(w)	-			-	(w)	6			-
Liabilities related to discontinued operations	(z)	-			-	(z)	-			-
Trading liabilities	(k)	-1,544			-1,544	(k)	-1,293			-1,293
Other assets/(liabilities), net			(m+j)		-138					-29
Other assets	(m)	81				(m)	128			
Other liabilities	(j)	-219				(j)	-157			
Net working capital (B)					-1,193					-790
Gross invested capital (C=A+B)					13,666					16,105
Provisions for construction services required by contract					-		-2,540			-2,540
Current provisions for construction services required by contract					-	(x)	-732		-732	-
Non-current provisions for construction services required by contract					-		-1,808		-1,808	-
Other provisions		-3,060	(y+n)		-3,060		-3,571	(y+n)		-3,571
Other current provisions	(y)	-1,037				(y)	-2,490			
Other non-current provisions	(n)	-2,023				(n)	-1,081			
Deferred tax liabilities, net	(p)	-315			-315	(p)	-17			-17
Other non-financial liabilities	(q)	-25			-25	(q)	-23			-23
Non-financial liabilities (D)					-3,400					-6,151
NET INVESTED CAPITAL (E=C+D)					10,266					9,954
Total equity (F)		1,829			1,829		1,095			1,095
Net debt					8,437					8,859
Non-current financial liabilities	(r)	8,180				(r)	7,679			
Non-current financial assets	(s)	-333				(s)	-562			
Current financial liabilities	(t)	2,538				(t)	3,410			
Cash and cash equivalents	(u)	-1,594				(u)	-1,602			
Current financial assets	(v)	-354				(v)	-66			
NET DEBT AND EQUITY (L=F+I)					10,266					9,954
TOTAL NON-CURRENT ASSETS	(a+b+c+d+e-s)	15,192					17,456			
TOTAL CURRENT ASSETS	(f+i+w+m+u-v)	2,669					2,328			
TOTAL NON-CURRENT LIABILITIES	(-n-h-p-q+r)	10,543					10,608			
TOTAL CURRENT LIABILITIES	(-k-h-j-y+t-x)	5,489					8,082			

RECONCILIATION OF AUTOSTRADE PER L'ITALIA SpA'S STATEMENT OF CHANGES IN NET DEBT WITH THE STATEMENT OF CASH FLOWS

€m		2021		2020	
Reconciliation of items	Note	Statement of cash flows	Changes in net debt	Statement of cash flows	Changes in net debt
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES					
Profit/(Loss) for the year		682	682	-398	-398
Adjusted by:					
Amortisation and depreciation		498	498	603	603
Operating change in provisions, including direct uses of provisions for risks and charges		-452	-452	378	378
Financial expenses from discounting of provisions for construction services required by contract and other provisions		3	3	15	15
Impairment losses/(Reversal of impairment losses) on current and non-current assets		5	5	1	1
(Gains)/Losses on sale of non-current assets		-1	-1	-	-
Net change in deferred tax (assets)/liabilities through profit or loss		281	281	-124	-124
Other non-cash costs (income)		-109	-109	-23	-23
Operating cash flow			907		452
Change in operating capital	(a)		99		17
Other changes in non-financial assets and liabilities	(b)		293		-162
Change in working capital and other changes	(a+b)	392		-145	
Net cash generated from/(used in) operating activities (A)		1,299	1,299	307	307
NET CASH FROM/(USED IN) INVESTMENT IN NON-FINANCIAL ASSETS					
Investment in assets held under concession		-870	-870	-509	-509
Purchases of property, plant and equipment		-23	-23	-20	-20
Purchases of other intangible assets		-78	-78	-31	-31
Capital expenditure			-971		-560
Government grants related to assets held under concession		-	-	-	-
Purchases of investments		-65	-65	-5	-5
Proceeds from sale of property, plant and equipment, intangible assets and investments		1	1	-	-
Net change in current and non-current financial assets	(c)	-7		35	
Net cash from/(used in) investment in non-financial assets (B)	(d)		-1,035		-565
Net cash generated from/(used in) investing activities (C)	(d-c)	-1,042		-530	
NET EQUITY CASH INFLOWS/(OUTFLOWS)					
Dividends declared	(e)		-		-
Dividends paid	(f)	-		-	
Net equity cash inflows/(outflows) (D)			-		-
Net cash (used)/generated during year (A+B+D)			264		-258
Issuance of bonds		984		1,219	
Increase in lease liabilities		-		4	
Bond redemptions		-1,075		-502	
Repayments of medium/long term borrowings		-136		-140	
Repayments of lease liabilities		-5		-3	
Net change in other current and non-current financial liabilities		-46		-74	
Net cash generated from/(used in) financing activities (E)		-278		504	
OTHER CHANGES IN NET DEBT					
Change in fair value of hedging derivatives			52		-
Financial income/(expenses) accounted for as an increase in financial assets/(liabilities)			-3		-
Other changes in financial assets and liabilities			109		59
Other changes in net debt (F)			158		59
Decrease/(Increase) in net debt during year (A+B+D+F)			422		-199
Net debt at beginning of year			-8,859		-8,660
Net debt at end of year			-8,437		-8,859
(Decrease)/Increase in cash and cash equivalents during year (A+C+E+G)		-21		281	
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		1,575		1,294	
NET CASH AND CASH EQUIVALENTS AT END OF YEAR		1,554		1,575	

Notes:

- a) the "Change in operating capital" shows the change in trade-related items directly linked to the Company's ordinary activities (in particular: inventories, trading assets and trading liabilities);
- b) the "Other changes in non-financial assets and liabilities" shows the change in items of a non-trading nature (in particular: current tax assets and liabilities, other current assets and liabilities, current provisions for construction services required by contract and other provisions);
- c) the "Net change in current and non-current financial assets" is not shown in the "Statement of changes in net debt", as it does not have an impact on net debt;
- d) "Net cash (used in)/from investment in non-financial assets" excludes changes in the financial assets and liabilities referred to in note c) that do not have an impact on net debt;
- e) "Dividends declared" regard the portion of dividends declared by the Company, regardless of the period of payment;
- f) "Dividends paid" refer to amounts effectively paid during the reporting period.

Like-for-like financial indicators

The following table shows the like-for-like consolidated amounts for gross operating profit (EBITDA), profit/(loss) for the year, profit/(loss) for the year attributable to owners of the parent and operating cash flow for the two comparative periods and the corresponding amounts derived from the reclassified financial statements in section 2.4 "Group financial review".

€m	Note	2021				2020			
		Gross operating profit (EBITDA)	Profit/(Loss) for the period	Profit/(Loss) attributable to owners of the parent	Operating cash flow	Gross operating profit (EBITDA)	Profit/(Loss) for the period	Profit/(Loss) attributable to owners of the parent	Operating cash flow
Reported amounts (A)		2,125	750	723	986	629	-409	-407	517
Adjustments for non like-for-like items									
Impact connected with collapse of a section of the Polcevera road bridge	(1)	-44	-39	-39	-51	-60	-41	-41	-209
Impact of settlement of disputes with the MIMS	(2)	39	-6	-6	-263	-190	-130	-130	-
Change in the scope of consolidation (Pavimental, Pavimental Polska, Free to X, Infomobility and Tecne)	(3)	26	6	6	24	-2	-2	-2	-2
Change in discount rate applied to provisions	(4)	7	22	20	-	-63	-47	-44	-
Consent solicitation	(5)	-2	-7	-7	1	-	-	-	-
Tax benefit of revaluation of assets by Tangenziale di Napoli and Autostrade Tech solely for the purposes of ITA GAAP (Law Decree 104/2020)	(6)	-	15	15	-11	-	-	-	-
Sub-total (B)		26	-9	-11	-300	-315	-220	-217	-211
Like-for-like amounts (C) = (A)-(B)		2,099	759	734	1,286	944	-189	-190	728

Notes:

The term "like-for-like basis", used in the description of changes in certain consolidated performance indicators, means that amounts for comparative periods have been determined by eliminating:

- 1) from consolidated amounts for 2021 and 2020, the after-tax impact on the income statement and on operating cash flow of (i) reductions in toll revenue (for 2020 alone), (ii) payments made at the request of the Special Commissioner for Genoa in relation to reconstruction of the San Giorgio road bridge, and (iii) the compensation paid to victims' families and the injured, to cover legal expenses and to fund the financial support provided to small businesses and firms;
- 2) from consolidated amounts for 2021, the after-tax impact on the income statement and operating cash flow of the toll exemptions and discounts introduced in response to the disruption linked to roadworks in the Genoa area and the discounting to present value of provisions made in previous years to fund the commitments provided for in the settlement agreement and, from consolidated amounts for 2020, the impact of the estimated additional costs to be incurred in relation to the talks with the Government and the MIMS aimed at resolving the dispute between the parties over alleged serious breaches;
- 3) from consolidated amounts for 2021, the after-tax impact on the income statement and operating cash flow of the contributions from companies consolidated from 2021;
- 4) from consolidated amounts for the two comparative periods, the after-tax impact of the difference in the discount rates applied to the provisions accounted for among the Group's liabilities;
- 5) from consolidated amounts for 2021, the impact on the income statement and operating cash flow of the Consent Solicitation launched by Autostrade per il l'Italia in the fourth quarter of 2021;
- 6) from consolidated amounts for 2021, the impact on the income statement and operating cash flow of the tax benefit resulting from recognition of the tax effects of the revaluation of assets in the statutory financial statements of the subsidiaries, Tangenziale di Napoli and Movyon.

Comparison of certain financial indicators for 2021 with the matching pro forma amounts for 2020

The following table shows a comparison of certain financial indicators for 2021 with Autostrade per l'Italia's matching pro forma amounts for 2020, restated to reflect adjustments applied in 2021 as a result of the Framework Agreement, as described in more detail in the "Preamble" to section 2.4 "Group financial review".

€m			Pro forma adjustments			2020 (pro forma)	Absolute change
	2021	2020 (reported)	Remuneration through tolls of the €1.2 billion extraordinary maintenance plan	Company's assumption of the cost of unremunerated investment amounting to €1.2 billion	Total pro forma adjustments		
	A	B	C	D	E=C+D	F=B+E	A-F
Operating revenue	3,406	2,746			-	2,746	660
Maintenance costs	-414	-829	349		349	-480	66
Cost of other external services	-280	-268			-	-268	-12
Concession fees	-416	-345			-	-345	-71
Net staff costs	-412	-362			-	-362	-50
Operating change in provisions	49	-399	-349	-	-349	-748	797
<i>of which the operating change in provisions for repair and replacement</i>	58	-185	-349	500	151	-34	92
<i>of which the operating change in other provisions for risks and charges</i>	-9	-214		-500	-500	-714	705
EBITDA	1,933	543	-	-	-	543	1,390
Operating cash flow	907	452	349	-489	-140	312	595
Capital expenditure	-971	-560	-349	489	140	-420	-551

Notes:

- Adjustment C – Impact connected with remuneration through tolls of the €1.2 billion extraordinary maintenance plan:** as a result of remuneration through tolls of the extraordinary maintenance plan – in common with other investment – the final costs for 2020 (€349 million) have been excluded from the negative (maintenance costs) and positive (use of a matching amount from provisions for repair and replacement) components of EBITDA and operating cash flow. As a result, the same works are included in capital expenditure as they are considered as an increase in intangible assets deriving from concession rights from 2021.
- Adjustment D – Impact connected with the Company's assumption of the cost of unremunerated investment amounting to €1.2 billion:** the reported amount for 2020 included, in the operating change in Autostrade per l'Italia's provisions for repair and replacement, an adjustment from €0.7 million to €1.2 billion in provisions connected with the extraordinary maintenance plan. As a result of the replacement, as part of the Settlement Agreement, of this sum with a matching amount of unremunerated investment, the provision for 2020 has been reclassified from the "operating change in provisions for repair and replacement" to the "operating change in other provisions for risks and charges". As a result, the amount of unremunerated investment incurred in 2020 (€489 million) is excluded from the outflow for capital expenditure and included in the negative components of operating cash flow within operating uses of provisions.

Reconciliation of the equity and profit of Autostrade per l'Italia with the corresponding consolidated amounts

€m	Equity as at 31 December 2021	Profit(Loss) for 2021
Amounts in financial statements of Autostrade per l'Italia	1,829	682
Recognition in consolidated financial statements of equity and profit/(loss) for the year of investments less non-controlling interests	774	52
Elimination of carrying amount of consolidated investments	-357	-
Elimination of impairment losses on consolidated investments less reversals	3	-
Elimination of intercompany dividends	-	-17
Measurement of investments at fair value and using the equity method less dividends received	-1	-2
Other consolidation adjustments ⁽¹⁾	29	8
Consolidated carrying amounts (attributable to owners of the parent)	2,277	723
Consolidated carrying amounts (attributable to non-controlling interests)	371	27
Carrying amounts in consolidated financial statements	2,648	750

(1) Other consolidation adjustments essentially include the effects of remeasurement at fair value, solely for the purposes of consolidation, of previously held interests following the acquisition of control of the related companies.



**CONSOLIDATED
FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR
ENDED 31 DECEMBER 2021**



Consolidated financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€000	Note	31 December 2021	<i>of which related party transactions</i>	31 December 2020	<i>of which related party transactions</i>
ASSETS					
Non-current assets					
Property, plant and equipment	7.1	170,904		87,842	
Property, plant and equipment		170,454		86,407	
Investment property		450		1,435	
Intangible assets	7.2	15,385,011		17,432,447	
Intangible assets deriving from concession rights		9,184,698		11,280,470	
Goodwill and other intangible assets with indefinite lives		6,111,364		6,111,304	
Other intangible assets		88,949		40,673	
Investments	7.3	77,684		73,129	
Investments accounted for at cost or fair value		10,575		1,645	
Investments accounted for using the equity method		67,109		71,484	
Non-current financial assets	7.4	331,951		335,313	
Non-current financial assets deriving from government grants		133,735		158,680	
Non-current term deposits		129,803		154,532	
Non-current derivative assets		41,234		-	
Other non-current financial assets		27,179		22,101	
Deferred tax assets	7.5	133,950		130,670	
Other non-current assets	7.6	886		104	
Total non-current assets		16,100,386		18,059,505	
Current assets					
Trading assets	7.7	807,919		544,902	
Inventories		131,308		70,516	
Contract work in progress		71,737		4,204	
Trade receivables		604,874	91,164	470,182	73,693
Cash and cash equivalents	7.8	1,899,168		1,954,352	
Cash		1,188,276		1,423,904	
Cash equivalents		164,688		14,643	
Intercompany current account receivables due from related parties		546,204	546,204	515,805	515,805
Current financial assets	7.4	567,709		490,230	
Current financial assets deriving from concession rights		419,136		410,953	
Current financial assets deriving from government grants		45,137		20,192	
Current term deposits		44,315		19,371	
Current portion of medium/long-term financial assets		34,996		21,532	
Other current financial assets		24,125		18,182	
Current tax assets	7.9	26,574	23,889	63,244	33,397
Other current assets	7.10	126,781	396	161,446	6,754
Assets held for sale and related to discontinued operations	7.11	-		5,736	
Total current assets		3,428,151		3,219,910	
TOTAL ASSETS		19,528,537		21,279,415	

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€000	Note	31 December 2021	<i>of which related party transactions</i>	31 December 2020	<i>of which related party transactions</i>
EQUITY AND LIABILITIES					
Equity					
Equity attributable to owners of the parent		2,277,621		1,487,722	
Issued capital		622,027		622,027	
Reserves and retained earnings		932,303		1,272,858	
Profit/(Loss) for the year		723,291		-407,163	
Equity attributable to non-controlling interests		370,716		354,729	
Issued capital and reserves		344,112		356,224	
Profit/(Loss) for the year		26,604		-1,495	
Total equity	7.12	2,648,337		1,842,451	
Non-current liabilities					
Non-current portion of provisions for construction services required by contract	7.13	-		1,808,116	
Non-current provisions	7.14	2,245,892		1,364,717	
Non-current provisions for employee benefits		76,644		83,613	
Non-current provisions for repair and replacement of motorway infrastructure		712,047		1,177,116	
Non-current provisions for renewal of motorway infrastructure		80,634		86,841	
Other non-current provisions for risks and charges		1,376,567		17,147	
Non-current financial liabilities	7.15	8,215,610		7,705,678	
Bond issues		7,532,240		7,124,161	
Medium/long-term borrowings		576,802		186,613	
Non-current derivative liabilities		104,887		392,826	
Other non-current financial liabilities		1,681		2,078	
Deferred tax liabilities	7.5	316,246		36,573	
Other non-current liabilities	7.16	29,826		23,671	
Total non-current liabilities		10,807,574		10,938,755	
Current liabilities					
Trading liabilities	7.17	1,582,806		1,320,361	
Trade payables		1,582,806	122,596	1,320,361	269,523
Current portion of provisions for construction services required by contract	7.13	-		732,162	
Current provisions	7.14	1,091,889		2,525,441	
Current provisions for employee benefits		18,128		18,294	
Current provisions for repair and replacement of motorway infrastructure		430,386		747,634	
Current provisions for renewal of motorway infrastructure		4,505		7,850	
Other current provisions for risks and charges		638,870		1,751,663	
Current financial liabilities	7.15	2,828,999		3,631,057	
Bank overdrafts repayable on demand		48,947		1	
Short-term borrowings		251,999		249,458	
Current derivative liabilities		138		-	
Current portion of medium/long-term financial liabilities		2,494,882		3,349,631	
Other current financial liabilities		33,033		31,967	
Current tax liabilities	7.9	167,502	138,114	2,979	2,577
Other current liabilities	7.18	401,430	15,584	286,209	16,166
Liabilities related to discontinued operations	7.11	-		-	
Total current liabilities		6,072,626		8,498,209	
TOTAL LIABILITIES		16,880,200		19,436,964	
TOTAL EQUITY AND LIABILITIES		19,528,537		21,279,415	

CONSOLIDATED INCOME STATEMENT

€000	Note	2021	of which related party transactions	2020	of which related party transactions
REVENUE					
Toll revenue	8.1	3,473,586		2,791,321	
Revenue from construction services	8.2	930,654		168,747	
Other operating income	8.3	398,782	103,068	236,373	94,422
TOTAL REVENUE		4,803,022		3,196,441	
COSTS					
Raw and consumable materials	8.4	-207,413	-5,133	-87,952	-275
Service costs	8.5	-1,341,539	-24,393	-1,488,507	-370,304
Gain/(Loss) on sale of elements of property, plant and equipment		1,420		459	
Staff costs	8.6	-703,628	-28,132	-505,141	-20,019
Other operating costs					
Concession fees	8.7	-524,725		-423,895	
Lease expense		-437,693		-362,404	
Other		-9,558		-9,014	
		-77,474		-52,477	
Operating change in provisions					
(Provisions)/Uses of provisions for repair and replacement of motorway infrastructure	8.8	100,298		-417,534	
(Provisions)/Uses of provisions for renewal of motorway infrastructure		101,215		-189,165	
(Provisions)/Uses of provisions for renewal of motorway infrastructure		10,070		-14,911	
(Provisions)/Uses of provisions for risks and charges		-10,987		-213,458	
Use of provisions for construction services required by contract	8.9	-		349,527	
Amortisation and depreciation					
Depreciation of property, plant and equipment	8.10	-560,222		-653,617	
Amortisation of intangible assets deriving from concession rights		-34,479		-23,129	
Amortisation of other intangible assets		-480,638		-605,289	
Amortisation of other intangible assets		-45,105		-25,199	
(Impairment losses)/Reversals of impairment losses		-4,598		-2,920	
TOTAL COSTS		-3,240,407		-3,229,580	
OPERATING PROFIT/(LOSS)		1,562,615		-33,139	
Financial income					
Other financial income		153,337		75,874	
153,337		153,337		75,874	
Financial expenses					
Financial expenses from discounting of provisions for construction services required by contract and other provisions		-483,135		-572,440	
		-3,858		-17,642	
Other financial expenses		-479,277	-13,323	-554,798	-16,200
Foreign exchange gains/(losses)		-361		-379	
FINANCIAL INCOME/(EXPENSES)	8.11	-330,159		-496,945	
Share of (profit)/loss of investees accounted for using the equity method	7.3	-2,638		-8,049	
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		1,229,818		-538,133	
Income tax (expense)/benefit					
Current tax expense	8.12	-479,923		128,231	
Differences on current tax expense for previous years		-211,660		-11,650	
Deferred tax income and expense		155		7,418	
		-268,418		132,463	
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		749,895		-409,902	
Profit/(Loss) from discontinued operations		-		1,244	
PROFIT/(LOSS) FOR THE YEAR		749,895		-408,658	
<i>of which:</i>					
Profit/(Loss) attributable to owners of the parent		723,291		-407,163	
Profit/(Loss) attributable to non-controlling interests		26,604		-1,495	
€					
		2021		2020	
Basic earnings/(loss) per share attributable to owners of the parent					
of which:	8.13	1.16		-0.66	
- continuing operations		1.16		-0.66	
- discontinued operations		-		-	
Diluted earnings/(loss) per share attributable to owners of the parent					
of which:	8.13	1.16		-0.66	
- continuing operations		1.16		-0.66	
- discontinued operations		-		-	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€000	Note	2021	2020
Profit/(Loss) for the year	(A)	749,895	-408,658
Fair value gains/(losses) on cash flow hedges		51,723	-
Tax effect of fair value gains/(losses) on cash flow hedges		-12,427	-
Gains/(losses) from translation of assets and liabilities of consolidated companies denominated in functional currencies other than the euro		-139	99
Gains/(losses) from translation of investments accounted for using the equity method denominated in functional currencies other than the euro		-	187
Other comprehensive income of investments accounted for using the equity method		553	333
Other comprehensive income/(loss) reclassifiable to profit or loss for the year	(B)	39,710	619
Gains/(Losses) from actuarial valuations of provisions for employee benefits	7.14	-6,892	-2,801
Tax effect of gains/(Losses) from actuarial valuations of provisions for employee benefits		1,655	671
Other comprehensive income/(loss) not reclassifiable to profit or loss for the year	(C)	-5,237	-2,130
Other reclassifications of other comprehensive income to profit or loss for the year		22,264	34,924
Tax effect of other reclassifications of other comprehensive income to profit or loss for the year		-5,343	-8,382
Reclassifications of other components of comprehensive income to profit or loss for the year	(D)	16,921	26,542
Total other comprehensive income/(loss) for the year	7.12 (E=B+C+D)	51,394	25,031
<i>of which attributable to discontinued operations</i>		-	-
Comprehensive income/(loss) for the year	(A+E)	801,289	-383,627
<i>Of which attributable to owners of the parent</i>		774,757	-382,072
<i>Of which attributable to non-controlling interests</i>		26,532	-1,555

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

€000	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT					EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT AND NON-CONTROLLING INTERESTS		
	Issued capital	Cash flow hedge reserve	Reserve for translation differences on translation of assets and liabilities of consolidated companies denominated in functional currencies other than the euro	Reserve for translation of investments accounted for using the equity method denominated in functional currencies other than the euro	Other reserves and retained earnings			Utile/(Perdita) dell'esercizio	Total
Balance as at 31 December 2019	622,027	-157,639	55	-37	1,681,653	-281,894	1,864,165	356,259	2,220,424
Comprehensive income/(loss) for the year	-	26,542	99	187	-1,737	-407,163	-382,072	-1,555	-383,627
<u>Owner transactions and other changes</u>									
Transfer of remaining profit/(loss) for previous year to retained earnings	-	-	-	-	-281,894	281,894	-	-	-
Share-based incentive plans and other minor changes	-	-	-	-	5,629	-	5,629	25	5,654
Balance as at 31 December 2020	622,027	-131,097	154	150	1,403,651	-407,163	1,487,722	354,729	1,842,451
Comprehensive income/(loss) for the year	-	56,217	-139	-	-4,612	723,291	774,757	26,532	801,289
<u>Owner transactions and other changes</u>									
Transfer of remaining profit/(loss) for previous year to retained earnings	-	-	-	-	-407,163	407,163	-	-	-
Dividends paid by other Group companies to non-controlling shareholders	-	-	-	-	-	-	-	-10,964	-10,964
Change in reserves as a result of transactions under common control	-	-277	-2	-	15,340	-	15,061	-	15,061
Other minor changes	-	-	1	-	80	-	81	419	500
Balance as at 31 December 2021	622,027	-75,157	14	150	1,007,296	723,291	2,277,621	370,716	2,648,337

**Consolidated financial statements as at
and for the year ended
31 December 2021.**

CONSOLIDATED STATEMENT OF CASH FLOWS

€000	Note	2021	of which related party transactions	2020	of which related party transactions
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES					
Profit/(Loss) for the year	8.10	749,895		-408,658	
Adjusted by:					
Amortisation and depreciation		560,222		653,617	
Operating change in provisions, excluding uses of provisions for renewal of motorway infrastructure		-495,877		394,770	
Financial expenses from discounting of provisions for construction services required by contract and other provisions	8.11	3,858		17,642	
Share of (profit)/loss of investees accounted for using the equity method	7.3	2,638		8,049	
Impairment losses/(Reversal of impairment losses) and adjustments of current and non-current assets		5,726		3,009	
(Gain)/Loss on sale of non-current assets		-1,406		-404	
Net change in deferred tax (assets)/liabilities through profit or loss	8.12	268,418		-132,463	
Other non-cash costs (income)		-107,705		-18,772	
Change in working capital and other changes		418,967	169,003	-164,676	-35,936
Net cash generated from/(used in) operating activities [a]	9.1	1,404,736		352,114	
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES					
Investment in assets held under concession	7.2	-938,585		-515,910	
Purchases of property, plant and equipment	7.1	-37,731		-21,546	
Purchases of other intangible assets	7.2	-89,020		-36,879	
Government grants related to assets held under concession		250		116	
Increase in financial assets deriving from concession rights (related to capital expenditure)		8,183		1,369	
Purchases of investments		-625		-	
Investment in consolidated companies net of cash and cash equivalents acquired		-160,531		-	
Proceeds from sales of property, plant and equipment, intangible assets and unconsolidated investments		2,868		1,293	
Net change in other non-current assets		1,290		60	
Net change in current and non-current financial assets		-14,229		14,610	
Net cash generated from/(used in) investing activities [b]	9.1	-1,228,130		-556,887	
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES					
Dividends paid by the Group to non-controlling shareholders		-10,952		-	
Issuance of bonds	7.15	983,535		1,218,864	
Increase in medium/long-term borrowings (excluding lease liabilities)		32,022		2,078	
Increase in lease liabilities		-		3,889	
Redemption of bonds	7.15	-1,074,936		-501,728	
Repayments of medium/long term borrowings (excluding finance lease liabilities)	7.15	-165,953		-143,690	
Repayments of lease liabilities	7.15	-7,453		-3,269	
Net change in other current and non-current financial liabilities		-36,986		-8,760	
Net cash generated from/(used in) financing activities [c]	9.1	-280,723		567,384	
Net effect of exchange rate movements on net cash and cash equivalents [d]		-13		-	
Increase/(Decrease) in cash and cash equivalents [a+b+c+d]	9.1	-104,130		362,611	
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		1,954,351		1,591,740	
NET CASH AND CASH EQUIVALENTS AT END OF YEAR		1,850,221		1,954,351	

ADDITIONAL INFORMATION ON THE STATEMENT OF CASH FLOWS

€000	Note	2021	2020
Income taxes paid		6,566	60,454
Interest and other financial income collected		50,126	46,132
Interest expense and other financial expenses paid		457,162	493,814
Foreign exchange gains collected		69	32
Foreign exchange losses incurred		244	65

RECONCILIATION OF NET CASH AND CASH EQUIVALENTS

€000	Note	2021	2020
<u>NET CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</u>		1,954,351	1,591,740
Cash and cash equivalents	7.8	1,954,352	1,619,600
Bank overdrafts repayable on demand	7.15	-1	-2
Intercompany current account payables due to related parties	7.15	-	-27,858
<u>NET CASH AND CASH EQUIVALENTS AT END OF YEAR</u>		1,850,221	1,954,351
Cash and cash equivalents	7.8	1,899,168	1,954,352
Bank overdrafts repayable on demand	7.15	-48,947	-1
Intercompany current account payables due to related parties	7.15	-	-

Notes

1. Introduction

The core business of the Autostrade per l'Italia Group ("the Group" or the "ASPI Group") is the operation of motorways under concessions granted by the relevant authorities. Under the related concession arrangements, the Group's operators are responsible for the construction, management, improvement and upkeep of motorway infrastructure. Further information on the Group's concession arrangements is provided in note 4, "Concessions".

The Parent Company, Autostrade per l'Italia SpA ("Autostrade per l'Italia", "the Company", "the Parent Company" or "ASPI") is a public limited company incorporated in 2003. The Company's core business is the operation of Italian motorways under a concession granted by the Ministry of Sustainable Infrastructure and Mobility (the "MIMS", previously the Ministry of Infrastructure and Transport or the "MIT"), which assumed the role of Grantor previously fulfilled by ANAS SpA (Italy's Highways Agency) from 1 October 2012.

The Parent Company's registered office is at Via Bergamini, 50 in Rome and it does not have branch offices. The duration of the Company is until 31 December 2050.

88.06% of the Company's share capital is held by Atlantia SpA (also referred to as "Atlantia"), which is listed on the screen-based trading system (*Mercato Telematico Azionario*) operated by Borsa Italiana SpA.

On 12 June 2021, the parent, Atlantia, and Holding Reti Autostradali SpA – the corporate vehicle owned by the consortium consisting of CDP Equity SpA, The Blackstone Group International Partners LLP and Macquarie European Infrastructure Fund 6 SCSp ("HRA") – signed the share purchase agreement regarding the sale of Atlantia's entire stake in Autostrade per l'Italia. Completion of the sale is subject to fulfilment of a number of conditions precedent, including (i) completion of the approval process for the III Addendum and the Settlement Agreement and (ii) the receipt of waivers from the ASPI Group's lenders, including bondholders, including the release of the guarantees provided by Atlantia securing a number of ASPI's bond issues and borrowings.

At the date of preparation of these consolidated financial statements, Autostrade per l'Italia is under the legal control of Atlantia, which is listed on the screen-based trading system (*Mercato Telematico Azionario*) operated by Borsa Italiana SpA, which also managed and coordinated the Company pursuant to articles 2497 *et seq.* of the Italian Civil Code until 15 October 2021. On this date, Atlantia informed the Company, among other things, that, at a Board meeting held on 14 October 2021 - in view of its organisational, operational and managerial restructuring, which has led Atlantia to focus on its core activities relating to portfolio management, strategy, risk, talent acquisition, partnership, innovation and sustainability, and following the redefinition of relations with its subsidiaries, which are granted full managerial autonomy - it was decided to cease management and coordination of Autostrade per l'Italia, among others, and consequently to repeal the related Management and Coordination Regulations adopted on 19 January 2018, as subsequently amended by Atlantia's Board of Directors on 15 February 2019. As a result, the Company is no longer managed and coordinated by Atlantia. Atlantia prepares its own consolidated

financial statements according to the procedures and timing required by law and publishes it on its website at www.atlantia.com.

At the date of preparation of these consolidated financial statements, Sintonia SpA is the shareholder that holds a relative majority of the issued capital of Atlantia SpA.

These consolidated financial statements as at and for the year ended 31 December 2021 were approved by Autostrade per l'Italia's Board of Directors at its meeting held on 8 March 2022, which also authorised their publication.

2. Basis of preparation of the consolidated financial statements

The consolidated financial statements as at and for the year ended 31 December 2020 have been prepared in compliance with articles 2 and 3 of Legislative Decree 38/2005 and art. 154-ter "Financial reporting" in the Consolidated Finance Act ("CFA"). They have been prepared on the assumption that the Parent Company is a going concern, given that the Company's Board of Directors believes that there is a reasonable expectation that the Company, and the Group it heads, will continue to operate normally in the foreseeable future, and in any event over a period of at least twelve months from 31 December 2021. This reflects that fact that the risk factors and uncertainties present at the time of preparation of the consolidated financial statements as at and for the year ended 31 December 2020 no longer exist. These are summarized below:

- a) relations and outstanding litigation between Autostrade per l'Italia and the Grantor;
- b) the Italian Government's approval of the so-called *Milleproroghe* Decree, above all art. 35 of the Decree, which, among other things, amended the legislation governing the "revocation, forfeiture or termination of road or motorway concessions, including those for toll roads and motorways";
- c) the downgrade of Autostrade per l'Italia's credit rating to below investment grade and of its outlook by the international agencies, Moody's, Fitch and Standard & Poor's, following enactment of art. 35 of the above *Milleproroghe* Decree. The downgrade to below investment grade could have exposed – and still exposes - the Company to the risk that the European Investment Bank ("EIB") and, in relation to its share of the debt, Cassa Depositi e Prestiti ("CDP") might request additional protections, and, were such protections not judged to be reasonably satisfactory, they could request early repayment of the existing debt (€1.5 billion, including €1.2 billion guaranteed by Atlantia). The failure to satisfy a request for early repayment from the EIB or CDP, provided that it were lawful, could result in similar requests from the Company's other creditors, including bondholders;
- d) the operational difficulties affecting the Company as a result of the Covid-19 pandemic, and the ensuing restrictions on the movement of people and on business activity imposed by the Italian authorities.

With regard to points a) and b) above (relations with the Grantor and *Milleproroghe* Decree), on 14 October 2021, the Settlement Agreement was signed by the Ministry of Sustainable Infrastructure and Mobility (the *Ministero delle Infrastrutture e della Mobilità Sostenibili*, or "MIMS") and ASPI, bringing an end to the dispute initiated on 16 August 2018 over the Ministry's allegations of serious breaches of the Concession Arrangement following the collapse of a section of the Polcevera road

bridge, as described in note 10.7, “Significant legal and regulatory aspects”, to which reference should be made. Following this, on 22 December 2021, the Interministerial Committee for Economic Planning and Sustainable Development (*CIPRESS*) expressed a favourable opinion on the III Addendum to ASPI’s Single Concession Arrangement and the related Financial Plan for the period 2020-2024, which also includes the content of the Settlement Agreement. Final approval of the overall Framework Agreement – which includes the III Addendum to the Single Concession Arrangement, the related Financial Plan for the period 2020-2024 and the Settlement Agreement – remains subject to, among other things, registration of the related *CIPRESS* determination and the decrees approving the Framework Agreement with the Italian Court of Auditors.

In addition, on 12 June 2021, the parent, Atlantia, and Holding Reti Autostradali SpA – the corporate vehicle owned by the consortium consisting of CDP Equity SpA, The Blackstone Group International Partners LLP and Macquarie European Infrastructure Fund 6 SCSp (“HRA”) – signed the share purchase agreement regarding the sale of Atlantia’s entire stake in Autostrade per l’Italia. Completion of the sale is subject to fulfilment of a number of conditions precedent, including (i) completion of the approval process for the III Addendum and the Settlement Agreement and (ii) the receipt of waivers from the ASPI Group’s lenders, including bondholders, including the release of the guarantees provided by Atlantia securing a number of ASPI’s bond issues and borrowings. At the date of preparation of these consolidated financial statements, talks are ongoing with the EIB with a view to obtaining the necessary changes to the loan agreement. The Company’s other lenders, including its bondholders, have given their consent for the modification of change of control provisions and the removal of Atlantia’s guarantee, where applicable.

With regard to point c) above (the downgrade), at the date of preparation of these consolidated financial statements, neither the European Investment Bank or Cassa Depositi e Prestiti has requested the enforcement of any contractual rights and/or remedies.

Again with regard to the financial position, it should be noted that, following the financial transactions carried out in 2021 and 2022 (new bond issues by Autostrade per l’Italia in January 2021 and January 2022 and agreement of a revolving credit facility amounting to €750 million), together with cash flows from continuing operations, have enabled the Parent Company to strengthen its financial structure and to fund its operations and the expenditure involved in delivering the upgrade and modernisation programme for the motorway network operated under concession.

In response to the decision taken by a General Meeting of Atlantia’s shareholders to approve the Board of Directors’ proposal to sell Atlantia’s entire stake in Autostrade per l’Italia to Holding Reti Autostradali, on 4 June 2021, Fitch upgraded the Company’s rating to Rating Watch Positive. Moreover, on 22 June 2021, Standard & Poor’s also upgraded Autostrade per l’Italia’s credit rating to “BB” with a “Positive Outlook” (from “BB-” with a “Developing Outlook”). Finally, on 22 October 2021, Moody’s upgraded Autostrade per l’Italia’s credit rating to “Ba2” / review for upgrade (from “Ba3” with a “Positive Outlook”).

With regard to point d) above (the Covid-19 pandemic), the Company has included aid receivable for the lockdown period from March to June 2020 in the Financial Plan currently awaiting approval. In this regard, the transport regulator, ART, has devised a method for determining the portion of the impact of Covid-19 that can be recouped through tolls and the corresponding amount has been included in the Financial Plan. The amount of the aid to cover the effects of the pandemic through to 31 December 2021 will be calculated in the first half of 2022, certified by an audit firm and recognised, in the year in which the loss is recognised, via the use of a specific component for additional expenses at the time of periodic revision of the Financial Plan.

The Board of Directors has thus deemed that the above risk factors and uncertainties, both individually and as a whole, present at the date of preparation of these financial statements are surmountable and, as a result, has concluded that these factors are not such as to raise doubts about the ability of the Company and the Group to continue as going concerns. For this reason, the consolidated financial statements as at and for the year ended 31 December 2021 have been prepared on a going concern basis.

Assessment of whether the going concern assumption is appropriate requires a judgement, at a certain time, of the future outcome of events or circumstances that are by nature uncertain. Whilst taking due account of all the available information at that time, this judgement is, therefore, susceptible to change as developments occur, should events that were reasonably foreseeable at the time of the assessment not occur, or should facts or circumstances arise that are incompatible with such events, and that are currently not known or, in any event, not reasonably estimable.

The consolidated financial statements have been prepared in compliance with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) in addition to previous International Accounting Standards (IAS) and previous interpretations issued by the Standard Interpretations Committee (SIC) and still in force, endorsed by the European Commission. For the sake of simplicity, all the above standards are hereinafter referred to as "IFRS".

Moreover, the measures introduced by the CONSOB (*Commissione Nazionale per le Società e la Borsa*) in application of paragraph 3 of article 9 of Legislative Decree 38/2005, relating to the preparation of financial statements.

The consolidated financial statements consist of the consolidated accounts (the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows) and these notes. The historical cost convention has been applied in the preparation of the consolidated financial statements, with the exception of those items that are required by IFRS to be recognised at fair value, as explained in the accounting policies for individual items in note 3, "Accounting standards and policies applied". The statement of financial position is based on the format that separately discloses current and non-current assets and liabilities. The income statement is classified by nature of expense, whilst the statement of cash flows has been prepared in application of the indirect method

IFRS have been applied in accordance with the indications provided in the "Conceptual Framework for Financial Reporting", and no events have occurred that would require exemptions pursuant to paragraph 19 of IAS 1.

CONSOB Resolution 15519 of 27 July 2006, requires that, in addition to the specific requirements of IAS 1 and other IFRS, financial statements must, where material, include separate sub-items providing: (i) disclosure of amounts deriving from related parties transactions; and, with regard to income statement, (ii) separate disclosure of income and expenses deriving from events and transactions that are non-recurring in nature or transactions or events that do not occur on a frequent basis in the normal course of business.

In this regard, it should be noted that:

- a) no non-recurring atypical or unusual transactions, having a material impact on the Group's income statement and statement of financial position, were entered in 2021, either with third

or related parties. As a result, the consolidated financial statements therefore only show material amounts relating to related party transactions;

- b) the consolidated financial statements as at and for the year ended 31 December 2021, like those for the comparative period of 2020, include the impact on profit or loss and on the financial position of the non-recurring event that took place in August 2018, relating to the collapse of a section of the Polcevera road bridge on the A10 Genoa-Ventimiglia motorway operated by Autostrade per l'Italia. The impact on the accounts for 2021 is described in note 6.2;
- c) as described in note 6.2, in 2021 the Company signed a settlement agreement with the MIMS designed to bring to a close the dispute arising in relation to the collapse, whilst, on 22 December 2021, the CIPESS expressed a favourable opinion on the III Addendum to ASPi's Single Concession Arrangement and the related Financial Plan for the period 2020-2024, which also includes the content of the settlement agreement. The changes to Autostrade per l'Italia's rights and obligations introduced by the Addendum and the related Financial Plan have substantially modified the terms of the concession arrangement. In response, these consolidated financial statement as at and for the year ended 31 December 2021 reflect the impact of the agreed modifications, described in detail in note 6.2.

Amounts in the consolidated financial statements and in the notes are shown in thousands of euros, unless otherwise stated. The euro is the functional currency of the Parent Company and a number of its subsidiaries and the presentation currency for these consolidated financial statements.

With regard to the Covid-19 pandemic, in response to the Recommendation issued by the European Securities and Markets Authority (ESMA) on 28 October 2020, Warning Notice 9/2020 issued by the CONSOB on 20 July 2020 and the ESMA Public Statement of 29 October 2021, in order to provide the market with relevant, reliable and transparent disclosure on the current and expected impact on the issuer's financial position, operating performance and cash flows, the disclosures in these notes have been supplemented where appropriate. In addition, note 6.3, describes the impact on the Group's operating performance of the restrictions on movement introduced by the Government in response to the Covid-19 pandemic.

Each component of the financial statements is compared with the corresponding amount for the comparative reporting period. The comparative amounts have not been restated or reclassified with respect to those previously presented in the financial statements as at and for the year ended 31 December 2020, as no events have occurred or material changes taken place in the accounting standards applied that would result in the need to adjust or reclassify amounts for the previous year.

Finally, the consolidated financial statements as at and for the year ended 31 December 2021 have been prepared in accordance with the requirements of Directive 2013/50/UE and Delegated Regulation (EU) 2019/815. This means that from 1 January 2021 – following the conversion into law of the *Milleproroghe Decree* of 31 December 2020 – Italian companies with securities listed on regulated markets within the European Union, have an obligation to prepare the document in XHTML format, tagging certain disclosures in the consolidated financial statements with specific inline XBRL. The new format is a combination of XHTML language, ensuring the presentation of reports in a legible format, and markup XBRL, or tags that enable the information in the consolidated financial statements to be transcoded, with the aim making it easier to access, analyse and compare IFRS consolidated financial statements.

3. Accounting standards and policies applied

A description follows of the more important accounting standards and policies employed by the Group for its consolidated financial statements as at and for the year ended 31 December 2021. These accounting standards and policies are consistent with those applied in preparation of the consolidated financial statements for the previous year, with the exception of the changes to IFRS effective from 2021, details of which are provided in the following section, and which have not had an impact on financial statement items.

Reference should also be made to the paragraph, "Going-concern uncertainty and assessment conducted by the Company", in note 2.

Property, plant and equipment

Property, plant and equipment is stated at cost. Cost includes expenditure that is directly attributable to the acquisition of the items and financial expenses incurred during construction of the asset.

The cost of assets with finite useful lives is systematically depreciated on a straight-line basis applying rates that represent the expected useful life of the asset. Each component of an asset with a cost that is significant in relation to the total cost of the item, and that has a different useful life, is accounted for separately. Land, even if undeveloped or annexed to residential and industrial buildings, is not depreciated as it has an indefinite useful life.

Investment property, which is held to earn rentals or for capital appreciation, or both, is recognised at cost measured in the same manner as property, plant and equipment. The relevant fair value of such assets has also been disclosed.

The bands of annual rates of depreciation used in 2021, are shown in the table below by asset class.

Property, plant and equipment	Rate of depreciation
Buildings	2.5% - 33.33%
Right to use buildings	5% - 50%
Plant and machinery	10% - 33%
Industrial and business equipment	4.5% - 33%
Other assets	8.6% - 33.33%
Right to use other assets	20% - 50%

Assets acquired under finance leases are initially accounted for as property, plant and equipment, and the underlying liability recorded in the balance sheet, at an amount equal to the relevant fair value or, if lower, the present value of the minimum payments due under the contract. Lease payments are apportioned between the interest element, which is charged to the income statement as incurred, and the capital element, which is deducted from the financial liability.

Property, plant and equipment is tested for impairment, as described below in the relevant note, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, as described in the paragraph, "Impairment of assets and reversals".

Property, plant and equipment is derecognised on disposal. Any gains or losses (determined as the difference between disposal proceeds, less costs to sell, and the carrying amount of the asset) are recognised in profit or loss in the period in which the asset is sold.

Intangible assets

Intangible assets are identifiable assets without physical substance, controlled by the entity and from which future economic benefits are expected to flow, and purchased goodwill. Identifiable intangible assets are those purchased assets that, unlike goodwill, can be separately distinguished. This condition is normally met when the intangible asset: (i) arises from a legal or contractual right, or (ii) is separable, meaning that it may be sold, transferred, licensed or exchanged, either individually or as an integral part of other assets. The asset is controlled by the entity if the entity has the ability to obtain future economic benefits from the asset and can limit access to it by others.

Internally developed assets are recognised as assets to the extent that: (i) the cost of the asset can be measured reliably; (ii) the entity has the intention, the available financial resources and the technical expertise to complete the asset and either use or sell it; (iii) the entity is able to demonstrate that the asset is capable of generating future economic benefits.

Intangible assets are stated at cost which, apart from concession rights, is determined in the same manner as the cost of property, plant and equipment. The cost of concession rights is recovered the form of payments received from road users and may include one or more of the following:

- a) the fair value of construction services and/or improvements carried out on behalf of the Grantor (measured as described in the standard on "Revenue") less finance-related amounts, consisting of (i) the amount funded by government grants, (ii) the amount that will be unconditionally paid by replacement operators on termination of the concession (so-called "takeover rights"), and/or (iii) any minimum level of tolls or revenue guaranteed by the Grantor. In particular, the following give rise to intangible assets deriving from concession rights:
 - 1) rights received as consideration for specific obligations to provide construction services for road widening and improvement for which the operator does not receive additional economic benefits. These rights are initially recognised at the fair value of the construction services to be provided in the future (equal to their present value, less the portion covered by grants, and excluding any financial expenses that may be incurred during provision of the services), with a contra entry of an equal amount in "Provisions for construction services required by contract", accounted for in liabilities in the statement of financial position. In addition to the impact of amortisation, the initial value of the rights changes over time as a result of periodic reassessment of the fair value of the part of the construction services still to be rendered at the end of the reporting period (equal to their present value, less the portion covered by grants, and excluding any financial expenses that may be incurred during provision of the services) with a contra entry of an equal amount in "Provisions for construction services required by contract", accounted for in liabilities in the statement of financial position. In addition to the impact of amortisation, the initial value of the rights changes over time as a result of periodic reassessment of the fair value of the part of the construction services still to be rendered at the end of the reporting period;

- 2) rights received as consideration for construction and/or upgrade services rendered for which the operator receives additional economic benefits in the form of specific toll increases and/or significant increases in the expected number of users as a result of expansion/upgrade of the infrastructure;
 - 3) rights to infrastructure constructed and financed by service area concession holders which have reverted free of charge to Group companies on expiry of the related concessions;
- b) rights acquired from third parties, to the extent costs were incurred to acquire concessions from the Grantor or from third parties (the latter relating to the acquisition of control of a company that already holds a concession).

Concession rights, on the other hand, are amortised over the concession term in a pattern that reflects the estimated manner in which the economic benefits embodied in the right are consumed. In this regard, given that the concessions held by Autostrade per l'Italia and the Group's other operators relate to mature motorway infrastructure that entered service many years ago, and that has broadly stable levels of traffic over the long term, amortisation is charged on a straight-line basis.

Amortisation is charged from the date on which economic benefits begin to accrue.

In contrast, amortisation of other intangible assets with finite useful lives begins when the asset is ready for use, in relation to their residual useful lives.

The bands of annual rates of amortisation used in 2021 are shown in the table below by asset class.

Intangible assets	Rate of amortisation
Concession rights	On the commencement of generation of economic benefits for the entity, based on the residual term of the concession and, where significant, traffic projections.
Development costs	4.8% - 33.3%
Industrial patents and intellectual property rights	6.4% - 55%
Licences and similar rights	7.7% - 33.3%
Other assets	3.3% - 33.3%

Intangible assets are tested for impairment, as described below in the note on impairments and reversals, whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable, as described in the paragraph, "Impairment of assets and reversals".

Gains and losses on the disposal of intangible assets are determined as the difference between the disposal proceeds, less costs to sell, and the carrying amount of the asset and then recognised in profit or loss in the period in which the asset is disposed of.

Business combinations and goodwill

Acquisitions of companies and business units are accounting for using the acquisition method, as required by IFRS 3. For this purpose, identifiable assets liabilities acquired through business combinations are measured at their fair value at the acquisition date. The cost of an acquisition is measured as the fair value, at the date of exchange, of the assets acquired, liabilities assumed and any equity instruments issued by the Group in exchange for control. Ancillary costs directly attributable to the business combination are recognised as an expense in the income statement when incurred.

In compliance with IFRS 3, goodwill is initially measured as the positive difference between:

- a) the sum of:
 - 1) the acquisition cost, as defined above;
 - 2) the fair value at the acquisition date of any previous non-controlling interests held in the acquiree;
 - 3) the value of non-controlling interests held by third parties in the acquiree (at fair value or prorated to the current net asset value of the acquiree);
- b) the fair value, at the acquisition date, of the identifiable net assets acquired.

Goodwill, as measured on the acquisition date, is allocated to each of the substantially independent cash generating units or groups of cash generating units which are expected to benefit from the synergies of the business combination.

A negative difference between the amounts referred to in points a) and b) above is recognised as income in profit or loss in the year of acquisition.

Goodwill on acquisitions of non-controlling interests is included in the carrying amount of the relevant investments.

If the Group is not in possession of all the information necessary to determine the fair value of the assets acquired and the liabilities assumed, these are recognised on a provisional basis in the year in which the business combination is completed and retrospectively adjusted within twelve months of the acquisition date.

After initial recognition, goodwill is no longer amortised and is carried at cost less any accumulated impairment losses, determined as described in the paragraph, "Impairment of assets and reversals".

IFRS 3 was not applied retrospectively to acquisitions prior to January 2004. As a result, the carrying amount of goodwill on these acquisitions is that determined under Italian GAAP, which is the net carrying amount at this date, subject to impairment testing and the recognition of any impairment losses.

Acquisitions or disposals of companies and/or business units under common control are treated, in accordance with IAS 1 and IAS 8, on the basis of their economic substance, with confirmation of the fact that the purchase consideration is determined on the basis of fair value and that added value is generated for all the parties involved, resulting in significant measurable changes in the cash flows generated by the investments transferred before and after the transaction. In this regard:

- a) if both requirements to be confirmed are met, such acquisitions of companies and/or business units are accounted for in accordance with IFRS 3, using the same treatment previously described for similar transactions with third parties. In such cases, the seller recognises any difference between the carrying amount of the assets and liabilities transferred and the related purchase consideration in profit or loss;
- b) in the other cases, the acquirer recognises the assets and liabilities transferred at the same carrying amounts at which they were accounted for in the financial statements of the seller prior to the transaction, recognising any difference with respect to the cost of the acquisition in equity. Accordingly, the seller recognises the difference between the carrying amount of the assets and liabilities transferred and the agreed purchase consideration in equity. In addition, income and expenses recognised in previous years in "other comprehensive

income" in the statement of comprehensive income (relating, for example, to the cash flow hedge reserve or the reserve for translation of assets and liabilities denominated in functional currencies other than the euro) and relating to the assets and liabilities transferred are reclassified directly in the Group's equity.

In the case of the lease of a business, allowing the Group to acquire the right to use and manage businesses owned by third parties for a determinate period of time, the Group treats such arrangements as leases, as defined by IFRS 16. As a result, the assets and liabilities transferred to the Group are recognised on the basis of their carrying amount at the transfer date, whilst the right to use the business is recognised in intangible assets, measured on the basis of the present value of the minimum lease payments payable to the counterparty, accompanied by the recognition of a matching financial liability.

Investments

Investments in associates and joint ventures are accounted for using the equity method. The Group's share of post-acquisition profits or losses is recognised in the income statement for the accounting period to which they relate, with the exception of the effects deriving from other changes in the equity of the investee, excluding any owner transactions, when the Group's share is recognised directly in comprehensive income. In addition, when measuring the value of the investment, this method is also used to recognise the fair value of the investee's assets and liabilities and any goodwill, determined with reference to the acquisition date. Such assets and liabilities are subsequently measured in future years on the basis of the standards and accounting policies described in this note.

Provisions are made to cover any losses of an associate or joint venture exceeding the carrying amount of the investment, to the extent that the shareholder is required to comply with actual or constructive obligations to cover such losses.

Investments in unconsolidated subsidiaries, in associates not held for strategic purposes and other companies, which qualify as equity instruments as defined by IFRS 9, are initially accounted for at cost at the settlement date, in that this represents fair value, plus any directly attributable transaction costs.

After initial recognition, these investments are measured at fair value, to the extent reliably determinable, through the statement of comprehensive income, with the exception of investments not held for trading and for which, as permitted by IFRS 9, the Group has exercised the option, at the time of purchase, to designate the investment at fair value through comprehensive profit or loss, thus recognising any changes in a specific equity reserve. In this last case, when realised, accumulated gains and losses in this reserve are not reclassified to profit or loss.

Impairment losses, identified as described in the section on "Impairment of assets and reversals", are reversed in future periods if the circumstances that resulted in the loss no longer exist.

Inventories

Inventories, primarily consisting of stocks and spare parts used in the maintenance and assembly of plant, are measured at the lower of purchase or conversion costs and net realisable value obtained on their sale in the ordinary course of business. The purchase cost is determined using the weighted average cost method.

Financial instruments

Financial instruments include cash and cash equivalents, derivative financial instruments and financial assets and liabilities (as defined by IFRS 9 and including, among other things, trade receivables and payables). Financial instruments are recognised when the Group becomes a party to the contractual provisions of the instrument.

Cash and cash equivalents

Cash and cash equivalents are recognised at face value. They include highly liquid demand deposits or very short-term instruments of excellent quality, which are subject to an insignificant risk of changes in value.

Derivative financial instruments

All derivative financial instruments are recognised at fair value at the end of the year.

As required by IFRS 9, derivatives are designated as hedging instruments when the relationship between the derivative and the hedged item is formally documented and the periodically assessed effectiveness of the hedge is high.

Changes in the fair value of cash flow hedges hedging assets and liabilities (including those that are pending and highly likely to arise in the future) are recognised in the statement of comprehensive income (in the cash flow hedge reserve). The gain or loss relating to the ineffective portion is recognised in profit or loss. Accumulated changes on fair value taken to the cash flow hedge reserve are reclassified in profit or loss in the year in which the hedging relationship ceases.

Changes in the fair value of fair value hedges of assets and liabilities are recognised in profit or loss for the period. Accordingly, the hedged assets and liabilities are also measured at fair value through profit or loss.

If an entity enters into a fair value hedge to hedge the exposure to changes in the fair value of an asset whose changes in fair value are recognised in other comprehensive income, in keeping with the changes in the fair value of the derivative instrument, these changes are also recognised in other comprehensive income for the period.

Changes in the fair value of derivative instruments that do not qualify for hedge accounting under IFRS 9 are recognised in profit or loss.

Financial assets

The classification and related measurement are driven by both the business model in which the financial asset is held and the contractual cash flow characteristics of the asset.

The financial asset is measured at amortised cost subject to both of the following conditions:

- a) the asset is held in conjunction with a business model whose objective is to hold assets in order to collect contractual cash flows; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Receivables measured at amortised cost are initially recognised at the fair value of the underlying asset, after any directly attributable transaction proceeds. The receivables are measured at amortised cost using the effective interest method, less provisions for impairment losses (recognised in profit or loss) for amounts considered uncollectible. The estimate for uncollectible

amounts is based on the present value of expected cash-out flows. These cash flows take account of expected collection times, estimated realisable value, any guarantees received, and the expected costs of recovering the amounts due. Impairment losses are reversed in future periods if the circumstances that resulted in the loss no longer exist. In this case, the reversal is accounted for in the income statement and may not in any event exceed the amortised cost of the receivable had no previous impairment losses been recognised.

Trade receivables subject to normal commercial terms and conditions, or that do not include significant financial components, are not discounted to present value.

Financial assets measured at amortised cost include the following receivables arising from assets held under concession:

- a) "takeover rights", being the amount that will be unconditionally paid by an incoming operator on termination of the concession;
- b) the present value of the minimum tolls guaranteed by the Grantor, representing an unconditional right to receive contractually guaranteed cash payments regardless of the extent to which the public uses the service;
- c) amounts due from public entities as grants or similar compensation relating to the construction of infrastructure (construction and/or upgrade services).

The financial asset is measured at fair value through other comprehensive income if the objectives of the business model are to hold the financial asset to collect the contractual cash flows, or to sell it, and the contractual terms of the financial asset give rise, on specified dates, to cash flows that solely represent a return on the financial asset.

Finally, any remaining financial assets, other than those described above, are classified as held for trading and measured at fair value through profit or loss.

Impairment of financial assets

Assessment of the recoverability of financial assets measured at amortised cost is conducted by estimating expected credit losses (ECLs), based on expected cash flows. These flows, taking into account the estimated probability of a default occurring, are determined in relation to the expected time needed to recover the amount due, the estimated realizable value, any guarantees received, and the costs that the Group expects to incur in recovering the amounts due.

In the case of amounts due from counterparties where there has not been a significant increase in risk, ECLs are determined on the basis of expected losses in the 12 months after the reporting date.

In the case of trade and other receivables, the probability of a default is determined on the basis of internal customer ratings, which are periodically reviewed, including with reference to back-testing.

Financial liabilities

Financial liabilities are initially recognised at fair value, after any directly attributable transaction costs. After initial recognition, financial liabilities are measured at amortised cost using the effective interest method, with the exception of those for which the Group irrevocably elects, at the time of recognition, to measure at fair value through profit or loss, so as to eliminate or reduce the accounting mismatch at the time of measurement or recognition, compared with an asset also measured at fair value.

Trade payables subject to normal commercial terms and conditions, or that do not include significant financial components, are not discounted to present value.

If there is a modification of one or more terms of an existing financial liability (including as a result of its novation), it is necessary to conduct a qualitative and quantitative assessment in order to decide whether or not the modification is substantial with respect to the existing contractual terms.

In the absence of substantial modifications, the difference between the present value of the modified cash flows (determined using the instrument's effective interest rate at the date of modification) and the carrying amount of the instruments is accounted for in profit or loss. As a result, the value of the financial liability is adjusted and the instrument's effective interest rate recalculated. If the modifications are substantial, the existing instrument is derecognised and the fair value of the new instrument is recognised, with the related difference recognised in profit or loss.

Derecognition of financial instruments

Financial instruments are derecognised in the financial statements when, following their sale or settlement, the Group is no longer involved in their management and has transferred all the related risks and rewards of ownership.

Fair value measurement and the fair value hierarchy

For all transactions or balances (financial or non-financial) for which an accounting standard requires or permits fair value measurement and which fall within the application of IFRS 13, the Group applies the following criteria:

- a) identification of the unit of account, defined as the level at which an asset or a liability is aggregated or disaggregated in an IFRS for recognition purposes;
- b) identification of the principal market or, in the absence of such a market, the most advantageous market in which the particular asset or liability to be measured could be traded; unless otherwise indicated, it is assumed that the market currently used coincides with the principal market or, in the absence of such a market, the most advantageous market;
- c) definition for non-financial assets of the highest and best use of the asset; unless otherwise indicated, highest and best use is the same as the asset's current use;
- d) definition of valuation techniques that are appropriate for the measurement of fair value, maximising the use of relevant observable inputs that market participants would use when determining the price of an asset or liability;
- e) determination of the fair value of assets, based on the price that would be received to sell an asset, and of liabilities and equity instruments, based on the price paid to transfer a liability in an orderly transaction between market participants at the measurement date;
- f) inclusion of non-performance risk in the measurement of assets and liabilities and above all, in the case of financial instruments, determination of a valuation adjustment when measuring fair value to include, in addition to counterparty risk (CVA - credit valuation adjustment), the own credit risk (DVA - debit valuation adjustment).

Based on the inputs used for fair value measurement, a fair value hierarchy for classifying the assets and liabilities measured at fair value, or the fair value of which is disclosed in the financial statements, has been identified:

- a) level 1: includes quoted prices in active markets for identical assets or liabilities;
- b) level 2: includes inputs other than quoted prices included within level 1 that are observable, such as the following: i) quoted prices for similar assets or liabilities in active markets; ii)

quoted prices for similar or identical assets or liabilities in markets that are not active; iii) other observable inputs (interest rate and yield curves, implied volatilities and credit spreads);

- c) level 3: unobservable inputs used to the extent that observable data is not available. The unobservable inputs used for fair value measurement should reflect the assumptions that market participants would use when pricing the asset or liability being measured.

Definitions of the fair value hierarchy level in which individual financial instruments measured at fair value have been classified, or for which the fair value is disclosed in the financial statements, are provided in the notes to individual components of the financial statements.

There are no assets or liabilities classifiable in level 3 of the fair value hierarchy.

No transfers between the various levels of the fair value hierarchy took place during the year.

The fair value of derivative financial instruments is based on expected cash flows that are discounted at rates derived from the market yield curve at the measurement date and the curve for listed credit default swaps entered into by the counterparty and Group companies, to include the non-performance risk explicitly provided for by IFRS 13.

In the case of medium/long-term financial instruments, other than derivatives, where market prices are not available, the fair value is determined by discounting expected cash flows, using the market yield curve at the measurement date and taking into account counterparty risk in the case of financial assets and the own credit risk in the case of financial liabilities.

Provisions for construction services required by contract and other provisions

“Provisions for construction services required by contract” relate to specific contractual obligations having regard to motorway expansion and upgrading for which the operator receives no additional economic benefit in terms of a specific increase in tolls and/or a significant increase in expected use of the infrastructure. Since the performance of such obligations is treated as part of the consideration for the concession, an amount equal to the fair value of future construction services (equal to the present value of the services, less the portion covered by grants, and excluding any financial expenses that may be incurred during provision of the services) is initially recognised. The double entry is concession rights for works without additional economic benefits. The fair value of the residual liability for future construction services (equal to their present value, less the portion covered by grants, and excluding any financial expenses that may be incurred during provision of the services) is periodically reassessed and changes to the measurement of the liabilities (such as, for example, changes to the estimated cash outflows necessary to discharge the obligation, a change in the discount rate or a change in the construction period) are recognised as a matching increase or reduction in the corresponding intangible asset. Any increase in provisions to reflect the time value of money is recognised as a financial expense. The costs incurred during the year, in relation to the effective performance of motorway construction and/or upgrade services for which no additional economic benefits are received, are recognised by nature in individual items in the consolidated income statement. Matching entries are made in the consolidated income statement item, “Uses of provisions for construction services required by contract”, to represent the use of provisions previously made as an indirect adjustment of the costs incurred.

Other provisions are made when: (i) the Group has a present (actual or constructive) obligation as a result of a past event; (ii) it is probable that an outflow of resources will be required to settle the obligation; and (iii) the related amount can be reliably estimated.

Provisions are measured on the basis of management’s best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the discount to present value

is material, provisions are determined by discounting future expected cash flows to their present value at a rate that reflects the market view of the time value of money and risks specific to the obligation, which from 2019 are based on the yield on the government securities of the country in which the obligation is to be settled. The costs incurred during the year to settle the obligation are accounted for as a direct reduction in the provisions previously made.

“Provisions for the repair and replacement of motorway infrastructure” cover the liability represented by the contractual obligation to repair and replace motorway infrastructure, as required by the concession arrangements entered into by the Group’s motorway operators and the respective grantors, with the aim of ensuring the serviceability and safety of the assets held under concession. These provisions are calculated on the basis of the usage and wear and tear of motorways at the end of the reporting period and, therefore, planned works, taking into account, if material, the time value of money. The provisions are discounted using the same criteria as applied to “Provisions”.

Routine maintenance costs are, in contrast, recognised in the income statement when incurred and are not, therefore, included in the provisions.

The provisions for cyclical maintenance include the estimated cost of a single cycle and are determined separately for each category of infrastructure (viaducts, flyovers, tunnels, safety barriers, motorway surfaces). The following process is applied for each category, based on specific technical assessments, the available information, the current state of motorway traffic and existing materials and technologies:

- a) the duration of the cycle linked to the repair or replacement work is estimated;
- b) the serviceability of the infrastructure is assessed, classifying the various types of intervention based on the state of repair of the infrastructure and the number of years remaining until the scheduled maintenance work;
- c) the cost for each category is determined, based on the verifiable and documented evidence available at the time and comparable work;
- d) the total value of the work included in the relevant cycle is determined;
- e) the provisions at the reporting date are calculated, allocating the cost to the income statement in relation to the number of years remaining until the date of the scheduled maintenance work, in line with the above classification based on the state of repair of the infrastructure, discounting the resulting amount to present value at the measurement date using an interest rate with a duration in line with that of the expected cash flows.

The above effects are recognised in the following income statement items:

- a) the “Operating change in provisions”, reflecting the impact of the revision of estimates as a result of technical assessments (the value of the works to be carried out and the expected timing of such works) and the change in the discount rate used compared with the previous year;
- b) “Financial expenses from discounting of provisions”, reflecting the time value of money, calculated on the basis of the value of the provisions and the interest rate used to discount the provisions to present value at the prior year reporting date.

When the cost of the works is actually incurred, the cost is recognised by nature in individual items in the consolidated income statement and the item “Operating change in provisions” reflects use of the provisions previously made.

In accordance with existing contractual obligations, “Provisions for the renewal of motorway infrastructure” reflect the present value of the estimated costs to be incurred over time in relation to the contractual obligation, resulting from the operator’s concession arrangements, to carry out essential extraordinary maintenance work and to repair and replace the assets held under concession. As these costs cannot be recognised as an increase in the value of the assets (in that, as noted above, they represent intangible or financial assets) as they are effectively incurred from time to time, and that they do not meet the necessary requirement for recognition in intangible assets, they are accounted for as provisions in accordance with IAS 37, based on the degree to which the infrastructure is used. In this way, the provisions represent the likely cost that the operator will be required to incur in order to promptly comply with the obligation to ensure the serviceability and safety of the assets held under concession. Given that these are cyclical works, the value of the provisions recognised in the financial statements reflects the estimated costs to be incurred within the period of time represented by the first maintenance cycle covered by the plan, after the end of the reporting period, calculated analytically for each project, after taking into account the necessary discount factors. Works are classified among those to be included in the provisions and those relating to construction or upgrade services provided to the grantor. The different classification is based on the operator’s assessment of the essential nature of the projects included in the approved investment programme, supported by the relevant technical units and with reference to the above criteria. Discounting to present value is carried out, if significant, using a discount rate that reflects current market assessments of the time value of money and risks specific to the obligation, which are based on the yield on the government securities of the country in which the obligation is to be settled.

When the cost of the works is actually incurred, the cost is recognised by nature in individual items in the consolidated income statement and the item, “Operating change in provisions”, reflects use of the provisions previously made.

Employee benefits

Short-term employee benefits, provided during the period of employment, are recognised on an accruals basis as the accrued liability at the end of the reporting period. Liabilities deriving from other medium/long-term employee benefits are recognised in the vesting period, less any plan assets and advance payments made. They are determined on the basis of actuarial assumptions and, if material, recognised on an accruals basis in line with the period of service necessary to obtain the benefit.

Medium/long-term post-employment benefits in the form of defined benefit plans are recognised at the amount accrued at the end of the reporting period. Post-employment benefits delivered at the same time or after the termination of employment in the form of defined benefit plans are recognised in the vesting period, less any plan assets and advance payments made. Such defined benefit plans primarily regard the obligation as determined on the basis of actuarial assumptions and recognised on an accruals basis in line with the period of service necessary to obtain the benefit. The obligation is calculated by independent actuaries. Any resulting actuarial gain or loss is recognised in full in other comprehensive income in the period to which it relates.

Non-current assets held for sale, assets and liabilities included in disposal groups or held for distribution to shareholders and/or related to discontinued operations

Where the carrying amount of non-current assets held for sale, or of assets and liabilities included in disposal groups or held for distribution to shareholders and/or related to discontinued

operations is to be recovered primarily through sale rather than through continued use, these items are presented separately in the statement of financial position.

Immediately prior to being classified as held for sale or for distribution, each asset and liability is recognised under the specific IFRS applicable and subsequently accounted for at the lower of the carrying amount and fair value. Any impairment losses are recognised immediately in the income statement.

Disposal groups or operations held for sale or for distribution are recognised in profit or loss as discontinued operations provided when the following conditions are met:

- a) they represent a major line of business or geographical area of operation;
- b) they are part of a single coordinated plan to dispose of a separate major line of business or geographical area of operation;
- c) they are subsidiaries acquired exclusively with a view to resale.

After tax gains and losses resulting from the management or sale or distribution of such operations are recognised as one amount in profit or loss with comparatives.

Revenue

Revenue is recognised when the fair value can be reliably measured and it is probable that the economic benefits associated with the transactions will flow to the Group. The amount recognised as revenue reflects the consideration to which the Group is entitled in exchange for goods transferred to the customer and services rendered. This revenue is recognised when the performance obligations under the contract have been satisfied.

Depending on the type of transaction, revenue is recognised on the basis of the following specific criteria:

- a) toll revenue is accrued with reference to traffic volumes;
- b) to the extent, for sales of goods, that significant risks and rewards of ownership are transferred to the buyer;
- c) the provision of services is prorated to the percentage of completion of the work, on the basis of the contract revenue and costs that can be reliably estimated with reference to the stage of completion of the contract, in accordance with the percentage of completion method, as determined by a survey of the works carried out or on a cost-to-cost basis. Under this method, contract revenue is matched with the contract costs incurred in reaching the stage of completion, resulting in the reporting of revenue and profit in each reporting period in proportion to the stage of completion;
- d) in addition to contract payments, contract revenues include variations, price revisions and any additional payments to the extent that their payment is probable and that their amount can be reliably measured. In the event that a loss is expected to be incurred on the completion of a contract, this loss shall be immediately recognised in profit or loss regardless of the stage of completion of the contract. Any positive or negative difference between the accrued revenue and any advance payments is recognised in assets or liabilities in the statement of financial position, taking into account any impairment recognised in order to reflect the risks linked to the inability to recover the value of work performed on behalf of customers. When service revenue cannot be reliably determined, it is only recognised to the extent that expenses are considered to be recoverable;

- e) any positive or negative difference between the accrued revenue and any advance payments is recognised in assets or liabilities in the statement of financial position, taking into account any impairment recognised in order to reflect the risks linked to the inability to recover the value of work performed on behalf of customers;
- f) rental income or royalties, on an accruals basis, based on the agreed terms and conditions of the contract. This revenue includes amounts generated by the sub-concession of retail and office space to third parties within the airports and motorway networks operated by the Group and, as they substantially equate to the lease of portions of infrastructure, are subject to IFRS 16. This revenue, under existing contractual agreements, is partly dependent on the revenue earned by the sub-operator and, as a result, the related amount varies over time;
- g) interest income (and interest expense) is calculated with reference to amount of the financial asset or liability, in accordance with the effective interest method;
- h) dividend income is recognised when the right to receive payment is established.

Provision of the above services also includes construction and/or upgrade services provided to Grantors, in application of IFRIC 12, and relating to concession arrangements to which certain Group companies are party. These revenues represent the consideration for services provided and are measured at fair value, calculated on the basis of the total costs incurred (primarily consisting of the costs of materials and external services, the relevant employee benefits and attributable financial expenses, the latter only in the case of construction and/or upgrade services for which the operator receives additional economic benefits) plus any arm's length profits realised on construction services provided by Group entities (insofar as they represent the fair value of the services). The double entry of revenue from construction and/or upgrade services is represented by a financial asset (concession rights and/or government grants) or an intangible asset deriving from concession rights.

Government grants

Government grants are accounted for at fair value when: (i) the related amount can be reliably determined and there is reasonable certainty that (ii) they will be received and that (iii) the conditions attaching to them will be satisfied.

Grants related to income are accounted for in the income statement for the accounting period in which they accrue, in line with the corresponding costs.

Grants received for investment in motorways and airports are accounted for as construction service revenue, as explained in the note on the accounting policy for "Revenue".

Any grants received to fund investment in property, plant and equipment are accounted for as a reduction in the cost of the asset to which they refer and result in a reduction in depreciation.

Income taxes

Income taxes are recognised on the basis of an estimate of tax expense to be paid, in compliance with the regulations in force, as applicable to each Group company.

Deferred tax assets and liabilities are determined on the basis of temporary differences between the carrying amounts of assets and liabilities as in the Company's books, resulting from application of the accounting policies described in note 3, and the corresponding tax bases, resulting from application of the tax regulations in force in the country relevant to each subsidiary, as follows:

- a) deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the asset can be utilised;
- b) deferred tax liabilities are always recognised, except to the extent that the deferred tax liability arises from the initial recognition of goodwill.

Deferred tax assets and liabilities are calculated on the basis of the tax rate expected to be in effect at the time the related temporary differences will reverse, taking into account any legislation enacted by the end of the reporting period. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer considered probable that there will be sufficient future taxable profits against which the asset can be fully or partially utilised.

Current and deferred tax assets and liabilities are recognised in profit or loss, with the exception of those relating to items recognised directly in equity, and for which the related taxation is also recognised in equity.

In 2021, the parent, Atlantia, again operated a tax consolidation arrangement in which Autostrade per l'Italia and certain of its Italian-registered subsidiaries participate.

Income tax payables reported under current tax liabilities in the statement of financial position, less any advance payments of taxes, also include the portion relating to IRES included in the Atlantia's tax consolidation arrangement. Any overpayments are recognised as current tax assets.

Share-based payments

The cost of services provided by Directors and/or employees remunerated through share-based incentive plans, and settled through the award of financial instruments, is based on the fair value of the rights at the grant date. Fair value is computed using actuarial assumptions and with reference to all characteristics, at the grant date (vesting period, any consideration due and conditions of exercise, etc.), of the rights and the plan's underlying securities. The obligation is determined by independent actuaries. The cost of these plans is recognised in profit or loss, with a contra-entry in equity, over the vesting period, based on a best estimate of the number of options that will vest.

The cost of any services provided by Directors and/or employees and remunerated through share-based payments, but settled in cash, is instead measured at the fair value of the liability assumed and recognised in profit or loss, with a contra entry in liabilities, over the vesting period, based on a best estimate of the number of options that will vest. Fair value is remeasured at the end of each reporting period until such time as the liability is settled, with any changes recognised in profit or loss.

Impairment of assets and reversals

At the end of the reporting period, the Group tests property, plant and equipment, intangible assets, financial assets and investments (other than those measured at fair value) for impairment. If there are indications that these assets have been impaired, the value of such assets is estimated in order to verify the recoverability of the carrying amounts and eventually measure the amount of the impairment loss. Irrespective of whether there is an indication of impairment, intangible assets with indefinite lives and those which are not yet available for use are tested for impairment at least annually, or more frequently, if an event has occurred or there has been a change in circumstances that could cause an impairment.

If it is not possible to estimate the recoverable amounts of individual assets, the recoverable amount of the cash-generating unit (“CGU”) or group of CGUs to which a particular asset belongs or has been allocated, as is the case of goodwill, is estimated.

This entails estimating the recoverable amount of the asset (represented by the higher of the asset's fair value less costs to sell and its value in use) and comparing it with the carrying amount. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount. In calculating value in use, expected future pre-tax cash flow is discounted using a pre-tax rate that reflects current market assessments of the cost of capital which embodies the time value of money and the risks specific to the business. In estimating an operating CGU's future cash flows, after-tax cash flows and discount rates are used because the results are substantially the same as pre-tax computations.

Impairments are recognised in profit or loss in a variety of classifications depending on the nature of the impaired asset. If there are indications, at the end of the reporting period, that an impairment loss recognised in previous years has been reduced, in full or in part, the recoverability of the carrying amount is tested and any reversal of the impairment loss determined. The reversal may under no circumstances exceed the amount of the impairment losses previously recognised. Losses are reversed if the circumstances that resulted in the loss no longer exist, provided that the reversal does not exceed the cumulative impairment losses previously recognised, unless the impairment loss relates to goodwill and investments measured at cost, where the related fair value cannot be reliably determined.

Estimates and judgements

Preparation of financial statements in compliance with IFRS involves the use of estimates and judgements, which are reflected in the measurement of the carrying amounts of assets and liabilities and in the disclosures provided in the notes to the financial statements, including contingent assets and liabilities at the end of the reporting period. These estimates are primarily used in determining amortisation and depreciation, in the impairment testing of assets (including financial assets) and in estimating provisions for construction services required by contract and other provisions, employee benefits, the fair value of financial assets and liabilities, the percentage of completion of the performance of services that generate revenue and current and deferred tax assets and liabilities.

The estimate of the above provisions is by its nature complex and subject to a high degree of uncertainty. This is because it may be influenced by a range of variables and assumptions, including technical assumptions regarding the scheduling and nature of work on the repair, replacement and renewal of individual components of infrastructure. Key assumptions regard the duration of maintenance cycles, the state of repair of assets and the projected costs for each type of intervention.

The amounts subsequently recognised may, therefore, differ from these estimates. Moreover, these estimates and judgements are periodically reviewed and updated, and the resulting effects of each change immediately recognised in the financial statements.

Translation of foreign currency items

The reporting package of each consolidated enterprise is prepared using the functional currency of the economy in which the enterprise operates. Transactions in currencies other than the functional currency are recognised by application of the exchange rate at the transaction date. Assets and liabilities denominated in currencies other than the functional currency are, subsequently,

remeasured by application of the exchange rate at the end of the reporting period. Any exchange differences on remeasurement are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies and recognised at historical cost are translated using the exchange rate at the date of initial recognition.

Translation of the liabilities, assets, goodwill and consolidation adjustments shown in the reporting packages of consolidated companies with functional currencies other than the euro is made at the closing rate of exchange, whereas the average rate of exchange is used for income statement items to the extent that they approximate the transaction date rate or the rate during the period of consolidation, if lower. All resultant exchange differences are recognised directly in comprehensive income and reclassified to profit or loss upon the loss of control of the investment and the resulting deconsolidation.

Earnings per share

Basic earnings per share is computed by dividing profit attributable to owners of the parent by the weighted average number of shares outstanding during the accounting period.

Diluted earnings per share is computed by dividing profit attributable to owners of the parent by the above weighted average, also taking into account the effects deriving from the subscription, exercise or conversion of all potential shares that may be issued as a result of the exercise of any outstanding rights.

New accounting standards and interpretations, or revisions and amendments of existing standards, effective from 1 January 2021

As required by IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, this section describes new accounting standards and interpretations, and amendments of existing standards and interpretations that are already applicable, effective from 2021. Such changes have not had an impact on amounts in the financial statements for the year, as there were no material changes applicable.

Amendments to IFRS 16 – Leases Covid-19 Related Rent Concessions

On 28 May 2020, the IASB published the document “Amendment to IFRS 16 - Leases Covid-19-Related Rent Concessions”, effective for annual accounting periods beginning on or after 1 June 2020. The changes introduced by the new paragraphs 46A and 46B have added a practical expedient to the paragraph on “Lease modifications”, allowing the lessee to not consider rent concessions, relating to the impact of Covid-19, as a modification of the original terms and conditions of the lease. The above changes must, therefore, be accounted for as if the contract had not been modified, recognising the impact of the rent concessions for which the lessee has applied the practical expedient introduced by paragraph 46A in profit or loss. This expedient does not regard lessors and was to be applied to Covid-19- related relief reducing rentals falling due by 30 June 2021. However, on 31 March 2021, the IASB extended the period of application of the practical expedient until 30 June 2022. The amendment only applies to rent concessions granted as a direct consequence of the Covid-19 pandemic and only when a series of conditions, indicated in paragraph 46B, have been met. Finally, the new paragraph 60A requires lessees applying the expedient to disclose the fact in their financial statements.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 “Interest Rate Benchmark Reform – Phase 2”

On 27 August 2020, the IASB published the document entitled “Interest Rate Benchmark Reform - phase 2 - (Amendments to IFRS 9, IAS 39 and IFRS 7)”, to take into account the impact of the effective replacement of interest rate benchmarks used in determining existing interest rates with alternative benchmarks. These amendments provide for a temporary relaxation of the requirements ordinarily provided for in IFRS for when the interbank offered rate (IBOR) is replaced by an alternative nearly risk-free rate (RFR).

The amendments include the following practical expedients:

- a) an entity may consider and account for changes to contracts or to contractual cash flows resulting directly from the reform as changes in a variable interest rate, equivalent to a movement in a market interest rate;
- b) an entity may make the changes required by the IBOR reform to the documentation for designating a hedging relationship without having to discontinue with hedging relationship;
- c) an entity is not required to respect the requirements for separate identification when an RFR is designated as a hedge of a risk component.

New accounting standards and interpretations, or revisions and amendments of existing standards and interpretations that have either yet to come into effect or are yet to be endorsed

As required by IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, this section describes new accounting standards and interpretations, and amendments of existing standards and interpretations that are already applicable, that have yet to come into effect as at 31 December 2021, and that may in the future be applied in the Group’s consolidated financial statements.

Amendments to IAS 1 – Presentation of Financial Statements – Classification of liabilities as current or non-current

On 23 January 2020, the IASB published “Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current”, with the amendments to applicable to annual accounting periods beginning on or after 1 January 2023, unless otherwise decided at the time of endorsement by the European Commission. The IASB has clarified the criteria to be used in order to determine if a liability is to be classified as current or non-current. The amendments aim to enable consistent application of the requirements, helping entities to determine if debt, and other liabilities with an uncertain settlement date, should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments also clarify the classification requirements for a debt a company might settle by converting it into equity.

Amendments to IFRS 3 – Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets; Annual Improvements 2018-2020

On 14 May 2020, the IASB issued a document entitled “Amendments to (i) IFRS 3 Business Combinations; (ii) IAS 16 Property, Plant and Equipment; (iii) IAS 37 Provisions, Contingent Liabilities and Contingent Assets (iv) Annual Improvements to IFRS Standards 2018-2020”. The amendments

applicable to annual accounting periods beginning on or after 1 January 2022, unless otherwise decided at the time of endorsement by the European Commission. In particular:

- (i) with the “Amendments to IFRS 3 Business Combinations”, the IASB has updated the reference in IFRS 3 to the Conceptual Framework in its revised version, without modifying the standard’s requirements;
- (ii) with the “Amendments to IAS 16 Property, Plant and Equipment”, the IASB has introduced a number of clarifications, prohibiting entities from deducting from the cost of property, plant and equipment amounts received from selling items produced while the entity is preparing the asset for its intended use. Instead, entities must recognise such sales proceeds and related costs in profit or loss;
- (iii) with the “Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets”, the IASB clarified which costs and entity shall consider in assessing whether a contract is onerous;
- (iv) finally, with the “Annual Improvements to IFRS Standards 2018–2020”, changes have been made to (1) IFRS 1 First-time Adoption of International Financial Reporting Standards. The changes have simplified application of IFRS 1 by a subsidiary adopting IFRS for the first time after they have already been adopted by its parent, and regards measurement of accumulated translation differences; (2) IFRS 9 Financial Instruments, clarifying that, when conducting the “10 per cent” test, provided for in paragraph B3.3.6 of IFRS 9, to assess if the modifications made to a financial liability are material (and, thus, resulting in derecognition), an entity must include only fees paid or received between the entity and the lender.

Amendments to IAS 1 – Presentation of Financial Statements – Disclosure of Accounting Policies, and to IAS 8 – Accounting policies, Change in Accounting estimates and Errors – Definition of Accounting Estimates

On 12 February 2021, the IASB published two amendments named “Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2” and “Definition of Accounting Estimates - Amendments to IAS 8”. The changes are designed to improve disclosure of the accounting policies used, providing more useful information to investors and other primary users of financial statements and helping companies to distinguish changes in estimates from changes in accounting policy.

The amendments are effective from 1 January 2023, but early adoption is permitted.

Amendments to IAS 12 – Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

On 7 May 2021, the IASB published an amendment to IAS 12. The document clarifies how to account for deferred tax on certain transactions that can generate assets and liabilities of the same amount, such as leases and decommissioning obligations.

The amendments are effective from 1 January 2023, but early adoption is permitted.

Based on the assessment conducted to date, the group does not expect the above revisions and amendments to have a material impact on the Autostrade per l’Italia Group.

4. Concessions

The Group consists of six separate companies that hold concessions for the construction, operation and maintenance of toll motorways (including tunnels, bridges and viaducts) in Italy. As at 31 December 2021, the ASPI Group's network extends for approximately 3,000 km (around 50% of the country's motorway network) and includes 218 service areas.

Each concession relationship is governed by a Single Concession Arrangement between the then Grantor, ANAS (now the Ministry of Sustainable Infrastructure and Mobility or "MIMS") and the operator. These documents contain details of the operator's rights and obligations.

The operator holds the right to receive consideration in return for operating the infrastructure under concession. This is done through the collection of tolls, applying and revising the related tariffs in accordance with mechanisms established in the related Concession Arrangements, and in return for meeting its obligations under the Arrangement. Above all, this means providing for technical management of the infrastructure operated under concession, maintaining the infrastructure to a specified level of serviceability by performing maintenance and repairs and network upgrades. Operators are also responsible for contracting out the works, submitting designs for improvement, upgrade and extraordinary maintenance projects to the Grantor for approval and for paying the related concession and sub-concession fees to the State.

Essential information regarding the concessions held by the Group companies is set out below, whilst details of events of a regulatory nature during the year are provided in note 10.7, "Significant legal and regulatory aspects".

Operator	kilometres in service	Expiry date	Toll revenue 2021 (€m)	Tariff framework	Accounting model	Note
Autostrade per l'Italia	2,855	2038	3,203	Regulatory framework established by the Transport Regulator (ART), based on the price cap method, with the productivity factor "X" set on a five-yearly basis	Intangible asset	(1)
Autostrade Meridionali	52	2012	82	Planned inflation rate and a return on investment, rebalancing the RAB and other allowed costs (CIPE - now CIPESS - determination 39 of 15 June 2007)	Intangible asset	
Raccordo Autostradale Valle d'Aosta	32	2032	26	Planned inflation rate and a return on investment, rebalancing the RAB and other allowed costs (CIPE - now CIPESS - determination 39 of 15 June 2007)	Intangible asset	(2)
Tangenziale di Napoli	20	2037	63	Planned inflation rate and a return on investment, rebalancing the RAB and other allowed costs (CIPE - now CIPESS - determination 39 of 15 June 2007)	Intangible asset	(2)
Società Autostrada Tirrenica	55	2028	42	Planned inflation rate and a return on investment, rebalancing the RAB and other allowed costs (CIPE - now CIPESS - determination 39 of 15 June 2007)	Intangible asset	(2) - (3)
Società Italiana per azioni per il Traforo del Monte Bianco	6	2050	58	Average of inflation rates recorded in France and Italy in the period 1 September N ² - 31 August N ¹	Intangible asset	

(1) Tariff framework applied whilst awaiting signature of the III Addendum to the Single Concession Arrangement submitted to the Grantor, on which the CIPESS issued a positive opinion on 22 December 2021.

(2) Regulatory framework in the existing Concession Arrangement. The operator has submitted the Addendum to the Single Concession Arrangement and the related annexes to the Grantor and the Transport Regulator (ART). These documents provide for application of the regulatory framework drawn up by ART, based on the price cap method, with the productivity factor "X" set on a five-yearly basis. The Addendum is currently being examined by the relevant authorities.

(3) Expiry date adjusted in compliance with Law 8/2020, which converted the *Milleproroghe* Decree of 2020 into law, which envisages that SAT will operate the relevant sections of the A12 motorway already open to traffic (Livorno-Grosseto-Civitavecchia) until 31 October 2028.

With regard to the concession held by Autostrada Tirrenica, the company has submitted its proposed Addendum to the Single Concession Arrangement and financial plan to the Grantor in line

with expiry of the concession on 31 October 2028. The documents reflect the developments in the regulatory framework described in more detail in note 10.7, “Significant legal and regulatory aspects”.

In February 2022, the appeal brought by Autostrade Meridionali against the award of the concession for the A3 Naples-Salerno motorway to the SIS Consortium was rejected. In the coming months, following the outcome of talks with the Grantor aimed at establishing the value of Autostrade Meridionali’s takeover right, the new operator is expected to begin operating the motorway. Further details are provided in note 10.7, “Significant legal and regulatory aspects”.

5. Scope of consolidation

In addition to the Parent Company, Autostrade per l’Italia, companies are consolidated when Autostrade per l’Italia SpA exercises control. Control over an entity is exercised when the Parent Company is exposed to or has the right to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of the investor's returns. Subsidiaries are consolidated using the line-by-line method and are listed in Annex 1.

All entities over which control is exercised are consolidated from the date on which the Group gains control. Entities are deconsolidated from the date on which the Group ceases to exercise control, as defined above.

Companies are, in part, consolidated on the basis of the specific reporting packages prepared by each consolidated company, as of the end of the reporting period and in compliance with the IFRS adopted by the Group. Companies are consolidated according to the following criteria and procedures:

- a) use of the line-by-line method, entailing the reporting of non-controlling interests in equity, profit or loss and in comprehensive income, and the recognition of all assets, liabilities, revenues and costs of subsidiaries, regardless of the Group’s percentage interest;
- b) elimination of intercompany assets, liabilities, revenues and costs, including the reversal of unrealised profits and losses on transactions between consolidated companies and recognition of the consequent deferred taxation;
- c) reversal of intercompany dividends and allocation of the related amounts to the relevant opening equity reserves;
- d) netting of the carrying amount of investments in consolidated companies against the corresponding amount of equity, with any resultant positive and/or negative differences being debited/credited to the relevant balance sheet accounts (assets, liabilities and equity), as determined on the acquisition date of each investment and adjusted for subsequent variations. Following the acquisition of control, any acquisition of further interests from non-controlling shareholders, or the sale of interests to such shareholders not resulting in the loss of control, are accounted for as owner transactions and the related changes recognised directly in equity; any resulting difference between the amount of the change in equity attributable to non-controlling interests and cash and cash equivalents exchanged are recognised directly in equity attributable to owners of the Parent;

- e) translation of the reporting packages of consolidated companies in functional currencies other than the euro applying the method previously described in the policy regarding the “Translation of foreign currency items” in note 3.

The scope of consolidation as at 31 December 2021 has changed with respect to the scope as at 31 December 2020. This follows the following transactions:

- a) Autostrade per l'Italia's acquisition of the interests held by Atlantia and Aeroporti di Roma in Pavimental, represented by 59.4% and 20% stakes in the latter. This transaction is described below in note 6.1;
- b) the acquisition, on 25 March 2021, of a 90% stake in Infomobility Srl, a company specialising in infomobility systems and hardware and software for the automotive sector, by Movyon at a total cost of €3 million. This transaction, recognised in the accounts in accordance with IFRS 3, has resulted in recognition of the fair value of certain of this company's intangible assets previously not recognised in its financial statements, amounting to €1.9 million. Given the immaterial nature of this transaction in terms of the Group's condensed interim consolidated financial statements, the full disclosure provided for in IFRS 3 has not been presented;
- c) Autostrade per l'Italia's establishment of Free To X, a wholly owned subsidiary.

With regard to the subsidiary, Autostrade Meridionali, whose concession to operate the Naples – Pompei – Salerno motoway expired on 31 December 2012 and for which, as described in note 10.7 “Significant legal and regulatory aspects”, the process of selecting a new operator has been completed, it should be noted that the incoming operator will be required (i) to pay the company a takeover right (as described in note 7.4) equal to the carrying amount of unamortised capital expenditure during the final years of the concession, and (ii) to acquire and assume all existing contractual rights and obligations entered into by the outgoing operator, with the exception of those of a financial nature, and responsibility for all pending disputes and litigation.

6. Events and corporate actions during the period

6.1 Acquisition of control of Pavimental

The acquisition of control of Pavimental SpA, a company that provides services for the construction, maintenance, repair and modernisation of the motorway network, was completed in 2021, following the purchase of a 79.4% stake previously held by Atlantia (59.4%) and Aeroporti di Roma SpA (20%), at a total cost of €14,689 thousand. The price paid was confirmed by an independent expert appraisal.

Following the purchase, Autostrade per l'Italia holds a total interest of 99.4% in Pavimental.

The above sale qualifies as a transfer of a company and/or a business unit between entities under common control.

As a result, in accordance with the Group policy drawn up in previous years at the time of similar transactions (described in note 3), given that the transaction in question represents a mere reorganisation that has not generated added value for all the parties involved, resulting in significant measurable changes in the cash flows generated by the investments transferred before and after the transaction, the positive difference (€15,064 thousand) between the carrying

amount of Pavimental's assets and liabilities acquired by the Group and the related purchase consideration has been recognised in consolidated equity.

6.2 Events of 14 August 2018 relating to the collapse of a section of the Polcevera road bridge in Genoa and developments in the Parent Company's legal and regulatory framework

Events of 14 August 2018 relating to the collapse of a section of the Polcevera road bridge in Genoa and resulting impact on the financial statements

With regard to the collapse of a section of the Polcevera road bridge (the "road bridge") on the A10 Genoa-Ventimiglia motorway operated by Autostrade per l'Italia (the "operator") on 14 August 2018, already dealt with in the financial statements for previous years, this section describes developments in 2021 and the resulting impact on the accounts. Developments relating to legal and regulatory aspects are described below in note 10.7, "Significant legal and regulatory aspects".

In line with the accounting treatment used in previous years and with regard to the costs closely connected with the above collapse, in 2021, Autostrade per l'Italia proceeded to:

- a) recognise costs of €93,050 thousand, as a result of requests from the Special Commissioner to fund reconstruction of the road bridge (€87,512 thousand) and other expenses (€5,538 thousand). The reconstruction costs are entirely covered by use of "Provisions for the repair and replacement of motorway infrastructure" previously set aside from 2018, and its impact on the income statement for 2021 has been offset by indirect use of the above provisions in the "Operating change in provisions";
- b) pay a total of €13,203 thousand directly from existing "Other provisions for risks and charges" in the form of compensation for a number of the families of victims impacted by the collapse of the road bridge, in grants for small businesses and firms hit by the collapse and to cover the cost of consultants' fees and legal expenses linked to actions undertaken to protect the Company's rights and those of its employees who are under investigation.
- c) make further provisions of €38,557 thousand to "Other provisions for risks and charges", following an updated estimate of the cost of consultants' fees and legal expenses linked to actions undertaken to protect the Company's rights and those of its employees who are under investigation, and a review of the legal risks relating to existing litigation and for compensation payable to the victims and the injured.

In particular, it should be noted that an obligation on the part of Autostrade per l'Italia to reconstruct the bridge was identified. In this regard, in accordance with the accounting treatment applied by the Company, a series of expenses resulting from the events in question were already recognised in the consolidated income statements for 2018 and 2019, as detailed in the notes to relevant financial statements.

As described in the above notes, with regard to the method of accounting for risks and charges connected with "direct" and "indirect" damages, the following should be noted:

- a) so-called "direct damages", meaning damages directly linked to the events as a direct and immediate consequence of the collapse of the road bridge and regardless of any theoretical hypothesis on the cause of the collapse, may be divided into two types:

- (i) the costs connected with demolition and reconstruction, including the payment of compensation to the businesses located beneath the road bridge, for which the Parent Company has made provision in the “Provisions for the repair and replacement of motorway infrastructure”; and (ii) the charges related to the compensation paid to the victims’ families and to the injured, which have been accounted for in “Other provisions for risks and charges”;
- b) with regard to so-called “indirect damages” hypothetically identified in relation to the collapse, it should be noted that, as regards determination of the probability of an adverse outcome and, as a result, identification of the accounting category provided for in IAS 37 (provisions or a contingent liability) with which it is reasonable to associate the legal risks in question, the Company’s considerations are based on, and are in consistent with, a series of technical and legal opinions from professionals specialising in the related areas, in which the circumstances surrounding the collapse of the road bridge and the related disputes have been analysed in detail in order to estimate the probability of an adverse outcome for Autostrade per l’Italia and the expected value of any liabilities in the event of such an outcome.

With regard to the “indirect damages”, the opinions received provide useful, if not decisive, elements on which Autostrade per l’Italia has based its judgement as to how to account for the charges, as either provisions or a contingent liability. This means assessing the degree to which it is likely that an adverse outcome will occur as a result of the disputes and the possibility of arriving with reasonable certainty at an estimate of the size of the loss connected with the occurrence of this event.

The above technical and legal opinions have demonstrated that it is currently impossible to construct an ex-ante hypothesis, and that it will be necessary to assess the concrete evidence that may emerge from time to time, and that, as to any identification of the entity responsible for the event, the Parent Company has not been identified as being responsible for the occurrence of the event in any final court or out-of-court ruling.

Thus, based on the fact that:

- a) it is not possible to construct an ex-ante hypothesis regarding the Autostrade per l’Italia’s responsibility for the occurrence of the event, nor, as a result, regarding whether or not any damages are due or the size of any damages;
- b) at the present time, there are further causes of uncertainty regarding whether or not any damages are due, or the size of any damages payable by the Company, in view of the disputes arising as a result of the assessments currently being conducted by the Company’s insurance providers in relation to the collapse of the road bridge;

and that, from an accounting point of view, the conditions set out in paragraph 14 of IAS 37 have not been met, it is not possible to recognise provisions in “Other provisions for risks and charges”.

With regard to the above costs of €93,050 thousand recognised in 2021, and more generally to the commitment assumed by the Company in relation to reconstruction of the San Giorgio road bridge (described later in this section), it should be noted that the Company has reclassified the sum of €76,817 thousand from “Other current provisions for risks and charges” to “Current provisions for the repair and replacement of motorway infrastructure” made in previous years. This amount relates to:

- a) additional funds requested by the Special Commissioner for Genoa with regard to reconstruction of the San Giorgio road bridge, amounting to €24,751 thousand;
- b) the decision to expense refundable VAT of €52,066 thousand relating to work on reconstruction of the road bridge carried out in previous years, following the Italian tax authority's refusal to allow the Company's claim for a refund.

As at 31 December 2021, the following provisions have been recognised in the financial statements in relation to the above charges:

- a) "Provisions for the repair and replacement of motorway infrastructure", totalling €14,041 thousand;
- b) "Other provisions for risks and charges", amounting to €41,476 thousand.

Developments in the legal and regulatory framework and resulting impact on the financial statements

As described in greater detail in the notes to the financial statements for previous years, and above all in those for 2020, following the Grantor's initiation of a dispute over serious breaches of the Parent Company's concession arrangement following the previously described collapse of a section of the Polcevera road bridge in Genoa, the parties engaged in lengthy talks with a view to agreeing on a settlement of the dispute. This led Autostrade per l'Italia and the Grantor to draw up a Framework Agreement reflected in a Settlement Agreement, an Addendum to the Concession Arrangement and the Financial Plan (annexed to the Addendum). The above documents are to be viewed as interdependent components designed to settle all aspects of the dispute.

The Framework Agreement therefore consists of the following documents that, together, constitute a settlement covering all aspects of the dispute:

- a) a Settlement Agreement bringing to a close the dispute over alleged serious breaches;
- b) the Addendum to the Concession Arrangement;
- c) the Financial Plan (annexed to the Addendum).

In detail:

- a) the Settlement Agreement, signed on 14 October 2021, establishes €3.4 billion as the total amount of expenditure that Autostrade per l'Italia will cover at its own expense in order to settle the dispute over alleged serious breaches. This commitment, which thus represents the total cost of the agreement, was modified over time at the request of the MIMS and now consists of the following individual items of expenditure to be carried out: a) €1,108 million for specific projects in the Liguria and Genoa areas; b) €1,200 million for unremunerated investment in the infrastructure operated under concession in the regulatory period 2020 – 2024; c) €509 million for toll discounts for road users; d) €583 million in expenses to be incurred by Autostrade per l'Italia in relation to reconstruction of the San Giorgio road bridge and other associated expenses;
- b) the Addendum to the Single Concession Arrangement sets out and governs the necessary changes to the Arrangement in order to apply the tariff mechanisms introduced into the tariff framework by the transport regulator ("ART") with determination 71/2019 of 19 June 2019, and to include the changes, resulting from the settlement agreement, to the articles

relating to termination of the concession relationship (in accordance with articles 9 and 9-bis of the Single Concession Arrangement);

- c) finally, the Financial Plan that reflects, after taking into account the new tariff framework introduced by ART, the commitments assumed and the investment agreed on by the Company and the Grantor and all the obligations and undertakings agreed to by the parties within the settlement agreement. As a result, the Financial Plan also reflects the sum of €1.2 billion relating to the Extraordinary Maintenance Plan requested by the MIMS, which includes certain maintenance works, to be remunerated, deriving from new requirements or decisions adopted by the Grantor. This Plan is additional to the operator's "normal" maintenance obligations as it regards specific requests from the Grantor with the aim of raising maintenance standards. For this reason, the Extraordinary Maintenance Plan is remunerated, with the costs included in the construction charge component of tolls introduced by ART's new tariff framework. This Extraordinary Maintenance Plan, to be remunerated through tolls under the final version of the Financial Plan, was included in the costs to be covered by ASPI at its own expense in previous versions of the settlement agreement. This has now been replaced in the agreement by an equivalent amount of unremunerated investment.

The Framework Agreement began to be put into practice and produce initial effects in 2021 through the following events:

- a) formal signature of the Settlement Agreement by Autostrade per l'Italia and the MIMS on 14 October 2021;
- b) a favourable opinion from the Interministerial Committee for Economic Planning and Sustainable Development (*CIPESS*) on the above Addendum to the Single Concession Arrangement agreed by ASPI and the MIMS on 12 October 2007 and the related Financial Plan for the period 2020-2024, which, as noted above, includes, among other things, the content of the settlement agreement referred to in point a).

The Framework Agreement establishes a series of rights and obligations for Autostrade per l'Italia in relation to events that took place prior to signature of the agreement. This has involved mutual recognition of aspects regarding transactions and activities carried out and/or taking place in previous years, starting from 2019, above all with regard to tariffs, the cost of operating the infrastructure and investment. As a result, taking into account this latter aspect and the substantial effectiveness of the Framework Agreement in 2021, it was deemed necessary to reflect the resulting effects during preparation of the financial statements as at and for the year ended 31 December 2021.

In this regard, the above accounting effects may only be recognized from 1 January 2021 given that, as noted above:

- a) the Framework Agreement has retroactively redefined the Company's rights and obligations, including for periods prior to signature of the Agreement;
- b) the agreed changes represent neither the correction of an error or a change in accounting policies and standards adopted by Autostrade per l'Italia (a restatement), and it is therefore not possible to restate amounts in the income statement or statement of financial position included in the financial statements as at and for the year ended 31 December 2020, when a different arrangement with the Grantor was in place.

With regard to the most significant aspects for accounting purposes, compared with the information provided in the financial statements as at and for the year ended 31 December 2020, the following should be noted:

- a) the impact of adoption of a new tariff mechanism, in compliance with the approach indicated by ART in Determination 71/2019, which has introduced a number of radical changes with the respect to the terms of the Company's Single Concession Arrangement dated 12 October 2007;
- b) Autostrade per l'Italia's commitment to carry out €1.2 billion of unremunerated investment in the infrastructure operated under concession in the period from 2020 to 2024, under the terms of the Settlement Agreement;
- c) recognition, within the Financial Plan, of the works included in the Extraordinary Maintenance Plan (€1.2 billion) in the construction charge component of tolls, in common with other investment.

With regard to point a), the above Determination introduces a number of changes to way that the tariffs to be applied on the motorway network operated by the Company are determined. The resulting tolls are made up of the following two components:

- an "operational charge" component, to recover (i) the Company's eligible operating costs, and (ii) its cost of capital (amortisation and the return on invested capital) for the assets used in managing the concession that are non-reversible at the end of the concession relationship;
- a "construction charge" component, designed to recover the cost of capital (amortisation and the return on invested capital) for assets that are reversible at the end of the concession relationship, also including the value of all the infrastructure built in accordance with the investment plans included in the concession, including any takeover value payable to Autostrade per l'Italia by the incoming operator. This component also includes, for regulatory purposes, the remuneration of the goodwill initially recognised by the Company as a result of the transaction that took place in 2003 when the motorway assets of the former Autostrade – Concessioni e Costruzioni were transferred to Autostrade per l'Italia. For regulatory purposes, this goodwill is amortised over the concession term.

In substance, therefore, the new mechanisms introduced by the Determination, insofar as they relate to the above components, provide remuneration for all the construction and/or upgrade services through tolls. These include those for which until now the Company did not recognise additional economic benefits (in terms of remuneration of the services provided, as described in note 3), and those that already benefit from remuneration. This sum was, therefore, until the year ended 31 December 2020, classified in the financial statements in "concession rights" for which additional economic benefits were or were not received, net of "Provisions for construction services required by contract", representing the present value of construction services to be performed in the future. Based, therefore, on the provisions in the Determination and reflected in the Framework Agreement, there is no longer a distinction between concession rights for which no additional benefits are received and those for which additional benefits are received, given that all investment is eligible for remuneration. In addition, as there is no longer an obligation to perform specific upgrade or construction services not giving rise to the right to receive remuneration through tolls, the need to recognise "Provisions for construction services required by contract" no longer applies.

As a result, following introduction of the new regulatory framework with effect from 1 January 2021, the carrying amount of “Provisions for construction services required by contract” (totalling €2,540 million) has been reclassified as a direct reduction in concession rights for which no additional economic benefits are received accounted for in assets. Moreover, within this category of asset, the net remaining amount of concession rights for which no additional economic benefits are received has been reclassified to those for which additional benefits are received.

With regard to the works included in point b) above, unremunerated investment of €1.2 billion – provided for in the Settlement Agreement of 14 October 2021 – represents a specific component of the overall cost of €3.4 billion to be borne by Autostrade per l’Italia in order to bring to a close the dispute over serious breaches. This commitment, which thus represents the total cost of the agreement, had already been reflected in the financial statements for previous years, up to the above amount of €3.4 billion, in the following components of the income statement of statement of financial position:

- a) €2.2 billion in provisions for risks and charges, after the expenses already incurred for reconstruction of the Polcevera road bridge and the associated costs;
- b) €1.2 billion, based on the rights and obligations under the Single Concession Arrangement in force at that time, in “Provisions for the repair and replacement of motorway infrastructure” (after amounts already spent up to 31 December 2020), in relation to the new commitment assumed by the Company to perform the related services.

However, with regard to point 2), the new Financial Plan provides that the Extraordinary Maintenance Plan should be remunerated via the construction charge. The costs included in this plan are therefore similar to new construction services giving rise to specific additional economic benefits through tolls. In addition, on a par with other upgrades and improvements included in the construction charge, the plan does not constitute a separate performance obligation, as it is not separable or identifiable in the toll charged to customers.

As a result, within the overall cost of €3.4 billion to be borne by Autostrade per l’Italia in order to bring to a close the dispute over serious breaches, it was agreed that the amount of €1.2 billion for the above extraordinary maintenance should be replaced by a matching amount of unremunerated investment in the Settlement Agreement signed on 14 October 2021.

In this regard, without affecting the overall cost to Autostrade per l’Italia of €3.4 billion in the Settlement Agreement, the following impacts have been recognised with reference to 1 January 2021:

- in terms of the works included in the Extraordinary Maintenance Plan: (i) an increase of €439 million in intangible assets deriving from concession rights for which additional economic benefits are received, representing works already carried out as at 1 January 2021, and a reduction in “Provisions for the repair and replacement of motorway infrastructure” of €761 million, representing the remaining works to be carried out at that date, which as noted are to be remunerated through tolls and cannot therefore be included in the provisions;
- with regard to unremunerated investment: (i) a reduction of €489 million in intangible assets deriving from concession rights for which additional economic benefits are received, to take into account investment carried out through to 1 January 2021 (and that will no longer be remunerated) and an increase of €711 million in “Other provisions for risks and charges”,

representing the remaining investment to be carried out by Autostrade per l'Italia as at 1 January 2021.

To complete the analysis, the following table summarises the adjustments to carrying amounts as at 1 January 2021:

€m	31 December 2020	Adoption of new tariff framework (ART)	Remuneration through tolls of the €1.2 billion extraordinary maintenance plan	Company's assumption of the cost of unremunerated investment amounting to €1.2 billion	1 January 2021
	A	B	C	D	A+B+C+D
Total assets	21,279	-2,540	439	-489	18,689
<i>of which</i>					
<i>Intangible assets deriving from concession rights for which additional economic benefits are received</i>	3,938	4,614	439	-489	8,502
<i>Intangible assets deriving from concession rights for which no additional economic benefits are received</i>	7,154	-7,154			-
Total liabilities	-21,279	2,540	761	-711	-18,689
<i>of which</i>					
<i>Provisions for construction services required by contract (current and non-current portions)</i>	-2,540	2,540			-
<i>Provisions for the repair and replacement of motorway infrastructure (current and non-current portions)</i>	-1,925		761		-1,164
<i>Provisions for risks and charges relating to settlement with MIMS</i>	-1,769			-711	-2,480
Net invested capital	-	-	1,200	-1,200	-
Income statement	Gains/(Losses) on first-time application of the Framework Agreement		1,200	-1,200	-

With regard to the total cost of €3.4 billion to be borne by the Company under the settlement agreement in order to bring to a close the dispute over serious breaches, in line with the above accounting treatment, this amount has been accounted for in "Other provisions for risks and charges". This cost refers to:

- €509 million in toll discounts and other initiatives for the benefit of road users. With regard to this amount, discounts and exemptions totalling €87 million were applied in 2021, whilst €30 million was incurred by Autostrade per l'Italia in 2020. As at 31 December 2021, therefore, the remaining commitment amounts to €392 million;
- €1,108 million for work in the Liguria area, including €930 million in unremunerated investment. With regard to this commitment, no expenses had been recognised through to 31 December 2021 and, therefore, the remaining commitment amounts to €1,108 million;
- €583 million relating to the expenses incurred by the operator in connection with demolition and reconstruction of the Polcevera road bridge. With regard to reconstruction of the road bridge, which was reopened to traffic in August 2020, a total of €460 million has been paid at the request of the Special Commissioner for Genoa to fund reconstruction of the San Giorgio road bridge. In addition, exemptions from the payment of tolls in the Genoa area cost a total of €42 million in the period from 2018 to 2020 and other expenses relating to reconstruction of the road bridge amount to €43 million. As a result, the remaining commitment updated to 31 December 2021 amounts to €39 million (€14 million in the current portion of "Provisions for the repair and replacement of motorway infrastructure" and €25 million in the current portion of "Other provisions for risks and charges");

- d) €1,200 million for the unremunerated investment plan to be carried out in the period 2020 – 2024, with the cost to be borne entirely by the Company. This commitment was included in “Other provisions for risks and charges”, in place of the same amount of €1.2 billion linked to the Extraordinary Maintenance Plan, which had previously been included in the “Provisions for the repair and replacement of motorway infrastructure”. Unremunerated investment amounting to €299 million was carried out in 2021, compared with €489 million in 2020. As at 31 December 2021, therefore, the remaining commitment amounts to €412 million.

6.3 Impact of the Covid-19 pandemic

As described in the consolidated financial statements as at and for the year ended 31 December 2020, from the end of February 2020, the restrictions on movements imposed by numerous governments in response to the global spread of the Covid-19 pandemic have resulted in a drastic fall in traffic volumes.

Traffic using the Group’s network in 2021 is up 23% compared with 2020, thanks to the relaxation in 2021 of the restrictions on movement introduced by the Italian Government. Despite this, traffic remains below the pre-crisis levels of 2019 (down 10.3% compared with 2019).

Moreover, as previously disclosed in the notes to the consolidated financial statements for 2020, Group companies responded to the fall in traffic from 2020 by taking rapid steps to implement cost efficiencies, whilst not reducing expenditure on the maintenance and safety of the Group’s infrastructure. They also adopted the measures made available by the authorities in order to protect their workers. These included use of the ordinary wage guarantee fund or *CIGO*, limited to 2020, in addition to the adoption of a series of financial initiatives designed to support service area operators.

Finally, as also reported in note 10.7, “Significant legal and regulatory aspects”, the Transport Regulator has established a method for calculating the aid available to operators in order to partially recover the losses incurred as a result of the state of emergency through tolls. The amount of the aid to cover the effects of the pandemic through to 31 December 2021 will be calculated in the first half of 2022, certified by an audit firm and recognised, in the year in which the loss is recognised, via the use of a specific component for additional expenses at the time of periodic revision of the Financial Plan.

The progressive impact relating to the expiry of the state of emergency, and any further impact resulting from a prolongation of the emergency, will be quantified and settled in accordance with the procedure drawn up on the basis of the indications provided in the above notes from ART dated 4 May and 15 July 2021.

7. Notes to the consolidated statement of financial position

The following notes provide information on items in the consolidated statement of financial position as at 31 December 2021. Comparative amounts as at 31 December 2020 are shown in brackets.

Details of amounts in the consolidated statement of financial position deriving from related party transactions are provided in note 10.5, "Related party transactions".

7.1 Property, plant and equipment - €170,904 thousand (€87,842 thousand)

As at 31 December 2021, property, plant and equipment amounts to €170,904 thousand, up €83,062 thousand compared with the net amount as at 31 December 2020, totalling €87,842 thousand.

The following table provides details of property, plant and equipment at the beginning and end of the period, showing the original cost and accumulated depreciation at the end of the period.

€000	31 December 2021			31 December 2020		
	Cost	Accumulated depreciation	Carrying amount	Cost	Accumulated depreciation	Carrying amount
Property, plant and equipment	608,387	-470,030	138,357	359,294	-285,477	73,817
Right to use property, plant and equipment	43,799	-11,702	32,097	18,305	-5,715	12,590
Total property, plant and equipment	652,186	-481,732	170,454	377,599	-291,192	86,407
Investment property	6,230	-5,780	450	7,690	-6,255	1,435
Property, plant and equipment	658,416	-487,512	170,904	385,289	-297,447	87,842

The following table shows amounts at the beginning and end of the period for the different asset classes and the related changes in 2021.

€000	Carrying amount as at 31 December 2020	CHANGES DURING THE YEAR							Carrying amount as at 31 December 2021
		Additions	Increase in right-of-use assets	Depreciation	Reductions due to disposals	Net currency translation differences	Reclassifications and other adjustments	Change in scope of consolidation	
Property, plant and equipment									
Land	2,857	-	-	-	-235	-	31	3,417	6,070
Buildings	20,764	928	-	-1,806	-346	1	638	3,070	23,249
Plant and machinery	544	4,343	-	-5,581	-803	-8	216	42,091	40,802
Industrial and business equipment	22,596	16,018	-	-12,799	-290	-	1,449	5,028	32,002
Other assets	16,912	6,936	-	-7,094	-18	-	-194	914	17,456
Leasehold improvements	-	2,657	-	-184	-	-	-	-	2,473
construction and advance payments	10,144	6,849	-	-	-10	-	-1,490	812	16,305
Total	73,817	37,731	-	-27,464	-1,702	-7	650	55,332	138,357
Right to use property, plant and equipment									
Right to use land	-	-	-	-109	-	-	-	191	82
Right to use buildings	10,719	-	32,766	-5,284	-13,871	-	1,159	1,418	26,907
Right of use plant and machinery	356	-	-	-	-	-	-356	-	-
Right to use equipment and other assets	1,515	-	4,847	-1,301	-	-	-17	64	5,108
Total	12,590	-	37,613	-6,694	-13,871	-	786	1,673	32,097
Total property, plant and equipment	86,407	37,731	37,613	-34,158	-15,573	-7	1,436	57,005	170,454
Investment property									
Land	191	-	-	-	-	-	-31	-	160
Buildings	1,244	-	-	-321	-	-	-633	-	290
Total	1,435	-	-	-321	-	-	-664	-	450
Total property, plant and equipment	87,842	37,731	37,613	-34,479	-15,573	-7	772	57,005	170,904

Changes in the Group's scope of consolidation primarily refer to the consolidation of Pavimental.

Right-of-use assets relating to property, plant and equipment amount to €32,097 thousand as at 31 December 2021 and primarily regard:

- a) the rental of properties for use as guest accommodation and for office use (€26,907 thousand);
- b) hire contracts for equipment and other assets (€5,108 thousand), essentially in the form of long-term leases for motor vehicles.

The effective duration of the contracts is between 2 and 17 years, after taking into account extension options available to the Group.

Investment property of €450 thousand as at 31 December 2020 refers to land and buildings not used in operations and is stated at cost. The total fair value of these assets is estimated to be €27 million, based on independent appraisals and information on property markets relevant to these types of investment property.

There were no significant changes in the expected useful lives of these assets during 2021.

Finally, as at 31 December 2021, property, plant and equipment is free of mortgages, liens or other collateral guarantees restricting use.

7.2 Intangible assets - €15,385,011 thousand (€17,432,447 thousand)

This item consists of:

- a) intangible assets deriving from concession rights, totalling €9,184,698 thousand (€11,280,470 thousand as at 31 December 2020), and regarding the following categories:
 - (i) rights deriving from the performance of construction services for which additional benefits are received, totalling €9,010,714 thousand;
 - (ii) rights deriving from construction services carried out by service area operators, totalling €98,272 thousand, represented by assets that were handed over free of charge to the Group's operators on expiry of the related sub-concessions;
 - (iii) rights acquired from third parties €75,712 thousand, essentially reflecting the fair value of concession rights recognised following acquisitions of motorway operators in previous years;
- b) goodwill and other intangible assets with indefinite lives, totalling €6,111,364 thousand and unchanged with respect to the previous year;
- c) other intangible assets of €88,949 thousand.

€000	31 December 2021				31 December 2020			
	Cost	Accumulated amortisation	Accumulated impairments	Carrying amount	Cost	Accumulated amortisation	Accumulated impairments	Carrying amount
Intangible assets deriving from concession rights	12,110,598	-2,809,852	-116,048	9,184,698	19,456,524	-8,060,006	-116,048	11,280,470
Goodwill and other intangible assets with indefinite lives	6,111,364	-	-	6,111,364	6,111,304	-	-	6,111,304
Other intangible assets	441,219	-352,270	-	88,949	346,266	-305,593	-	40,673
Attività immateriali	18,663,181	-3,162,122	-116,048	15,385,011	25,914,094	-8,365,599	-116,048	17,432,447

The following table shows intangible assets at the beginning and end of the period and changes during 2021 in the different categories of intangible assets.

€000	Carrying amount as at 31 December 2020	CHANGES DURING THE YEAR						Carrying amount as at 31 December 2021
		Additions due to completion of construction services, purchases and capitalisations	Amortisation	Reductions due to disposals	Impact of application of framework agreement as at 1 January 2021	Reclassifications and other adjustments	Change in scope of consolidation	
Intangible assets deriving from concession rights								
Acquired concession rights	83,503	-	-7,791	-	-	-	-	75,712
Concession rights accruing from construction services for which no additional economic benefits are received	7,154,350	-	-	-	-7,154,350	-	-	-
Concession rights accruing from construction services for which additional economic benefits are received	3,938,578	930,621	-467,047	-	4,564,177	-8,433	52,818	9,010,714
Concession rights accruing from construction services provided by sub-operators	104,039	33	-5,800	-	-	-	-	98,272
Total	11,280,470	930,654	-480,638	-	-2,590,173	-8,433	52,818	9,184,698
Goodwill and other intangible assets with indefinite lives								
Goodwill	6,111,234	-	-	-	-	-	-	6,111,234
Trademarks	70	60	-	-	-	-	-	130
Total	6,111,304	60	-	-	-	-	-	6,111,364
Other intangible assets								
Development costs	19,604	51,674	-27,140	-	-	765	867	45,770
Industrial patents and intellectual property rights	11,636	33,197	-16,593	-	-	18	49	28,307
Concessions and licenses	676	178	-171	-	-	2	30	715
Right to use intangible assets	2,884	-	-822	-	-	403	-	2,465
Other	-	22	-379	-	-	9	2,921	2,573
Intangible assets under development and advance payments	5,873	3,889	-	-253	-	-782	392	9,119
Total	40,673	88,960	-45,105	-253	-	415	4,259	88,949
Intangible assets	17,432,447	1,019,674	-525,743	-253	-2,590,173	-8,018	57,077	15,385,011

Intangible assets recorded a net decrease of €2,047,436 thousand in 2021, primarily due to a combination of the following:

- the effects connected with introduction of the Framework Agreement from 1 January 2021, as described above in note 6.2, "Events of 14 August 2018 relating to the collapse of a section of the Polcevera road bridge in Genoa and developments in the Parent Company's legal and regulatory framework";
- amortisation for the period €525,743 thousand;
- an increase in concession rights deriving from investments in construction services for which additional economic benefits are received, amounting to €930,621 thousand (€116,113 thousand in 2020), including €442,924 thousand due to recognition of services performed in 2021 in relation to the Extraordinary Maintenance Plan;
- investment in other intangible assets, amounting to €88,960 thousand, essentially linked to the implementation of the Group's Transformation Plan, focusing on technological innovation relating to the management and safety of infrastructure and advanced digital mobility services.

In 2021, the Group invested a total of €938,585 thousand in assets operated under concession (€515,910 thousand in 2020), essentially in relation to:

- an increase in intangible assets deriving from concession rights due to construction services for which additional benefits are received, totalling €930,621 thousand;

- b) the use of other provisions totalling €7,964 thousand.

There were no significant changes in the expected useful lives of intangible assets during the year.

Research and development expenditure of approximately €1.8 million has been recognised in the consolidated income statement for 2021. These activities are carried out in order to improve infrastructure, the services offered, safety levels and environmental protection and in relation to the inhouse development of software and IT systems.

"Goodwill and other intangible assets with indefinite lives" amounts to €6,111,364 thousand. The balance consists of the carrying amount of the goodwill (impairment tested at least once a year rather than amortised) recognised following the transfer of motorway assets from the former Autostrade – Concessioni e Costruzioni Autostrade SpA (now Atlantia), as part of the Autostrade Group's reorganisation in 2003. This goodwill was determined in accordance with prior accounting standards under the exemption permitted by IFRS 1 and is the carrying amount as at 1 January 2004, the Atlantia Group's IFRS transition date.

With regard to the recoverability of goodwill, allocated entirely to the CGU represented by Autostrade per l'Italia, these assets have been tested for impairment in accordance with IAS 36. This test was conducted on the basis of the fair value paid by Holding Reti Autostradali to the parent, Atlantia, for its entire stake in ASPI. This fair value, coinciding with 100% of the equity value, amounts to approximately €9.3 billion (including a ticking fee of €0.2 billion). The impairment test confirmed that the goodwill allocated to the Autostrade per l'Italia CGU as at 31 December 2021 is fully recoverable.

There were no indicators of a potential impairment for the Group's other CGUs. With regard to the impact of the ongoing Covid-19 pandemic, based on the recommendations contained in the ESMA Public Statement 32-63-11186 of 29 October 2021, it was decided that this did not constitute an indicator of impairment in 2021, as all the operators were tested for impairment in relation to this event in 2020 (as recommended by the ESMA and the CONSOB and reported in the consolidated financial statements for the previous year). Moreover, there was a significant improvement in the operating and financial performances of these companies in 2021 compared with 2020, with results in line with the expectations for 2021 contained in the long-term plans used as the basis for impairment testing in the previous year. In addition, the cumulative negative impact on the Group's operators throughout the national emergency, calculated on the basis of the specific method established by the Transport Regulator and certified by an independent audit firm, will be covered by the Grantor through a specific component of the tolls collected by operators.

In the case of Autostrade Meridionali, as indicated in note 4, "Concessions" and note 10.7 "Significant legal and regulatory aspects", whilst the operator's motorway concession expired on 31 December 2012, it is continuing to operate the infrastructure until the talks with the Grantor have established the value of Autostrade Meridionali's takeover right payable by the incoming operator, recognised in current financial assets. This payment, together with the new operator's obligation to acquire and assume all existing contractual rights and obligations entered into by Autostrade Meridionali, with the exception of those of a financial nature, will enable the Group to recover the full value of the subsidiary's invested capital.

7.3 Investments - €77,684 thousand (€73,129 thousand)

As at 31 December 2021, this item is up €4,555 thousand, essentially reflecting the combination of the following:

- a) reclassification of the interest in Strada Dei Parchi, totalling €4,271 thousand, to assets held for sale;
- b) the impact of the acquisition of control of Pavimental, which was included in investments accounted for using the equity method as at 31 December 2020. Further details are provided above in note 6.1, "Acquisition of control of Pavimental". The increase of €4,659 thousand in investments accounted for at fair value essentially includes an increase in the interest in Tangenziale Esterna following the consolidation of Pavimental;
- c) Tecne's acquisition, in December 2021, of Tecne Speri Bridge for €625 thousand;
- d) recognition of the Group's share of the profit or loss of investees accounted for using the equity method, represent by a loss of €2,638 thousand and essentially attributable to Tangenziale Esterna di Milano and Spea.

The following table shows carrying amounts at the beginning and end of the period, grouped by category, and changes in investments in 2021.

€000	CHANGES DURING THE YEAR					31 December 2021 Closing balance
	31 December 2020 Opening balance	Measurement using equity method		Change in scope of consolidation	Reclassifications and other changes	
		Profit or loss	Other comprehensive income			
Investments accounted for at fair value	1,645	-	-	4,659	4,271	10,575
Investments accounted for using equity method:						
- associates	70,484	-2,638	553	-2,290	-	66,109
- joint ventures	1,000	-	-	-	-	1,000
Investments	73,129	-2,638	553	2,369	4,271	77,684

The equity method is used to measure interests in associates and joint ventures, based on the most recent approved financial statements made available by the companies. In the event that financial statements for the year ended 31 December 2021, were unavailable, the above information was supplemented and, where necessary, restated in accordance with Group accounting policies.

With regard to the recoverability of the carrying amount of investments, given the absence of new impairment indicators in 2021, impairment tests were not conducted.

The following table shows an analysis of the Group's principal investments as at 31 December 2021, including the Group's percentage interest and the relevant carrying amount. There are no investments in associates and joint ventures that are individually material with respect to total consolidated assets, operating activities and geographical area and, therefore, the additional disclosures required in such cases by IFRS 12 are not presented.

Annex 1 provides a list of the Group's investments as at 31 December 2021.

€000	31 December 2021		31 December 2020	
	% interest	Closing balance	% interest	Closing balance
Investments accounted for at fair value:				
Tangenziale Esterna	1.25%	5,811	0.25%	1,162
digITALog (Uirnet)	1.40%	427	1.40%	427
Strada dei Parchi	2.00%	4,271	-	-
Other minor investments	-	66	-	56
Total investments accounted for at fair value		10,575		1,645
Investments accounted for using the equity method:				
- associates				
Tangenziali Esterne di Milano	27.45%	56,484	27.45%	57,844
Spea Engineering	20.00%	7,160	20.00%	8,088
Pavimental (*)	99.40%	-	20.00%	2,931
Bologna & Fiera Parking	36.81%	1,760	36.81%	1,557
Tecne Speri Bridge Designers		625	-	-
Other minor investments	50.00%	80	-	64
- joint ventures				
Geie del Traforo del Monte Bianco	50.00%	1,000	50.00%	1,000
Total investments accounted for using the equity method		67,109		71,484
Investments		77,684		73,129

(*) This company was consolidated from January 2021.

7.4 Financial assets

(non-current) €331,951 thousand (€335,313 thousand)
(current) €567,709 thousand (€490,230 thousand)

The following analysis shows the composition of other financial assets at the beginning and end of the period, together with the current and non-current portions.

€000	Note	31 December 2021			31 December 2020		
		Carrying amount	Current portion	Non-current portion	Carrying amount	Current portion	Non-current portion
Takeover rights		419,136	419,136	-	410,953	410,953	-
Financial assets deriving from concessions	(1)	419,136	419,136	-	410,953	410,953	-
Financial assets deriving from government grants related to construction services	(3)	178,872	45,137	133,735	178,872	20,192	158,680
Term deposits	(4)	174,118	44,315	129,803	173,903	19,371	154,532
Derivative assets	(2)	72,639	31,405	41,234	19,762	19,762	-
Other medium/long-term financial assets	(1)	30,770	3,591	27,179	23,871	1,770	22,101
Other medium/long-term financial assets		103,409	34,996	68,413	43,633	21,532	22,101
Other current financial assets	(1)	24,125	24,125	-	18,182	18,182	-
Total		899,660	567,709	331,951	825,543	490,230	335,313

(1) These assets are held within a hold to collect business model and, as such, are measured at amortised cost.

(2) These assets primarily include derivative financial instruments classified as hedges under level 2 of the fair value hierarchy.

Financial assets deriving from concession rights include the takeover right attributable to Autostrade Meridionali (€419,136 thousand as at 31 December 2021), being the amount payable by a replacement operator on termination of the concession for the company's unamortised capital expenditure during the final years of the outgoing operator's concession. In this regard, following developments in the regulatory scenario described in more detail in note 10.7, "Significant legal and regulatory aspects", Autostrade Meridionali is engaged in talks with the MIMS with the aim of establishing the value of the right and, based on the available information at the date of preparation of these consolidated financial statements, it is not expected that on completion of this process the resulting value will be significantly different from the amount recognised in the financial statements.

As at 31 December 2021, the balance of derivative assets is up €52,887 thousand. This essentially reflects the recognition of fair value gains of €51,519 thousand on derivative instruments entered into in 2021, classified as hedging instruments, with the aim of hedging interest rate risk on future financial liabilities to be assumed by Autostrade per l'Italia. Further details are provided in note 9.2, "Financial risk management".

7.5 Deferred tax assets and deferred tax liabilities

Deferred tax assets - €133,950 thousand (€130,670 thousand)

Deferred tax liabilities - €316,246 thousand (€36,573 thousand)

The amount of deferred tax assets and liabilities both eligible and ineligible for offset is shown below, with respect to temporary timing differences between consolidated carrying amounts and the corresponding tax bases at the end of the period.

€000	31 December 2021	31 December 2020
Deferred tax assets	1,586,209	1,833,885
Deferred tax liabilities eligible for offset	-1,452,259	-1,703,215
Deferred tax assets less deferred tax liabilities eligible for offset	133,950	130,670
Deferred tax liabilities not eligible for offset	-316,246	-36,573
Difference between deferred tax assets and liabilities (eligible and ineligible for offset)	-182,296	94,097

Changes in the Group's deferred tax assets and liabilities during the period, based on the nature of the temporary differences giving rise to them, are summarised in the following table.

€000	31 December 2020	CHANGES DURING THE YEAR						31 December 2021
		Provisions	Releases	(releases) on other components of comprehensive income	Change in prior year estimates	Reclassifications and other changes	Change in scope of consolidation	
Deferred tax assets on:								
Restatement of total amount subject to IFRIC 12 by Autostrade per l'Italia	348,816	-	-20,399	-	-21,901	-	-	306,516
Provisions	1,330,573	526,644	-728,108	-	-24,622	-	637	1,105,124
Impairments and depreciation of non-current assets	12,412	-	-1,052	-	-	-	-	11,360
Derivative liabilities	45,083	-	-45	-6,180	-	-	107	38,965
Impairment of receivables and inventories	6,036	979	-748	-	350	1	849	7,467
Tax losses eligible to be carried forward	12,945	-	-14,422	-	904	-1	304	-270
Other temporary differences	78,020	39,917	-9,965	1,554	-22	874	6,669	117,047
Total	1,833,885	567,540	-774,739	-4,626	-45,291	874	8,566	1,586,209
Deferred tax liabilities on:								
Off-balance sheet amortisation of goodwill	-1,709,432	-15,710	-	-	-	-	-	-1,725,142
Difference between carrying amount and fair value of assets acquired and liabilities assumed following business combinations	-	-	102	-	-	-	-815	-713
Other temporary differences	-30,356	-2,508	2,188	-11,489	-	-70	-415	-42,650
Total	-1,739,788	-18,218	2,290	-11,489	-	-70	-1,230	-1,768,505
Difference between deferred tax assets and liabilities (eligible and ineligible for offset)	94,097	549,322	-772,449	-16,115	-45,291	804	7,336	-182,296

The balance of net deferred tax assets, totalling €182,296 thousand as at 31 December 2021, primarily consists of:

- deferred tax assets of €1,105,124 thousand, on the portion of provisions, primarily for the repair and replacement of motorway infrastructure, deductible in future years and the above-mentioned provisions determined on the basis of the estimated further expenses to be incurred as a result of the above settlement agreement with the Government and the MIMS aimed at resolving the ongoing dispute;
- the residual balance of Autostrade per l'Italia's deferred tax assets accounted for as a result of restatement of the overall balance resulting from first-time adoption of IFRIC 12, recognised on a straight-line basis over 29 years from 2010, pursuant to art. 11, paragraph 3 of the Ministerial Decree of 8 June 2011 aligning taxation with international accounting standards, amounting to €306,516 thousand;
- deferred tax liabilities recognised from 2003 as a result of the deduction, solely for tax purposes, of the amortisation of goodwill recognised by Autostrade per l'Italia, totalling €1,725,142 thousand.

The difference of €276,393 thousand between net deferred tax assets as at 31 December 2020 (€94,097 thousand) essentially reflects the following:

- the net release (€201,464 thousand) of deferred tax assets, primarily reflecting uses of provisions for the repair and replacement of motorway infrastructure and uses of provisions for risks and charges, as described above;
- the release of deferred tax assets (€24,428 thousand) due to the adjustment to deferred tax assets for IRES linked to the reversal of temporary differences, resulting from provisions,

due to the reduction in the tax rate from 27.5% to 24%. Under art. 1, paragraphs 716-718 of Law 160/2019 (the 2020 Budget Law), the Government introduced an IRES surtax of 3.5% on the earnings of motorway, airport, port and railway operators for the years from 2019 and 2021;

- c) the release of deferred tax assets on tax loss carryforwards (€14,422 thousand), essentially relating to Autostrade per l'Italia;
- d) the recognition of deferred tax liabilities on the above deduction of tax amortisation of the goodwill (€15,710 thousand).

7.6 Other non-current assets - €886 thousand (€104 thousand)

This item is broadly unchanged with respect to 31 December 2020.

7.7 Trading assets - €807,919 thousand (€544,902 thousand)

As at 31 December 2021, trading assets include:

- a) inventories of €131,308 thousand (€70,516 thousand as at 31 December 2020), primarily relating to stocks and spare parts used in maintenance and the assembly of equipment, with the increase of €60,792 thousand compared with 2020 essentially linked to the change in the scope of consolidation;
- b) contract assets of €71,737 thousand, up €67,533 thousand with respect to 31 December 2020, primarily reflecting Pavimental's contribution of contract receivables (€43,515 thousand);
- c) trade receivables of €604,874 thousand (€470,182 thousand as at 31 December 2020), consisting of the following items.

€000	31 December 2021	31 December 2020
Trade receivables due from:		
Motorway users	359,161	245,493
Sub-operators at motorway service areas	60,515	47,147
Sundry customers	150,994	122,026
Gross trade receivables	570,670	414,666
Allowance for bad debts	(60,042)	(52,721)
Other trading assets	94,246	108,237
Net trade receivables	604,874	470,182

After stripping out the positive contribution of changes in the Group's scope of consolidation (€32,378 thousand), trade receivables, after provisions for bad debts, are up €102,314 thousand. This is essentially due to an increase in the amount receivable from motorway users, totalling €113,668 thousand and reflecting traffic growth in 2021 compared with 2020.

The following table shows an ageing schedule for amounts due from customers and other trade receivables.

€000	Total receivables as at 31 December 2021	Total not yet due	More than 90 days overdue	Between 90 and 365 days overdue	More than one year overdue
Trade receivables	570,670	412,531	10,701	59,095	88,343

Overdue receivables regard uncollected and unpaid tolls, in addition to royalties due from service area operators and sales of other goods and services.

The following table shows movements in the allowance for bad debts for trade receivables during 2021, determined with reference to the management and measurement of trade receivables and historical data regarding credit losses, also taking into account guarantee deposits and other collateral given by customers.

€000	31 December 2020	Additions	Uses	Change in scope of consolidation	31 December 2021
Allowance for bad debts	52,721	5,412	-3,197	5,347	60,042

Group companies continuously monitor trade receivables to produce specific estimates of the percentage of receivables subject to expected credit losses, based on all the information in their possession.

Operators estimate expected losses on trade receivables in the form of uncollected motorway tolls on the basis of historical data relating to stratified losses and collections registered following the issue of unpaid tolls notices.

In the case of trade receivables other than uncollected motorway tolls, which are not subject to specific estimates, portfolio assessment is continuously updated based on weighted customer ratings, calculated taking into account the following parameters:

- a) analysis of historical collections and losses,
- b) analysis of overdue amounts as a proportion of the total receivables being analysed,
- c) application of a default rate based on the segmentation of customers in the portfolio by business sector.

The carrying amount of trade receivables approximates to fair value.

7.8 Cash and cash equivalents - €1,899,168 thousand (€1,954,352 thousand)

This item includes cash in hand and investments maturing within the short term and has increased €55,184 thousand compared with 31 December 2020.

Detailed explanations of the cash flows resulting in the reduction in the Group's cash in 2021 are contained in note 9.1, "Notes to the consolidated statement of cash flows".

7.9 Current tax assets and liabilities

Current tax assets - €26,574 thousand (€63,244 thousand)

Current tax liabilities - €167,502 thousand (€2,979 thousand)

Current tax assets and liabilities at the beginning and end of the period are detailed below.

€000	Current tax assets		Current tax liabilities	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
IRES	24,325	43,020	150,720	2,614
IRAP	379	16,496	12,978	365
Other income taxes	1,870	3,728	3,804	-
	26,574	63,244	167,502	2,979

As at 31 December 2021, the Group reports net current tax assets of €140,928 thousand, up €201,193 thousand compared with 31 December 2020 (net current tax assets of €60,265 thousand). This primarily reflects provisions for current IRES and IRAP payable for 2021 (€211,660 thousand). The item, "Other income taxes", includes the current portion, amounting to €3,725 thousand, of the substitute tax of €11,176 thousand recognised in current tax assets, following recognition of the tax effects of the revaluation of assets in the statutory financial statements of the subsidiaries, Tangenziale di Napoli and Autostrade Tech, in accordance with art. 110 of Law Decree 104/2020 (the so-called "August Decree").

7.10 Other current assets - €126,781 thousand (€161,446 thousand)

This item consists of receivables and other current assets that are not eligible for classification as trading or financial. The composition of this item is shown below.

€000	31 December 2021	31 December 2020	Increase/ (Decrease)
Receivables due from end users and insurance companies for damages	16,711	14,822	1,889
Receivable from public entities	1,293	2,089	-796
Tax credits other than for income tax	29,822	86,186	-56,364
Receivables from social security institutions	9,151	689	8,462
Amounts due from staff	2,048	1,759	289
Accrued income of a non-trading nature	416	409	7
Payments on account to suppliers and other current assets	70,738	58,464	12,274
Other current assets, gross	130,179	164,418	-34,239
Allowance for bad debts	-3,398	-2,972	-426
Other current assets, net	126,781	161,446	-34,665

The balance is down €34,665 thousand compared with 31 December 2020, primarily reflecting the decision to expense refundable VAT of €52,066 thousand relating to work on reconstruction of the San Giorgio road bridge, as described in note 6.2, "Events of 14 August 2018 relating to the collapse of a section of the Polcevera road bridge in Genoa and developments in the Parent Company's legal and regulatory framework".

The allowance for bad debts, totalling €3,398 thousand as at 31 December 2021 (€2,972 thousand as at 31 December 2020), essentially refers to estimated losses on amounts due from road users and insurance companies to cover damage to the motorway infrastructure managed by Autostrade per l'Italia.

7.11 Assets held for sale or related to discontinued operations – (–€5,736 thousand)

The following table shows the composition of these assets held for sale or related to discontinued operations according to their nature (trading, financial or other).

€000	31 December 2021	31 December 2020	Increase/ (Decrease)
Non-current non-financial assets	-	5,736	-5,736
Total assets held for sale or related to discontinued operations	-	5,736	-5,736

Assets held for sale or related to discontinued operations amount to zero as at 31 December 2021, a reduction of €5,736 thousand compared with 31 December 2020. This reflects:

- reclassification to “Investments measured at fair value” of the remaining 2% interest in Strada dei Parchi (€4,271 thousand);
- liquidation of the 29.77% interest in Pedemontana Veneta (€1,465 thousand).

7.12 Equity – €2,648,337 thousand (€1,842,451 thousand)

The issued capital of the Parent Company, Autostrade per l'Italia SpA as at 31 December 2021 is fully subscribed and paid-in and consists of 622,027,000 ordinary shares of a par value of €1 each, amounting to a total of €622,027 thousand. This figure has not undergone any changes compared with 2020.

Equity attributable to owners of the parent, totalling €2,277,621 thousand, is up €789,899 thousand compared with 31 December 2020. This essentially reflects comprehensive income for 2021, totalling €774,757 thousand, consisting of the profit for the year (€723,291 thousand) and other comprehensive income of €51,394 thousand, and recognition of the after-tax increase of €15,061 thousand resulting from the acquisition of Pavimental, in accordance with the applicable accounting standards and the Group policy on transactions under common control, as previously described in note 6.1, “Acquisition of control of Pavimental”.

Equity attributable to non-controlling interests, totalling €370,716 thousand, is broadly in line with the balance as at 31 December 2020 (€354,729 thousand).

Autostrade per l'Italia aims to manage its capital in order to create value for shareholders, ensure the Company remains a going concern, safeguard the interests of stakeholders and guarantee efficient access to external sources of funding to adequately support the growth of the Group's businesses and fulfil the commitments given in concession arrangements.

7.13 Provisions for construction services required by contract (non-current) – (€1,808,116 thousand) (current) – (€732,162 thousand)

The following table shows provisions for construction services required by contract and for which no additional economic benefits are received at the beginning and end of the year and changes during 2021, showing the non-current and current portions.

€000	31 December 2020			CHANGES DURING THE YEAR	31 December 2021		
	Carrying amount	non-current portion	current portion		Carrying amount	non-current portion	current portion
Provisions for construction services required by contract	2,540,278	1,808,116	732,162	-2,540,278	-	-	-

The balance of provisions for construction services required by contract as at 1 January 2021 (€2,540,278 thousand) was closed and accounted for as a direct reduction in intangible assets deriving from concession rights for which no additional economic benefits are received, following ART's adoption of Determination 71/2019, as described earlier in note 7.2, "Intangible assets" and note 6.2, "Events of 14 August 2018 relating to the collapse of a section of the Polcevera road bridge in Genoa and developments in the Parent Company's legal and regulatory framework".

7.14 Provisions (non-current) - €2,245,892 thousand (€1,364,717 thousand) (current) - €1,091,889 thousand (€2,525,441 thousand)

As at 31 December 2021, provisions amount to €3,337,781 thousand (€3,890,158 thousand as at 31 December 2020). The following table shows details of provisions by type, showing the non-current and current portions.

€000	31 December 2021			31 December 2020		
	Carrying amount	non-current portion	current portion	Carrying amount	non-current portion	current portion
Provisions for employee benefits	94,772	76,644	18,128	101,907	83,613	18,294
Provisions for repair and replacement of motorway infrastructure	1,142,433	712,047	430,386	1,924,750	1,177,116	747,634
Provisions for renewal of motorway infrastructure	85,139	80,634	4,505	94,691	86,841	7,850
Other provisions for risks and charges	2,015,437	1,376,567	638,870	1,768,810	17,147	1,751,663
Total provisions	3,337,781	2,245,892	1,091,889	3,890,158	1,364,717	2,525,441

The following table shows provisions at the beginning and end of the period and changes in 2021.

€000	31 December 2020	CHANGES DURING THE YEAR								31 December 2021
	Carrying amount	Operating provisions	Financial provisions	Uses	Actuarial gains/(losses) recognised in comprehensive income	Currency translation differences	Impact of application of framework agreement as at 1 January 2021	Reclassifications and other changes	Change in scope of consolidation	Carrying amount
Provisions for employee benefits										
Post-employment benefits	101,907	1,650	-15	-19,001	6,892	-	-	-360	3,695	94,768
Other employee benefits	-	45	-	-59	-	-	-	-	18	4
Total	101,907	1,695	-15	-19,060	6,892	-	-	-360	3,713	94,772
Provisions for repair and replacement of motorway infrastructure										
Provisions for repair and replacement of motorway infrastructure	1,924,750	432,490	3,355	-533,705	-	-	-761,274	76,817	-	1,142,433
Provisions for renewal of motorway infrastructure	94,691	-	518	-10,070	-	-	-	-	-	85,139
Other provisions for risks and charges	1,768,810	10,987	-	-405,238	-	-5	711,379	-76,901	6,405	2,015,437
Total provisions	3,890,158	445,172	3,858	-968,073	6,892	-5	-49,895	-444	10,118	3,337,781

PROVISIONS FOR EMPLOYEE BENEFITS

(non-current) - €76,644 thousand (€83,613 thousand)

(current) - €18,128 thousand (€18,294 thousand)

As at 31 December 2021, this item essentially consists of provisions for post-employment benefits to be paid to staff employed under Italian law. The reduction of €7,135 thousand primarily reflects uses of provisions for benefits and advances paid during the year (€19,060 thousand), only partially offset by actuarial gains for the year (€6,892 thousand) and by the increase resulting from the change in the scope of consolidation (€3,713 thousand).

The actuarial model used to measure provisions for post-employment benefits is based on both demographic and economic assumptions.

The most important actuarial assumptions used to measure post-employment benefits at 31 December 2021 are summarized below.

Financial assumptions	
Annual discount rate (*)	0.44%
Annual inflation rate	1.75%
Annual rate of increase in post-employment benefits	2.81%
Annual rate of increase in real salaries	0.65%
Annual turnover rate	from 1% to 4%
Annual rate for advances paid	from 0.5% to 3.5%
Duration (years)	from 6 to 19

(*) The annual discount rate used to determine the present value of the obligation was determined with reference to the average yield curve based on the Iboxx Corporate AA index on the valuation date for durations of 7-10 years, reflecting the estimated period of service to be provided by plan members.

Demographic assumptions	
Mortality	Government General Accounting Office projections
Disability	INPS tables by age and sex
Retirement age	Mandatory state pension retirement age

Sensitivity analysis as at 31 December 2021						
€000	Change in assumption					
	Turnover rate		Inflation rate		Discount rate	
	+ 1 %	- 1 %	+ 0.25 %	- 0.25 %	+ 0.25 %	- 0.25 %
Autostrade per l'Italia Group's provisions for post-employment benefits	94,145	95,325	95,685	93,748	93,179	96,283

PROVISIONS FOR THE REPAIR AND REPLACEMENT OF MOTORWAY INFRASTRUCTURE
(non-current) - €712,047 thousand (€1,177,116 thousand)
(current) - €430,386 thousand (€747,634 thousand)

This item regards the present value of provisions for the repair and replacement of motorway infrastructure operated under concession, in accordance with the contractual commitments of the Group's operators and designed to ensure the serviceability and safety of the assets. The provisions, including the current and non-current portions, are down €782,317 thousand on 31 December 2020, primarily due to:

- a) the reduction in provisions made in previous years for work yet to be carried out as part of the €1.2 billion Extraordinary Maintenance Plan (€761,274 thousand), resulting from application from 1 January 2021 of the content of the Framework Agreement entered into with the MIMS and described above in note 6.2, "Events of 14 August 2018 relating to the collapse of a section of the Polcevera road bridge in Genoa and developments in the Parent Company's legal and regulatory framework";
- b) uses during the year of €446,193 thousand in relation to maintenance of the motorway network, including €207,883 thousand in non-recurring maintenance;
- c) operating provisions for the year, amounting to €432,490 thousand, in connection with an updated estimate of the cost of repairs to network infrastructure;
- d) the reclassification of €76,817 thousand from "Other provisions for risks and charges" to "Provisions for the repair and replacement of motorway infrastructure", represented by provisions made in previous years to cover additional expenses relating to reconstruction of the San Giorgio road bridge.

Further details on the movements referred to in a) and d) are provided in note 6.2, "Events of 14 August 2018 relating to the collapse of a section of the Polcevera road bridge in Genoa and developments in the Parent Company's legal and regulatory framework".

PROVISIONS FOR THE RENEWAL OF MOTORWAY INFRASTRUCTURE
(non-current) - €80,634 thousand (€86,841 thousand)
(current) - €4,505 thousand (€7,850 thousand)

Provisions for the renewal of motorway infrastructure, including the non-current and current portions, amount to €85,139 thousand (€94,691 thousand as at 31 December 2020) and reflect the present value of the estimated costs to be incurred over time in relation to the contractual obligation, resulting from Società Italiana per Azioni per il Traforo del Monte Bianco's concession arrangement, to carry out essential extraordinary maintenance work in order to ensure the serviceability and safety of the assets held under concession. Compared with 31 December 2020, the provisions are down €9,552 thousand, essentially due to uses during the year to finance work carried out.

OTHER PROVISIONS FOR RISKS AND CHARGES

(non-current) - €1,376,567 thousand (€17,147 thousand)

(current) - €638,870 thousand (€1,751,663 thousand)

These provisions essentially regard estimates of liabilities, at the end of the period, including the estimated expenses provisioned for contract reserves relating to contractors who carry out maintenance work on the motorway infrastructure operated under concession. The overall amount is up €246,647 thousand for the combined effects of:

- a) an increase of €711,379 thousand representing the remaining portion of the unremunerated investment plan totalling €1.2 billion as at 1 January 2021, resulting from application from 1 January 2021 of the content of the Framework Agreement entered into with the MIMS and described above in note 6.2, "Events of 14 August 2018 relating to the collapse of a section of the Polcevera road bridge in Genoa and developments in the Parent Company's legal and regulatory framework";
- b) uses of €405,238 thousand, primarily relating to:
 - 1) provisions for the commitments included in the settlement agreement with the MIMS and the Government, relating to works forming part of the unremunerated investment plan (€299,421 thousand carried out in 2021) and toll discounts for road users, exemptions in the Genoa area and discounts to compensate for disruption caused by roadworks (€86,894 thousand);
 - 2) to pay compensation for a number of the families of victims directly impacted by the collapse of a section of the Polcevera road bridge, and to cover the cost of consultants' fees and legal expenses linked to actions undertaken to protect the Company's rights and those of its employees who are under investigation (€13,203 thousand).

Further information on developments in the principal disputes outstanding as at 31 December 2021 is provided in note 10.7, "Significant legal and regulatory aspects".

7.15 Financial liabilities

(non-current) €8,215,610 thousand (€7,705,678 thousand)

(current) €2,828,995 thousand (€3,631,057 thousand)

MEDIUM-LONG TERM FINANCIAL LIABILITIES

(non-current) €8,215,610 thousand (€7,705,678 thousand)

(current) €2,494,882 thousand (€3,349,631 thousand)

As at 31 December 2021, medium/long-term financial liabilities amount to €10,710,492 thousand. These liabilities essentially consist of bonds issued by Autostrade per l'Italia since 2015, the bonds involved in the issuer substitution, completed at the end of 2016, and bank borrowings.

The following two tables provide an analysis of medium/long-term financial liabilities, showing:

a) an analysis of the balance by face value and maturity (current and non-current portions);

(€000)	Note	31 December 2021						31 December 2020			
		Face value	Carrying amount	of which		Maturity		Face value	Carrying amount	Current portion	Non-current portion
				Current portion	Non-current portion	between 13 and 60 months	after 60 months				
Bond issues	(1) (2) (3)	8,339,180	8,137,474	605,234	7,532,240	3,482,671	4,049,569	8,410,132	8,198,554	1,074,393	7,124,161
Bank borrowings	(3)	1,882,739	1,869,607	1,468,761	400,846	11,182	389,664	2,003,101	1,982,986	1,982,986	-
Other borrowings		220,752	214,402	65,884	148,518	145,857	2,661	206,631	198,707	23,030	175,677
Lease liabilities		33,172	33,172	5,737	27,435	14,953	12,482	13,639	13,639	2,703	10,936
Medium/long-term borrowings	(2) (3)	2,136,663	2,117,181	1,540,382	576,799	171,992	404,807	2,223,371	2,195,332	2,008,719	186,613
Derivative liabilities	(4)		287,943	183,056	104,887	9,334	95,553		487,130	94,304	392,826
Accrued expenses on medium/long-term financial liabilities			166,213	166,213	-	-	-		172,215	172,215	-
Other financial liabilities			1,681	-	1,681	1,681	-		2,078	-	2,078
Other medium/long-term financial liabilities			167,894	166,213	1,681	1,681	-		174,293	172,215	2,078
Total			10,710,492	2,494,885	8,215,607	3,665,678	4,549,929		11,055,309	3,349,631	7,705,678

(1) The par value of the bonds denominated in pounds sterling and yen is shown at the exchange rate applicable to the related Cross Currency Swaps.

(2) These financial instruments are held within a hold to collect business model and, as such, are measured at amortised cost.

(3) Further details of hedged financial liabilities are contained in note 9.2, "Financial risk management".

(4) These instruments are classified as not qualifying for hedge accounting in accordance with the requirements of IFRS9 and are classified in level 2 of the fair value hierarchy. Further details are provided in note 9.2.

b) type of interest rate, maturity and fair value;

€000	Maturity	31 December 2021		31 December 2020	
		Carrying amount (1)	Fair value (2)	Carrying amount (1)	Fair value (2)
Bond issues					
- listed fixed rate	from 2022 to 2038	8,137,474	8,642,403	8,198,554	8,518,866
		8,137,474	8,642,403	8,198,554	8,518,866
Bank borrowings					
- fixed rate	from 2022 to 2036	1,153,399	1,341,988	1,265,891	1,440,740
- floating rate	from 2022 to 2034	716,208	766,520	717,095	725,070
		1,869,607	2,108,508	1,982,986	2,165,810
Other borrowings					
- non-interest bearing	(3) from 2022 to 2028	214,402	214,402	198,707	198,707
		214,402	214,402	198,707	198,707
Lease liabilities					
		33,172	33,172	13,639	13,639
Medium/long-term borrowings		2,117,181	2,356,082	2,195,332	2,378,156
Derivative liabilities		287,943	287,943	487,130	487,130
Accrued expenses on medium/long-term financial liabilities		166,213	166,213	172,215	172,215
Other financial liabilities		1,681	1,681	2,078	2,078
Other medium/long-term financial liabilities		167,894	167,894	174,293	174,293
Total		10,710,492	11,454,322	11,055,309	11,558,445

(1) The amounts shown in the table for medium/long-term financial liabilities include both the non-current and current portions.

(2) The fair value shown is classified in level 2 of the fair value hierarchy, with the exception of lease liabilities, the fair value of which is classified in level 3 of the hierarchy.

(3) This item primarily includes Autostrade per l'Italia's debt and the amount payable to the Central Guarantee Fund by Autostrada Tirrenica.

c) a comparison of the face value of each liability (bond issues and medium/long-term borrowings) and the related carrying amount, by issue currency, showing the corresponding average and effective interest rates;

€000	31 December 2021				31 December 2020	
	Face value	Carrying amount	Average interest rate applied to 31 December 2021	Effective interest rate as at 31 December 2021	Face value	Carrying amount
Euro (EUR)	9,576,667	9,455,342	2.99%	2.96%	9,734,327	9,603,900
Sterling (GBP)	750,000	605,234	5.99%	2.20%	750,000	589,427
Yen (JPY)	149,176	194,079	5.30%	3.39%	149,176	200,559
Total	10,475,843	10,254,655	3.23%		10,633,503	10,393,886

d) movements during the period in the carrying amounts of outstanding bond issues and medium/long-term borrowings.

€000	Carrying amount as at 31 December 2020	New borrowings	Repayments	Change in scope of consolidation	Currency translation differences and other changes	Carrying amount as at 31 December 2021
Bond issues	8,198,554	983,535	-1,074,936	-	30,321	8,137,474
Bank borrowings	1,982,986	-	-135,749	14,850	7,520	1,869,607
Other borrowings	198,707	-	-3,658	17,779	1,574	214,402
Lease liabilities	13,639	26,092	-6,727	1,998	-1,830	33,172
Medium/long-term borrowings	2,195,332	26,092	-146,134	34,627	7,264	2,117,181
Total	10,393,886	1,009,627	-1,221,070	34,627	37,585	10,254,655

The Group uses derivative financial instruments to hedge certain current and highly likely future financial liabilities, including Interest Rate Swaps (IRSs) and Cross Currency Swaps (CCIRs).

The fair value of the non-current portion of hedging instruments as at 31 December 2021 is recognised in “Derivative liabilities”, whilst the current portion is recognised in the “Current portion of medium/long-term financial liabilities”. More detailed information on financial risks and the manner in which they are managed, in addition to details of outstanding financial instruments held by the Group, is contained in note 9.2, “Financial risk management”.

BOND ISSUES

(non-current) €7,532,240 thousand (€7,124,161 thousand)

(current) €605,234 thousand (€1,074,393 thousand)

The item, “Bond issues”, consists of bonds issued by Autostrade per l’Italia, including:

- bonds issued to institutional investors from 2015 (€4,715,090 thousand as at 31 December 2021);
- bonds transferred from Atlantia to Autostrade per l’Italia following the issuer substitution carried out in December 2016 (a total of €2,675,892 as at 31 December 2021);
- bonds issued to retail investors (totalling €746,492 thousand as at 31 December 2021).

As at 31 December 2021, the balance is down €61,080 thousand compared with 31 December 2020, essentially reflects the combined effect of:

- a) repayment on 26 February 2021, of bonds with a par value of €594,572 thousand, guaranteed by Atlantia and paying coupon interest of 2.875%;
- b) repayment on 4 November 2021, of bonds with a remaining par value of €480,364 thousand, and paying coupon interest of 1.125%;
- c) issue, in January 2021, of bonds with a par value of €1,000,000 thousand, paying coupon interest of 2% and maturing in 2030;

Limited to the private placement in Japanese yen (amounting to 20,000,000 thousand yen, equal to €194,079 thousand as at 31 December 2021), the terms of the issue require compliance with certain minimum thresholds contained in the following financial covenants (to be calculated each year following approval of the consolidated and separate financial statements, and based on the consolidated accounts):

- a) debt-service coverage ratio;
- b) Ratio of consolidated operating cash flow to total net debt at the end of each financial year;
- c) Autostrade per l'Italia's equity.

Breach of the covenants would constitute a default event. Autostrade per l'Italia periodically monitors the covenants and as at 31 December 2021 they have all been complied with.

With regard to the "Change of Control" trigger event that emerged following completion of the sale of Atlantia SpA's entire stake in Autostrade per l'Italia to HRA and linked to a number of bonds issues held by institutional investors and guaranteed by Atlantia, the related Consent Solicitation process came to an end on 22 November 2021 with approval from bondholders for the following proposed modifications:

- a) release of the guarantee provided by Atlantia;
- b) modification of the change of control provisions relating to the bonds maturing in 2022, 2024 and 2025.

The approved changes will be effective on completion of the sale of Atlantia SpA's entire stake in Autostrade per l'Italia.

MEDIUM/LONG-TERM BORROWINGS

(non-current) €576,802 thousand (€186,613 thousand)
(current) €1,540,382 thousand (€2,008,719 thousand)

The balance of this item, including both current and non-current portions, primarily consists of the Group's bank borrowings as at 31 December 2021, amounting to €1,869,607 thousand.

The reduction of €78,151 thousand in medium/long-term borrowings compared with 31 December 2020 essentially reflects the repayment of loans from the European Investment Bank ("EIB") and from Cassa Depositi e Prestiti ("CDP"), amounting to €147,201 thousand.

As described in greater detail in note 2, "Basis of preparation of the consolidated financial statements", solely for the purposes of IAS 1, paragraph 69, as at 31 December 2021, a portion of the medium/long-term borrowings from the BEI e CDP, totalling €1,465,093 thousand, have been reclassified to the current portion of medium/long-term borrowings, following the downgrade of

the Company's rating to below investment grade. The fact that the downgrade of the Company's debt to below investment grade, which took place in January 2020, gives the EIB and, in relation to its share of the debt, CDP the right to request additional protections continues to apply. Only were such protections not judged to be reasonably satisfactory, they could request early repayment of the existing debt. At the date of preparation of this Annual Report, neither the EIB or CDP have requested the enforcement of any contractual rights and/or remedies, nor have they requested any early repayment.

With regard to the financing obtained from Cassa Depositi e Prestiti not included in the above borrowings, and not subject to early repayment in the event of a downgrade, in addition to compliance with the minimum ratio for "Operating Cash Flow available for Debt Service" and the "Debt-service coverage ratio" (DSCR), the Company is required to demonstrate, whilst the rating remains below investment grade, that it has remained within certain contractually agreed thresholds for a number of additional covenants (on a consolidated basis):

- a) debt-service coverage ratio;
- b) ratio of consolidated operating cash flow to total net debt at the end of each financial year.

Were these covenants to be breached, Autostrade per l'Italia would be required to provide appropriate independent bank guarantees.

With sole regard to the measurements to be carried out based on amounts in the consolidated financial statements as at and for the year ended as at 31 December 2020, in March 2021, the Company was granted covenant holidays regarding the above thresholds. This reflected the impact on cash flows of the restrictions on movement introduced by the authorities in response to the emergency caused by the spread of the Covid-19 pandemic. With regard to the measurements to be carried out based on amounts in the consolidated financial statements as at and for the year ended as at 31 December 2021, the above covenants have been complied with and, as a result, the loan of €400 million from Cassa Depositi e Prestiti has been reclassified to long-term.

With sole regard to the end of the annual reporting period, the loan agreements require compliance with a minimum threshold for "Operating cash flow available for Debt Service" and "Debt service coverage ratio" (DSCR). Breach of these covenants, at the relevant measurement dates, could constitute a default event and result in the lenders calling in the loans, requiring the early repayment of principal, interest and of further sums provided for in the agreements.

This covenant has been complied with at the latest measurement date of 31 December 2021.

In addition, the above covenants and the related measurements are monitored periodically by Autostrade per l'Italia, partly based also on future projections and, in the event of exposure to early repayment, the Company engages with the lender to agree on a remedy.

With regard to completion of the sale of Atlantia SpA's entire stake in Autostrade per l'Italia to HRA, the "Change of Control" constitutes a trigger event that could result in a request for early repayment of loans from Cassa Depositi e Prestiti, the European Investment Bank and Crédit

Agricole. In this respect, in July 2021, Cassa Depositi e Prestiti confirmed its consent for completion of the “Change of Control” of Autostrade per l’Italia and, in December 2021, Credit Agricole confirmed its consent for the contractual modifications relating to the “Change of Control” in relation to its loan to Pavimental. Talks are underway with the European Investment Bank with a view to obtaining the following modifications:

- a) release of the guarantee provided by Atlantia;
- b) modification of the change of control provision.

Approval of the transaction by the Company’s lenders is one of the conditions precedent in the share purchase agreement.

DERIVATIVE LIABILITIES

(non-current) €104,887 thousand (€392,826 thousand)
(current) €183,056 thousand (€94,304 thousand)

As at 31 December 2021, this item includes this item includes derivative financial instruments entered into with a number of banks to hedge the Group’s exposure to interest rate and foreign currency risk on certain medium/long-term financial liabilities, partly with regard to future financial liabilities to be entered into by Autostrade per l’Italia.

The overall reduction in this item compared with 31 December 2020, amounting to €199,187 thousand, essentially reflects a combination of the following:

- a) a reduction of €60,652 thousand in fair value losses on Cross Currency Swaps linked to foreign currency bonds (pounds sterling and Japanese yen), resulting from the change in fair value (€26,485 thousand reflecting the combined effects of movements in the foreign-currency and euro interest rates), following the issuer substitution at the end of 2016, recognised in financial income and foreign exchange gains (€34,167 thousand) linked primarily to the strengthening of sterling against the euro;
- b) a reduction of €44,427 thousand in fair value losses on the Interest Rate Swaps and Forward-Starting Interest Rate Swaps, essentially reflecting higher interest rates as at 31 December 2021 compared with 31 December 2020;
- c) settlement, in January 2021, of Forward-Starting Interest Rate Swaps amounting per €91,231 thousand, at the time of the bond issue.

Fair value losses on Forward-Starting Interest Rate Swaps as at 31 December 2021 total €21,448 thousand. These swaps have a total notional value of €350 million, a weighted average duration of six years and three months and a weighted average fixed rate of approximately 1.074%. Their purpose is to hedge highly likely future financial liabilities to be entered in order to meet funding requirements.

Finally, it should be noted that:

- a) following completion of the above bond issue in January 2022, a portion of the derivative outstanding as at 31 December 2021, with a notional value of €350,000 thousand, and weighted average duration of six years and three months and a weighted average fixed rate of approximately 1.074%, were settled. Fair value losses as at 31 December 2021, amounting to €21,448 thousand, have been reclassified to short-term financial liabilities;

- b) the two Cross Currency Swaps linked to the sterling bond issue maturing in June 2022, with a notional value of €750 million and a fair value as at 31 December 2021, and amounting to €161,608 thousand, have been reclassified to short-term financial liabilities.

As at 31 December 2021, all outstanding derivatives are classified as cash flow hedge or as not qualifying for hedge accounting. Further details are provided in note 9.2, "Financial risk management".

OTHER MEDIUM/LONG-TERM FINANCIAL LIABILITIES

(non-current) €1,681 thousand (€2,078 thousand)

(current) €166,213 thousand (€172,215 thousand)

The balance of this item, including the current and non-current portions, is down €6,399 thousand. This essentially reflects a reduction in accrued expenses on bond issues (€10,856 thousand).

SHORT-TERM FINANCIAL LIABILITIES - €334,117 thousand (€281,426) thousand

An analysis of short-term financial liabilities is shown below.

€000	31 December 2021	31 December 2020
Bank overdrafts repayable on demand	48,947	1
Short-term borrowings	252,000	249,458
Current derivative liabilities ⁽¹⁾	138	-
Other current financial liabilities	33,033	31,967
Short-term financial liabilities	334,118	281,426

(1) These liabilities include derivative instruments that do not qualify for hedge accounting and are classified in level 2 of the fair value hierarchy.

This item, totalling €334,118 thousand as at 31 December 2021, is up €52,692 thousand compared with 31 December 2020 (€281,426 thousand). This primarily reflects the impact on bank overdrafts of the first-time consolidation of Pavimental (€48,946 thousand).

With regard to the Autostrade Meridionali's short-term borrowings in 2020, the facility provided by Intesa San Paolo – amounting to up to €300 million, with €245 million used as at 31 December 2021 – was extended until 31 December 2024. From an accounting viewpoint, this loan is classified in the current portion of medium/long-term borrowings, given its link – which is also contractual – with expected collection of the amount receivable as a result of the operator's takeover right, as described in note 7.4, "Financial assets".

NET DEBT IN COMPLIANCE WITH ESMA RECOMMENDATION OF 4 MARCH 2021

An analysis of the various components of net debt is shown below with amounts payable to and receivable from related parties, as required by CONSOB Ruling DEM/6064293 of 28 July 2006,

which through Warning Notice 5/21, refers to the latest European Securities and Markets Authority ("ESMA") Recommendation of 4 March 2021. Current guidelines have revised the previous CESR Recommendation (including the references in the CONSOB Ruling DEM/6064293 of 28 July 2006 regarding net debt).

€m	31 December 2021	of which related party transacti	31 December 2020	of which related party transactio
Cash	-1,188		-1,424	
Cash equivalents ⁽¹⁾	-711	-546	-530	-516
Other current financial assets ⁽²⁾	-31		-20	
Liquidity (A)	-1,930		-1,974	
Other financial liabilities ⁽³⁾	334		281	
Current portion of medium/long-term financial liabilities	2,495		3,350	
Current financial liabilities (B)	2,829		3,631	
Current net debt (C=A+B)	899		1,657	
Non-current financial liabilities ⁽⁴⁾	684		582	
Debt instruments ⁽⁵⁾	7,532		7,124	
Non-current financial liabilities (D)	8,216		7,706	
Net debt as defined by ESMA recommendation (E=D+C)	9,115		9,363	

RECONCILIATION OF NET DEBT AS DEFINED BY ESMA RECOMMENDATION AND NET DEBT

€m	31 December 2021	of which related party transacti	31 December 2020	of which related party transactio
Net debt as defined by ESMA recommendation (E)	9,115		9,363	
Current financial assets ⁽⁶⁾ net of derivatives (F)	-537		-470	
Non-current financial assets (G)	-332		-336	
Net debt (H=E+F+G)	8,246		8,557	

(1) This item includes cash equivalents and intercompany current account receivables from related parties, as reported in note 7.8 in the "Consolidated financial statements as at and for the year ended 31 December 2021".

(2) These are derivative assets included in the "Current portion of other medium/long-term financial assets", as reported in note 7.4 in the "Consolidated financial statements as at and for the year ended 31 December 2021".

(3) Includes the value of "Bank overdrafts repayable on demand", "Short-term borrowings" and "Other current financial liabilities", as reported in note 7.15 in the "Consolidated financial statements as at and for the year ended 31 December 2021".

(4) Includes the value of "Medium/long-term borrowings", "Non-current derivative liabilities" and "Other non-current financial liabilities", as reported in note 7.15 in the "Consolidated financial statements as at and for the year ended 31 December 2021".

(5) Includes the value of "Bond issues", as reported in note 7.15 in the "Consolidated financial statements as at and for the year ended 31 December 2021".

(6) Includes the value of "Current financial assets", net of the fair value of derivative assets included in the "Current portion of other medium/long-term financial assets", as reported in note 7.4 in the "Consolidated financial statements as at and for the year ended 31 December 2021" and included in "Other current financial assets" in the above ESMA statement.

7.16 Other non-current liabilities - €29,826 thousand (€23,671 thousand)

The balance as at 31 December 2021 amounts to €29,826 thousand and is substantially in line with the figure for 31 December 2020. The following table shows a breakdown of this item.

€000	31 December 2021	31 December 2020
Accrued expenses of a non-trading nature	21,812	23,192
Taxation other than income taxes	3,725	-
Payable to staff	2,890	-
Amounts payable for expropriations	405	405
Social security contributions payable	920	-
Other payables	74	74
Other non-current liabilities	29,826	23,671

7.17 Trading liabilities - €1,582,806 thousand (€1,320,361 thousand)

An analysis of trading liabilities is shown below.

€000	31 December 2021	31 December 2020
Amounts payable to suppliers	863,809	749,646
Payable to operators of interconnecting motorways	632,125	511,129
Tolls in the process of settlement	85,276	58,991
Accrued expenses, deferred income and other trading liabilities	1,596	595
Trading liabilities	1,582,806	1,320,361

After stripping out the contribution of changes in the Group's scope of consolidation, primarily related to the first-time consolidation of Pavimental (€17,518 thousand), trading liabilities, totalling €1,582,806 thousand, are up €244,927 thousand compared with 31 December 2020. This is primarily due to the net impact of the following:

- a) an increase in amounts payable to the operators of interconnecting motorways (€120,996 thousand) and in tolls in the process of settlement (€26,825 thousand), primarily linked to the increased amount payable by Autostrade per l'Italia as a result of traffic growth in 2021 compared with 2020;
- b) an increase in amounts payable to suppliers (€114,163 thousand), primarily reflecting maintenance carried out in the two comparative periods.

The carrying amount of trading liabilities approximates to fair value.

7.18 Other current liabilities - €401,430 thousand (€286,209 thousand)

An analysis of other current liabilities is shown below.

€000	31 December 2021	31 December 2020
Taxation other than income taxes	25,611	11,503
Amounts payable to staff	70,454	42,770
Guarantee deposits from users who pay by direct debit	64	-
Concession fees payable	98,942	46,187
Social security contributions payable	33,468	22,517
Amounts payable for expropriations	1,050	1,500
Amounts payable to public entities	92	99
Other payables	171,749	161,633
Other current liabilities	401,430	286,209

The balance as at 31 December 2021 amounts to €401,430 thousand and, after stripping out the impact of changes in the scope of consolidation (€20,187 thousand), reflects an increase of €95,034 thousand compared with 31 December 2020 (€286,209 thousand). This essentially reflects a combination of the following:

- a) an increase of €52,755 thousand in concession fees payable, primarily due to traffic growth in 2021 compared with 2020;
- b) an increase in amounts payable to staff and in social security contributions payable, primarily due to the increase in the Group's workforce compared with 2020 and the incentives payable to workers participating in Autostrade per l'Italia's extraordinary early retirement scheme in 2021.

8. Notes to the consolidated income statement

This section includes the notes to amounts in the income statement, with negative components of the income statement shown with a “-” sign in the headings and tables and amounts for 2020 shown in brackets.

Details of amounts in the consolidated income statement deriving from related party transactions are provided in note 10.5, “Related party transactions”.

8.1 Toll revenue - €3,473,586 thousand (€2,791,321 thousand)

Toll revenue of €3,473,586 thousand is up €682,265 thousand on 2020 (€2,791,321 thousand) primarily due to the 23% increase in traffic on the network. Both comparative periods reflect the impact of the Covid-19 pandemic, whilst the positive performance of traffic in 2021, compared with 2020, is partly due to the relaxation during the year of the restrictions on movement introduced by Government authorities.

8.2 Revenue from construction services – €930,654 thousand (€168,747 thousand)

An analysis of this revenue is shown below.

€000	2021	2020	Increase/ (Decrease)
Revenue from construction services for which additional economic benefits are received	930,621	166,112	764,509
Revenue from construction services provided by sub-operators	33	2,635	-2,602
Revenue from construction services	930,654	168,747	761,907

The increase of €761,907 thousand in this item is the result of the previously mentioned adoption by ART of Determination 71/2019 on 19 June 2019, as described earlier in note 6.2, “Events of 14 August 2018 relating to the collapse of a section of the Polcevera road bridge in Genoa and developments in the Parent Company’s legal and regulatory framework”.

In substance, therefore, the new mechanisms introduced by the Determination provide remuneration for all the construction and/or upgrade services through tolls. These include those for which until now the Company did not recognise additional economic benefits (in terms of remuneration of the services provided), and those that already benefit from remuneration.

As a result, given that all concession rights are of relevance for the purposes of remuneration of the services performed by the Group, revenue from construction services include all the work carried out on assets held under concession. This revenue represents the fair value of the consideration due in return for the construction and upgrade services rendered in relation to infrastructure operated under concession during the year. This revenue is measured on the basis of the operating costs incurred plus any margin on services provided by Group entities, as indicated in note 3, “Accounting standards and policies applied”.

In 2020, the Group carried out additional construction services for which no additional benefits were received, amounting to €349,527 thousand, for which the Group made use of a portion of the specifically allocated “Provisions for construction services required by contract”. Uses of these provisions are classified as a reduction in operating costs for the period, as explained in note 8.9, “Use of provisions for construction services required by contract”.

Details of total investment in assets held under concession during the year are provided in note 7.2, “Intangible assets”.

8.3 Other operating income – €398,782 thousand (€236,373 thousand)

An analysis of other operating income is provided below.

€000	2021	2020	Increase/ (Decrease)
Revenue from sub-concessions	106,329	84,540	21,789
Maintenance revenue	17,899	15,540	2,359
Other revenue from motorway operation	18,611	19,296	-685
Revenue from the sale of technology devices and services	62,367	48,386	13,981
Refunds	21,857	18,127	3,730
Damages and compensation	17,465	15,970	1,495
Advertising revenue	1,432	1,387	45
Other income	152,822	33,127	119,695
Other operating income	398,782	236,373	162,409

Other operating income of €398,782 thousand and is up €162,409 thousand compared with 2020, primarily due to:

- a) the €119,695 thousand increase in other income, including €87,220 thousand in contract revenue generated primarily by work carried out under contract by the subsidiaries, Pavimental and Pavimental Polska (following the change in the scope of consolidation);
- b) an increase in revenue from sub-concessions of €21,789 thousand primarily as a result of increased royalties from motorway service areas linked to the growth in traffic and the suspension in the comparative period of royalty payments in order to support oil and food service providers during the lockdown linked to the Covid-19 health emergency;
- c) an increase of €13,981 thousand in revenue from the sale of technology devices and services, primarily attributable to Movyon.

With regard to revenue in general, the following table shows a breakdown of revenue depending on whether or not it is recognised at a point in time or over time, as required by IFRS 15.

€000	2021				2020			
	IFRS 15		Outside scope of IFRS 15	Total revenue	IFRS 15		Outside scope of IFRS 15	Total revenue
	At a point in time	Over time			At a point in time	Over time		
Net toll revenue	3,474	-	-	3,474	2,791	-	-	2,791
Revenue from construction services	-	931	-	931	-	169	-	169
Other operating income	113	98	187	399	96	13	127	236
Total revenue	3,587	1,029	187	4,803	2,887	182	127	3,196

8.4 Raw and consumable materials – -€207,413 thousand (-€87,952 thousand)

This item consists of purchases of materials and the change in inventories of raw and consumable materials.

€000	2021	2020	Increase/ (Decrease)
Construction materials	-103,927	-11,707	-92,220
Electrical and electronic materials	-49,535	-43,974	-5,561
Lubricants and fuel	-38,552	-9,288	-29,264
Other raw and consumable materials	-68,901	-32,841	-36,060
Cost of materials	-260,915	-97,810	-163,105
Change in inventories of raw, ancillary and consumable materials and goods for resale	51,881	9,779	42,102
Capitalised cost of raw materials	1,621	79	1,542
Raw and consumable materials	-207,413	-87,952	-119,461

This item has increased by €119,461 thousand, essentially reflecting changes in the scope of consolidation. The costs relating to maintenance and IFRIC 12 investment incurred by Pavimental in 2020 have been accounted for in "Service costs", as they were not recognised by Group entities.

In contrast, from 2021, following the consolidation of Pavimental, these costs are accounted for in “Raw and consumable materials” as the related services are carried out by Group entities.

Finally, compared with 2020, this item does not include the costs of works included in the unremunerated investment programme, which from 2021 are presented as a direct reduction in provisions for risks and charges, as described above.

8.5 Service costs – €1,341,539 thousand (-€1,488,507 thousand)

Service costs break down as follows:

€000	2021	2020	Increase/ (Decrease)
Construction and similar	-791,448	-1,115,035	323,587
Professional services	-244,407	-204,420	-39,987
Transport and similar	-77,680	-21,710	-55,970
Utilities	-46,312	-39,623	-6,689
Insurance	-31,189	-20,699	-10,490
Statutory Auditors' fees	-756	-722	-34
Other services	-149,747	-86,298	-63,449
Service costs	-1,341,539	-1,488,507	146,968

The reduction in service costs, amounting to €146,968 thousand, essentially reflects the effect of the consolidation of Pavimental, as described above in note 8.4, “Raw and consumable materials”.

The item, “Construction and similar”, includes the costs relating to the progress of work on demolition and reconstruction of the San Giorgio road bridge in Genoa (€79,292 thousand in 2021). These charges are covered in full by use of the provisions for the repair and replacement of motorway infrastructure made as at 31 December 2018 in order to rebuild the San Giorgio road bridge in Genoa.

Compared with 2020, “Service costs” do not include the costs of works included in the unremunerated investment programme, which from 2021 are presented as a direct reduction in provisions for risks and charges, as described above.

8.6 Staff costs -- €703,628 thousand (-€505,141 thousand)

Staff costs break down as follows:

€000	2021	2020	Increase/ (Decrease)
Wages and salaries	-456,638	-339,967	-116,671
Social security contributions	-143,380	-100,578	-42,802
Payments to supplementary pension funds, INPS and for post-employment benefits	-29,494	-21,536	-7,958
Directors' remuneration	-3,315	-2,404	-911
Other staff costs	-73,458	-41,948	-31,510
Gross staff costs	-706,285	-506,433	-199,852
Capitalised staff costs attributable to assets not held under concession	2,657	1,292	1,365
Staff costs	-703,628	-505,141	-198,487

Staff costs of €703,628 thousand are up €198,487 thousand compared with 2020 (€505,141 thousand). This essentially reflects:

- a) the consolidation of Pavimental from 2021, adding 1,424 staff to the average workforce, and Tecne, consolidated in December 2020, which in 2021 increased the average workforce by 585;
- b) the increased cost of early retirement incentives linked to the extraordinary scheme introduced by Autostrade per l'Italia in 2021.

The comparative performance was also affected by the specific nature of the situation in 2020 (activation of the ordinary wage guarantee fund - "CIGO" - and other effects linked to the pandemic, plus a reduction in the fair value recognised after a valuation of management incentive plans).

The following table shows the average number of employees (by category and including agency staff).

AVERAGE WORKFORCE

	2021	2020	Increase/(Decrease)	
			absolute	%
Senior managers	139	103	36	35.0%
Middle managers	442	339	103	30.4%
Administrative staff	3,887	2,785	1,102	39.6%
Operational personnel	2,424	1,411	1,013	71.8%
Toll collectors	1,886	1,983	-97	-4.9%
Total	8,778	6,621	2,157	32.6%

Information on equity-settled and cash-settled share-based incentive plans for certain Directors and employees of Group companies is provided in note 10.6, "Disclosures regarding share-based payments".

8.7 Other operating costs - -€524,725 thousand (-€423,895 thousand)

Other operating costs for 2021, details of which are shown in the table below, are up €100,830 thousand compared with the comparative period. This essentially regards an increase in concession fees (€110,789 thousand), linked to the performance of traffic, toll revenue and sub-concession arrangements.

€000	2021	2020	Increase/ (Decrease)
Concession fees	-437,693	-362,404	-75,289
Lease expense	-9,558	-9,014	-544
Grants and donations	-29,381	-25,663	-3,718
Direct and indirect taxes	-11,056	-8,217	-2,839
Other	-37,037	-18,597	-18,440
Other costs	-77,474	-52,477	-24,997
Other operating costs	-524,725	-423,895	-100,830

8.8 Operating change in provisions - €100,298 thousand (-€417,534 thousand)

This item reflects the impact on profit or loss of operating changes (new provisions and uses) in provisions, excluding those for employee benefits, made by the Company during the period in order to meet the legal and contractual obligations that it is presumed will require the use of financial resources in future years.

The positive balance for 2021, amounting to €100,298 thousand, essentially consists of:

- a) the operating change in provisions for the repair and replacement of motorway infrastructure (the net use of €101,215 thousand) to cover the costs relating to the completion of reconstruction of San Giorgio road bridge (€87,513 thousand);
- b) the operating change in provisions for the renewal of motorway infrastructure (€10,070 thousand);
- c) the operating change in provisions for risks and charges (provisions of €10,987 thousand) to cover existing litigation risks.

8.9 Use of provisions for construction services required by contract - (€349,527 thousand)

The balance of provisions for construction services required by contract as at 1 January 2021 (€2,540,778 thousand) was closed following ART's adoption of the new tariff framework, and this sum accounted for as a direct reduction in intangible assets deriving from concession rights for which no additional economic benefits are received, as previously described in note 7.2, "Intangible assets".

8.10 Amortisation and depreciation - -€560,222 thousand (-€653,617 thousand)

The reduction of €93,395 thousand compared with 2020 essentially reflects:

- a) a reduction of €124,651 thousand in amortisation of intangible assets deriving from concession rights, essentially following closure of the balance of provisions for construction services required by contract as at 1 January 2021 (€2,540,278 thousand) accounted for as a direct reduction in intangible assets deriving from concession rights for which no additional economic benefits are received, following the previously mentioned adoption by ART of Determination 71/2019 on 19 June 2019, as described earlier in note 7.2, "Intangible assets";

- b) an increase of €19,906 thousand in amortisation of intangible assets, primarily due to implementation of the initiatives included in the Transformation Plan, focusing on technological innovation relating to the management and safety of infrastructure and advanced digital mobility services.

In 2020, this item included the amortisation of concession rights deriving from investment in construction services for which no additional economic benefits were received, totalling €390,158 thousand.

8.11 Financial income/(expenses) - -€330,159 thousand (-€496,945 thousand)

Financial income - €153,337 thousand (€75,874 thousand)

Financial expenses - -€483,135 thousand (-€572,440 thousand)

Foreign exchange gains/(losses) - -€361 thousand (-€379 thousand)

An analysis of financial income and expenses is shown below.

€000	2021	2020	Increase/ (Decrease)
Financial income accounted for as an increase in financial assets	951	954	-3
Income from derivative financial instruments	119,260	45,726	73,534
Interest and fees receivable on bank and post office deposits	185	612	-427
Other	32,941	28,582	4,359
Other financial income	153,337	75,874	77,463
Financial income (a)	153,337	75,874	77,463
Financial income/(expenses) from discounting of provisions for construction services required by contract and other provisions	-3,858	-17,642	13,784
Interest on medium/long-term borrowings	-69,782	-65,954	-3,828
Losses on derivative financial instruments	-112,543	-215,892	103,349
Interest on bonds	-269,598	-240,886	-28,712
Interest expense accounted for as an increase in financial liabilities	-3,983	-3,785	-198
Interest and fees payable on bank and post office deposits	-4,886	-2,253	-2,633
Other	-18,485	-26,028	7,543
Other financial expenses	-479,277	-554,798	75,521
Total financial expenses (b)	-483,135	-572,440	89,305
Foreign exchange gains	45,175	37,593	7,582
Foreign exchange losses	-45,536	-37,972	-7,564
Foreign exchange gains/(losses) (c)	-361	-379	18
Financial income/(expenses) (a+b+c)	-330,159	-496,945	166,786

“Other financial expenses”, after “Other financial income”, amount to €325,940 thousand and are down €152,984 thousand compared with 31 December 2020 (€478,924 thousand). This primarily reflects a reduction in fair value losses on derivative financial instruments (€178,883 thousand), partially offset by the recognition of costs relating to the Consent Solicitation process (€7,773 thousand), as described above in note 7.15, “Financial liabilities”.

“Financial expenses from the discounting of provisions for construction services required by contract and other provisions” amount to €3,858 thousand in 2021 (€17,642 thousand in 2020). The reduction of €13,784 thousand primarily reflects a decline in the discount rates applied in the two comparative periods.

Finally, from 2021, financial expenses from the discounting of provisions for construction services required by contract are no longer recognised following implementation of the new tariff framework adopted by ART, as described above in note 7.2, "Intangible assets".

8.11 Income tax (expense)/benefit - -€479,923 thousand (€128,231 thousand)

A comparison of the net tax charges for the two comparative periods is shown below.

€000	2021	2020	Increase/ (Decrease)
IRES	-173,140	-12,889	-160,251
IRAP	-31,957	-2,629	-29,328
Other income taxes	-11,480	-	-11,480
Current tax benefit of tax loss carry-forwards	4,917	3,868	1,049
Current tax expense	-211,660	-11,650	-200,010
Recovery of previous years' income taxes	1,171	7,529	-6,358
Previous years' income taxes	-1,016	-111	-905
Differences on current tax expense for previous years	155	7,418	-7,263
Provisions	567,540	513,652	53,888
Releases	-774,739	-304,718	-470,021
Changes in prior year estimates	-45,291	-2,584	-42,707
Deferred tax income	-252,490	206,350	-458,840
Provisions	-18,218	-76,168	57,950
Releases	2,290	2,089	201
Changes in prior year estimates	-	192	-192
Deferred tax expense	-15,928	-73,887	57,959
Deferred tax income/(expense)	-268,418	132,463	-400,881
Income tax (expense)/benefit	-479,923	128,231	-608,154

Income tax expense for 2021 amounts to €479,923 thousand (a benefit of €128,231 thousand in 2020), marking a difference of €608,154 thousand. The tax benefit for 2020 reflected the tax loss recorded for the previous year.

The above change primarily reflects:

- a) increased releases of deferred tax assets (€470,021 thousand), relating to uses of the provisions made in previous years to cover the costs resulting from the settlement agreement with the MIMS and the Government, totalling €317,152 thousand;
- b) current tax expense for 2021, amounting to €211,660 thousand.

The following table shows the reconciliation of the IRES charge calculated at the statutory tax rate and the effective charge in the comparative period.

**Consolidated financial statements as at
and for the year ended
31 December 2021.**

€000	Taxable income	2021		Taxable income	2020	
		Tax	Tax rate		Tax	Tax rate
Profit/(Loss) before tax from continuing operations	1,229,818			-538,133		
IRES tax expense computed using statutory rate applied by Parent Company		338,200	27.5%		-147,988	27.5%
Temporary differences deductible in future years	1,933,822	531,801	43.2%	1,821,709	500,970	-93.1%
Temporary differences taxable in future years	-56,738	-15,603	-1.3%	-245,445	-67,497	12.5%
Reversal of prior year temporary differences	-2,463,157	-677,368	-55.1%	-1,022,163	-281,095	52.2%
Permanent differences	7,647	2,673	0.2%	10,250	4,631	-0.9%
IRAP		31,957			2,629	
Total		211,660	17.21%		11,650	-2.16%

8.12 Earnings/(Loss) per share

The following statement shows a breakdown of the calculation of earnings per share for the two comparative periods. In the absence of options or convertible financial instruments issued by the Parent Company, diluted earnings per share coincides with the figure for basic earnings per share.

	2021	2020
Weighted average of shares outstanding	622,027,000	622,027,000
Weighted average of shares outstanding	622,027,000	622,027,000
Profit/(Loss) for the year attributable to owners of the parent (€000)	723,291	-407,163
Earnings/(Loss) per share (€)	1.16	-0.66
Profit/(Loss) from continuing operations attributable to owners of the parent (€000)	723,291	-408,407
Basic earnings/(loss) per share from continuing operations (€)	1.16	-0.66
Profit/(Loss) from discontinued operations attributable to owners of the parent (€000)	-	1,244
Basic earnings/(loss) per share from discontinued operations (€)	-	0.00

9. Other financial information

9.1 Notes to the consolidated statement of cash flows

Consolidated cash flow in 2021, compared with 2020, is analysed below. The consolidated statement of cash flows is included in the “Consolidated financial statements”.

Cash flows during 2021 resulted in a decrease in cash and cash equivalents of €104,130 thousand, compared with an increase of €362,611 thousand in 2020.

Cash flow from operating activities amount to €1,404,736 thousand in 2021, up €1,052,622 thousand compared with 2020 (€352,114 thousand). Cash flow in 2021 reflects:

- a) operating cash flow of €985,769 thousand, up €468,979 thousand compared with 2020 (€516,790 thousand), primarily due to the increase in toll revenue;
- b) the change in net working capital and other changes, amounting to €418,967 thousand, reflecting the change in the scope of consolidation and changes in trade receivables and payables referred to above.

The figure for 2021 reflects use of the provisions for risks and charges made to cover the commitments included in the settlement agreement with the MIMS and the Government, regarding works included in the investment plan not remunerated through tolls (€299,421 thousand in 2021).

Cash used in investing activities amounts to €1,228,130 thousand, primarily reflects the following:

- a) investment in assets held under concession (€938,585 thousand);
- b) investment in consolidated companies net of cash and cash equivalents acquired (€160,531 thousand), essentially regarding the acquisition of control of Pavimental, requiring a total outflow of €14,089 thousand and a reduction in cash of €158,031 thousand (primarily reflecting centralised treasury services managed by ASPI), as described in note 6.1, “Acquisition of control of Pavimental”.

Cash used in investing activities amounted to €556,887 thousand in 2020 and essentially regarded investment in assets held under concession (€515,910 thousand).

Cash used in financing activities in 2021 amounts to €280,723 thousand. This primarily reflects a combination of the following:

- a) the repayment of bonds by Autostrade per l'Italia, amounting to €1,074,936 thousand, in February and November 2021;
- b) the repayment of medium/long-term borrowings, amounting to €165,953 thousand, essentially relating to contractually agreed repayments of loans granted to Autostrade per l'Italia by the European Investment Bank and Cassa Depositi e Prestiti;
- c) Autostrade per l'Italia's issue of bonds amounting to €983,535 thousand in January 2021.

Further details are provided above in note 7.15, “Financial liabilities”.

Cash from financing activities in 2020 amounts to €567,384 thousand and primarily reflected Autostrade per l'Italia's issue of bonds totalling €1,218,864 thousand, partially offset by

repayments of bonds amounting to €501,728 thousand and Autostrade per l'Italia's repayment of medium/long-term loans totalling €143,60 thousand.

9.2 Financial risk management

The Autostrade per l'Italia Group's financial risk management objectives and policies

In the normal course of its business and finances, the Group is exposed to:

- a) liquidity risk, linked primarily to the risk of a downgrade of the Group's credit rating by the rating agencies, thus limiting access to long-term funding for the Group's operating activities and repayment of the liabilities assumed;
- b) market risk, principally linked to the effect of movements in interest and foreign exchange rates on financial assets acquired and financial liabilities assumed;
- c) credit risk, linked to both ordinary trading relations and the likelihood that a full or partial default by a financial counterparty with whom the Group has invested liquidity and/or entered into derivative contracts or derivative financial instruments;
- d) the risk of breaching financial covenants in certain loan agreements, thereby potentially triggering early repayment provisions.

Market risk

The strategy adopted for this type of risk aims to mitigate interest rate and currency risks and minimise borrowing costs.

Management of these risks is based on prudence and best market practice.

The main objectives set out in this policy are as follows:

- a) to protect the scenario forming the basis of the long-term plan from the effect of exposure to currency and interest rate risks, in the latter case identifying the best combination of fixed and floating rates;
- b) to pursue a potential reduction of the Group's borrowing costs within the risk limits determined by the Board of Directors;
- c) to manage derivative financial instruments taking account of their potential impact on the results of operations and financial position in relation to their classification and presentation.

As at 31 December 2021, the Group's holdings of derivatives, described below, are either classified as cash flow hedges or do not qualify for the application of hedge accounting, in accordance with IFRS 9.

Amounts in currencies other than the euro are converted using the closing exchange rates published by the European Central Bank.

The residual average term to maturity of the Group's debt as at 31 December 2021 is approximately five years and three months. The average cost of the Group's medium/long-term borrowings in 2021 was 3.2%.

Monitoring is, moreover, intended to assess, on a continuing basis, counterparty creditworthiness and the degree of risk concentration.

Interest rate risk

This risk is linked to uncertainty regarding the performance of interest rates, and takes two forms:

- a) cash flow risk: linked to financial assets and liabilities with cash flows indexed to a market interest rate. In order to reduce the amount of floating rate debt, the Group has entered into interest rate swaps (IRSs), classified as at 31 December 2021 as cash flow hedges, provided that all the requirements of IFRS 9 have been met, or as not qualifying for hedge accounting;
- b) fair value risk: the risk of losses deriving from an unexpected change in the value fixed rate financial assets and liabilities following an unfavourable shift in the market yield curve. As at 31 December 2021, the Group is not a party to derivatives classified as fair value hedges.

The cash flow hedges entered into and the underlying financial liabilities have matching terms to maturity and notional amounts. If the notional amount of the derivative is greater than the notional amount of the underlying debt, the companies recognise the change in value relating to this difference in profit or loss. Interest Rate Swaps hedging existing debt are classified as cash flow hedges provided that all the requirements of IFRS 9 have been met. If this is not the case, they are classified as not qualifying for hedge accounting. If, following the issue of a liability already hedged by Forward-Starting Interest Rate Swaps, the derivatives are settled and the requirements of IFRS 9 have been met, the cash flow hedge reserve recognised in equity is released when the interest flows from the originally hedged financial liability are effectively exchanged.

Outstanding Forward-Starting Interest Rate Swaps as at 31 December 2021 amount to a total notional amount of €3,350 million, including €3,000 million accounted for as cash flow hedges and €350 million not qualifying for hedge accounting. With regard to the latter, which do not qualify for hedge accounting, it should be noted that, in the belief that future debt issues underlying these instruments were possible, in the case of other instruments, the cash flow hedge reserve was frozen in equity and the related gains or losses will be taken to profit or loss when the interest flows from the originally hedged financial liability crystallise. In contrast, the Forward-Starting Interest Rate Swaps entered into in 2021, with a total notional value of €3,000 million, are instead treated as cash flow hedges with any changes recognised in equity. Gains or losses will be taken to profit or loss when the interest flows from the originally hedged financial liability crystallise.

As at 31 December 2021, as a result of the hedges entered into, 95% of interest bearing debt is fixed rate.

Currency risk

Currency risk can result in the following types of exposure:

- a) economic exposure incurred through purchases and sales denominated in currencies other than the individual companies' functional currency;

- b) translation exposure through equity investments in subsidiaries and associates whose financial statements are denominated in a currency other than the Company's functional currency;
- c) transaction exposure incurred by making deposits or obtaining loans in currencies other than the individual companies' functional currency.

Currency risk derives primarily from the presence of financial assets and liabilities denominated in currencies other than the Company's functional currency. Although the Cross Currency Swaps associated with the sterling and yen denominated bonds, transferred to Autostrade per l'Italia as a result of the issuer substitution that took place at the end of 2016, have the function of hedging currency risk, they do not meet all the requirements for classification as hedges under IFRS 9. As a result, they are classified, from an accounting point of view, as non-hedge accounting.

8% of the Group's debt is denominated in currencies other than the euro (sterling and yen). Taking account of the Cross Currency Swaps linked to the foreign currency bonds, the Group's net debt is, therefore, effectively not exposed to currency risk on translation.

The following table summarises outstanding derivative financial instruments as at 31 December 2021 (compared with 31 December 2020) and shows the corresponding market and notional values of the hedged financial asset or liability.

€000		31 December 2021		31 December 2020	
Type	Purpose of hedge	Fair value asset/(liability)	Notional amount	Fair value asset/(liability)	Notional amount
Cash flow hedges (1)					
Forward-Starting Interest Rate Swaps	Interest rate risk	51,519	3,000,000	-	-
Interest Rate Swaps	Interest rate risk	-196	18,381	-	-
		51,323	3,018,381	-	-
Non-hedge accounting derivatives (1)					
Cross Currency Swaps	Currency and interest rate risk	-201,492	899,176	-262,143	899,176
Derivatives embedded in loans	Interest rate risk	-138	15,387	-	-
Interest Rate Swaps	Interest rate risk	-21,448	350,000	-93,543	737,209
Forward-Starting Interest Rate Swaps	Interest rate risk	-64,807	513,953	-131,444	1,350,000
		-287,885	1,778,516	-487,130	2,986,385
	Total	-236,562	4,796,897	-487,130	2,986,385
	of which:				
	fair value (asset)	51,519		-	
	fair value (liability)	-288,081		-487,130	

(1) The fair value of cash flow hedges excludes accruals at the measurement date.

Sensitivity analysis

Sensitivity analysis describes the impact that the interest rate and foreign exchange movements to which the Company is exposed would have had on the consolidated income statement for 2021 and on equity as at 31 December 2021.

The interest rate sensitivity analysis is based on the exposure of derivative and non-derivative financial instruments at the end of the year, assuming, in terms of the impact on the income statement, a 1% (100 bps) shift in the market yield curve at the beginning of the year.

The results of the analyses were:

- a) in terms of interest rate risk, an unexpected and unfavourable 1% shift in market interest rates would have resulted in a negative impact on the consolidated income statement,

totalling €62,298 thousand, before the related taxation, essentially attributable to the derivatives reclassified as no longer qualifying for hedge accounting, and on other comprehensive income of €244,691 thousand, essentially attributable to cash flow hedges;

- b) in terms of currency risk, an unexpected and unfavourable 10% shift in the exchange rate would have resulted in a negative impact on the consolidated income statement, totalling €10,067 thousand, linked to the movement in fair value losses on Cross Currency Swaps in sterling and yen, which, as noted previously, are accounted for using non-hedge accounting.

Liquidity risk

Liquidity risk relates to the risk that cash resources may be insufficient to fund the payment of liabilities as they fall due. This risk primarily regards the risk of a downgrade of the Group's credit rating by the rating agencies, affecting the Group's ability to access the financial markets on favourable terms and to ensure access to long-term funding to meet its investment needs.

Credit ratings may be downgraded by the agencies following events that have a material impact on the Group's financial condition or that entail a major change in its risk profile, or a change in the methods used by the agencies. As a result, the Group's borrowing costs could rise and it would find it more difficult to access the financial markets.

In addition to movements in the credit ratings, the key factors contributing to the Group's liquidity risk are, on the one hand, the generation/use of cash from and for operating and investing activities and, on the other, its debt obligations and cash outflows.

To mitigate such risks, the Group monitors the financial indicators that contribute to the rating agencies' rating decisions, and engages with the agencies, monitoring any changes in the methods used that could have an impact on the Group's credit score.

With regard to liquidity risk and in general to certain financial liabilities, the Group is exposed to the risk of breaching financial covenants in certain loan agreements, thereby potentially triggering early repayment provisions. In this regard, the above covenants and the related measurements are periodically monitored, partly based also on future projections and, in the event of exposure to early repayment, the Company engages with the lender to agree on a remedy.

As at 31 December 2021, the Group has lines of credit amounting to €2,105 million with a weighted average residual term to maturity of approximately four years and a weighted average residual drawdown period of approximately two years.

With regard to these lines of credit, it should be noted that:

- a) talks are continuing with the aim of assessing whether or not the conditions precedent that would permit the disbursement of funds under the revolving credit facility granted to Autostrade per l'Italia by Cassa Depositi e Prestiti (totalling €600 million) have been met;
- b) in 2021, the Group obtained a Sustainability-linked Revolving Credit Facility, amounting to up to €750 million and maturing after five years.

Details of drawn and undrawn committed lines of credit are shown below.

The following schedules show the distribution of payments falling due on medium/long-term financial liabilities as at 31 December 2021 and as at 31 December 2020.

€000				31 December 2021		
Borrower	Line of credit	Drawdown period expires	Final maturity	Available	Drawn	Undrawn
Autostrade per l'Italia	Medium/long-term committed from Cassa Depositi e Prestiti	31 Dec 2021	13 Dec 2027	1,100	400	700
Autostrade per l'Italia	Revolving line of credit from Cassa Depositi e Prestiti	02 Oct 2022	31 Dec 2022	600		600
Autostrade per l'Italia	ESG-linked revolving credit facility	27 Jan 2026	27 Apr 2026	750		750
Autostrade Meridionali	Short-term loan from Banco di Napoli	30 Jun 2024	31 Dec 2024	300	245	55
Lines of credit				2,750	645	2,105

The amounts in the above tables include interest payments and exclude the impact of any offset agreements.

The time distribution of terms to maturity is based on the residual contract term or on the earliest date on which repayment of the liability may be required, unless a better estimate is available. The distribution for transactions with amortisation schedules is based on the date on which each instalment falls due.

(€000)	31 December 2021					
	Carrying amount	Total contractual flows	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Non-derivative financial liabilities						
Bond issues (A)	8,137,474	-9,381,999	-826,618	-944,388	-3,147,686	-4,463,307
Medium/long-term borrowings (1)						
Total bank borrowings	1,869,607	-2,285,116	-182,286	-157,451	-457,726	-1,487,653
Total other borrowings and lease liabilities of which due to Atlantia	247,574	-73,857	-26,393	-6,837	-21,292	-19,335
Total medium/long-term borrowings (B)	2,117,181	-2,358,973	-208,679	-164,288	-479,018	-1,506,988
Total non-derivative financial liabilities (C)= (A)+(B)	10,254,655	-11,740,972	-1,035,297	-1,108,676	-3,626,704	-5,970,295
Derivatives (2)						
Interest rate swaps (3)	86,451	-123,950	-21,044	-19,460	-42,968	-40,478
Cross Currency Swaps (4)	201,492	-224,287	-167,212	-3,806	-11,485	-41,784
Floors	138	-	-	-	-	-
Total derivatives	288,081	-348,237	-188,256	-23,266	-54,453	-82,262

(1) Future cash flows relating to floating rate medium/long-term loans have been projected on the basis of the latest established rate and held constant to final maturity.

(2) As at 31 December 2021, expected contractual flows are linked to the originally hedged outstanding and highly likely future financial liabilities.

(3) Future cash flows relating to differentials on interest rate swaps (IRSs) have been projected on the basis of the latest interest rate fixed and held constant to the maturity of the contract.

(4) Expected future cash flows from differentials on cross currency swaps have been projected on the basis of the exchange rate fixed at the measurement date.

(€000)	31 December 2020					
	Carrying amount	Total contractual flows	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Non-derivative financial liabilities						
Bond issues (A)	8,198,554	-9,474,301	-1,306,711	-765,432	-3,190,261	-4,211,897
Medium/long-term borrowings (1)						
Total bank borrowings	1,982,986	-2,464,782	-192,401	-179,081	-454,247	-1,639,053
Total other borrowings and lease liabilities of which due to Atlantia	211,629	-45,269	-6,619	-5,740	-14,648	-18,262
Total medium/long-term borrowings (B)	2,194,615	-2,510,051	-199,020	-184,821	-468,895	-1,657,315
Total non-derivative financial liabilities (C)= (A)+(B)	10,393,169	-11,984,352	-1,505,731	-950,253	-3,659,156	-5,869,212
Derivatives (2)						
Interest rate swaps (3) (5)	224,987	-252,008	-120,059	-21,964	-53,047	-56,938
Cross Currency Swaps (4)	262,143	-273,205	-14,509	-208,398	-11,077	-39,221
Total derivatives	487,130	-525,213	-134,568	-230,362	-64,124	-96,159

(1) Future cash flows relating to floating rate medium/long-term loans have been projected on the basis of the latest established rate and held constant to final maturity.

(2) As at 31 December 2020, expected contractual flows are linked to the originally hedged outstanding and highly likely future financial liabilities.

(3) Future cash flows relating to differentials on interest rate swaps (IRSs) have been projected on the basis of the latest interest rate fixed and held constant to the maturity of the contract.

(4) Expected future cash flows from differentials on cross currency swaps have been projected on the basis of the exchange rate fixed at the measurement date.

(5) Cash flows from the Forward-Starting Interest Rate Swaps unwound at the same time as the bond issue of January 2021 have been classified as falling due within 12 months.

The following schedule shows the distribution of the expected cash flows associated with cash flow hedges, and the years in which these flows will be recognised in profit or loss.

€000	Carrying amount	31 December 2021					Carrying	Expected	31 December 2020					
		Expected flows (1)	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years			Within 12	Between 1	Between 3 and 5	After 5		
Interest rate swaps														
Derivative assets	51,519	51,519	-648	-2,578	6,875	47,870	-	-	-	-	-	-	-	-
Derivative liabilities	-196	196	-196	-	-	-	-	-	-	-	-	-	-	-
Total cash flow hedges	51,323													
Accrued expenses on cash flow hedges	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued income on cash flow hedges	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total cash flow hedge derivative assets/liabilities	51,323	51,323	844	-2,578	6,875	47,870								
		Expected	Within 12	Between 1	Between 3 and 5	After 5		Expected	Within 12	Between 1	Between 3 and 5	After 5		
Interest rate swaps														
Losses on cash flow hedges		-1,628	-1,373	-255	-	-		-	-	-	-	-		
Income from cash flow hedges		52,951	-	-	5,733	47,218		-	-	-	-	-		
Total income (losses) from cash flow hedges		51,323	1,373	-255	5,733	47,218		-	-	-	-	-		

(1) Expected cash flows from swap differentials are calculated on the basis of market curves at the measurement date.

With regard to Autostrade per l'Italia Group's financial position, as already described in detail in note 2, "Basis of preparation of the consolidated financial statements", the improvement in operating cash flow and the financial transactions carried out in 2021 and 2022 (the recent bond issues in January 2021 and January 2022 and the agreement of a revolving credit facility amounting to €750 million) have enabled the Group to build up solid cash reserves, thereby significantly mitigating liquidity risk in the short to medium term.

The above bond issues, together with cash flow from continuing operations, should enable the Group to meet its reasonably expected operating and capital expenditure requirements in 2022 and 2023.

Credit risk

Credit risk is the exposure of the Group to potential losses as a result of a default in a counterparty's obligations.

The risk can arise both from factors that are strictly technical and commercial or administrative and legal in nature (disputes regarding the nature or quantity of services, on the interpretation of contractual provisions, supporting invoices, etc.). It may also rise from factors that are financial in nature, such as the credit standing of a counterparty, when in relation to contracts or financial instruments entered into with banks and other financial institutions, the debtor is not able to meet all or a part of their obligations to the Group.

Trade receivables essentially arise in connection with the provision of services and relate to activities linked to the core business.

These types of receivables include:

- a) uncollected motorway tolls;
- b) concession fees and royalties receivable in connection with service areas;
- c) receivables relating to agreements permitting motorway crossings or the location of equipment;
- d) receivables relating to the sale of goods and services;
- e) receivables related to property rentals.

Trade receivables, on the other hand, do not include receivables arising in connection with the invoicing of tolls in arrears, following the execution of a novation agreement for this particular type of receivable with the subsidiary of Atlantia, Telepass.

Credit risk deriving from various forms of investment of liquidity and/or outstanding derivative financial instruments can also be considered marginal in that the counterparties involved are major financial institutions, in accordance with the Group's Financial Policy.

Provisions for impairment losses on individually material items, on the other hand, are established when there is objective evidence that the Group will not be able to collect all or any of the amount due. The amount of the provisions takes account of estimated future cash flows and the date of collection, any future recovery costs and expenses, and the value of any security and guarantee deposits received from customers. General provisions, based on the available historical and statistical data, are established for items for which specific provisions have not been made.

Details of the loss allowance for trade receivables are provided in note 6.6, "Trading assets", whilst information on other financial assets is provided in note 6.4, "Financial assets".

10. Other information

10.1 Operating and geographical segments

The following table shows an analysis of the Autostrade per l'Italia Group's revenue and non-current assets by geographical area.

€m	Revenue (*)		Non-current assets (**)	
	2021	2020	31 December 2021	31 December 2020
Italy	4,767	3,189	15,633	17,593
Poland	14	2	1	-
France	1	1	-	-
Other countries	21	4	-	-
Total	4,803	3,196	15,634	17,593

(*) Revenue does not include income from discontinued operations.

(**) In accordance with IFRS 8, non-current assets do not include non-current financial assets or deferred tax assets.

Operating segments

In order to provide an appropriate basis for assessing performance taking into account the nature of the business and the organisational structures of the various areas of business, the following operating segments have been identified for use from 2021, after also taking into account the above changes in the scope of consolidation:

- a) **Motorways:** includes the activities of the Group's motorway operators (Autostrade per l'Italia, Autostrade Meridionali, Tangenziale di Napoli, Società Italiana per Azioni per il Traforo del Monte Bianco, Raccordo Autostradale Valle D'Aosta, Società Autostrada Tirrenica);
- b) **Engineering and construction:** includes the activities involved in the design, construction and maintenance of infrastructure carried out by Pavimental, Pavimental Polska and Tecne;
- c) **Technology and innovation:** includes the activities linked to (i) the creation of new free flow tolling platforms, (ii) the installation of digital infrastructure for smart roads and intelligent service areas, (iii) the development of an innovative system for monitoring infrastructure, and (iv) sustainable mobility services;
- d) **Other services:** primarily includes the services provided by Essediesse, Ad Moving and Giove Clear to other Group companies.

The following tables present a summary of the operating and financial performance by operating segment is provided below in line with the requirements of IFRS 8.

**Consolidated financial statements as at
and for the year ended
31 December 2021.**

2021							
€m	Motorways	Engineering and construction	Innovation and technology	Other services	Consolidation adjustments	Unallocated items	Total consolidated amounts
Total revenue	3,683	687	143	44	-685	-	3,872
EBITDA	2,089	26	14	2	-6	-	2,125
Amortisation, depreciation, impairment losses, reversals of impairment losses and provisions for renewal work						-563	-563
EBIT							1,562
Financial income/(expenses)						-332	-332
Profit/(Loss) before tax from continuing operations							1,230
Income tax benefits/(expense)						-480	-480
Profit/(Loss) from continuing operations							750
Profit/(Loss) from discontinued operations						-	-
Profit for the year							750
Operating cash flow	957	23	12	- -	6	-	986
Capital expenditure	1,002	13	12	-	39	-	1,066

2020							
€m	Motorways	Engineering and construction	Innovation and technology	Other services	Consolidation adjustments	Unallocated items	Total consolidated amounts
Total revenue	2,974	3	92	45	-84	-	3,030
EBITDA	614	-	2	14	4	-1	629
Amortisation, depreciation, impairment losses, reversals of impairment losses and provisions for renewal work						-672	-672
EBIT							-43
Financial income/(expenses)						-495	-495
Profit/(Loss) before tax from continuing operations							-538
Income tax benefits/(expense)						-538	-538
Profit/(Loss) from continuing operations							-1,076
Profit/(Loss) from discontinued operations						128	128
Profit for the year							-948
Operating cash flow	504	-2	11	4	-	-	517
Capital expenditure	568	3	3	1	-	-	575

10.2 Disclosures of non-controlling interests in consolidated companies

As required by IFRS 12, a list of the principal consolidated companies with non-controlling interests as at 31 December 2021 (with the relevant comparatives as at 31 December 2020) is

provided below. The complete list of the Group's investments as at 31 December 2021 is provided in Annex 1, "The Autostrade per l'Italia Group's scope of consolidation and investments".

Non-controlling interests in consolidated companies	Country	31 December 2021		31 December 2020	
		Group interest	Non-controlling interests	Group interest	Non-controlling interests
Autostrade Meridionali SpA	Italy	58.98%	41.02%	58.98%	41.02%
Società Italiana per Azioni per il Traforo del Monte Bianco	Italy	51.00%	49.00%	51.00%	49.00%
Raccordo Autostradale Valle d'Aosta SpA	Italy	24.46%	75.54%	24.46%	75.54%
Autostrada Tirrenica SpA	Italy	99.99%	0.01%	99.99%	0.01%
Pavimental SpA	Italy	99.80%	0.20%	20.00%	80.00%
Pavimental Polska Sp.Zo.O.	Poland	99.80%	0.20%	20.00%	80.00%
Infomobility Srl	Italy	90.00%	10.00%	0.00%	100.00%

There are no consolidated companies deemed to be material for the Autostrade per l'Italia Group, in terms of the percentage interest held by non-controlling interests, for the purposes of the financial disclosures required by IFRS 12.

10.3 Guarantees

The Group has certain personal guarantees in issue to third parties as at 31 December 2021. These include the following:

- a) the surety bond provided to INPS (€19.5 million) to implement the *Contratto di Espansione*, a form of early retirement for workers who have yet to reach retirement age, in 2021 based on the provisions of art. 41 of Legislative Decree 148 of 14 September 2015, guaranteeing fulfilment of the Company's pension contribution commitments throughout the duration of the early retirement plan;
- b) bank guarantees provided by the Group's operators to the Ministry of Sustainable Infrastructure and Mobility, as required by the covenants in the relevant concession arrangements totalling €40 million;
- c) the guarantees issued by Pavimental to guarantee execution of the works it has been contracted to perform, amounting to €167 million, including approximately €73 million for the benefit of Group companies;
- d) sureties provided by Autostrade Tech in order to participate in tenders and/or the provision of mobility services, totalling €9.5 million

Shares in the investees, Tangenziale Esterna and Bologna & Fiera Parking, have also pledged to the respective providers of financing.

10.4 Reserves

As at 31 December 2021, Group companies have recognised contract reserves quantified by contractors in relation to:

- a) investing activities, totalling €1,078 million (€888 million as at 31 December 2020). Based on past experience, only a small percentage of the reserves will actually have to be paid to contractors and, in this case, will be accounted for as an increase in the cost of intangible assets deriving from concession rights;

- b) non-investing activities, amounting to approximately €31 million, the estimated future cost of which is covered by existing provisions for risks and charges in the consolidated financial statements.

10.5 Related party transactions

This section describes the Autostrade per l'Italia Group's principal transactions with related parties, identified as such according to the criteria in the procedure for related party transactions adopted by the parent, Atlantia, in application of art. 2391-*bis* of the Italian Civil Code, the Regulations adopted by the *Commissione Nazionale per le Società e la Borsa* (the CONSOB) in Resolution 17221 of 12 March 2010, as amended. The Procedure, which is available for inspection at www.atlantia.it, establishes the criteria to be used in identifying related parties, in distinguishing between transactions of greater and lesser significance and in applying the rules governing the above transactions of greater and lesser significance, and in fulfilling the related reporting requirements.

The following table shows material amounts in the income statement and statement of financial position generated by the Autostrade per l'Italia Group's related party transactions, broken down by nature of the transaction (trading or financial), including those with Directors, Statutory Auditors and key management personnel at Autostrade per l'Italia.

€m	Principal trading transactions with related parties															
	Assets				Liabilities				Income				Expenses			
	Trading and other assets				Trading and other liabilities				Trading and other income				Trading and other expenses			
	Trade receivables	Current tax assets	Other trading assets	Total	Trade payables	Current tax liabilities	Other non-current liabilities	Total	Other operating income	Total	Raw and consumable materials	Service costs	Staff costs	Other operating costs	Total	
	31 December 2021															
Atlanta	2.8	23.9	0.4	27.1	0.6	138.1	0.1	138.8	3.0	3.0	-	1.1	-	0.3	1.4	
Spea Engineering	2.8	23.9	0.4	27.1	0.6	138.1	0.1	138.8	3.0	3.0	-	1.1	-	0.3	1.4	
Total parent	13.2	-	-	13.2	41.6	-	-	41.6	0.4	0.4	-	7.3	-	0.2	7.5	
Total associates	13.2	-	-	13.2	41.6	-	-	41.6	0.4	0.4	-	7.3	-	0.2	7.5	
Aberis Group	0.7	-	-	0.7	59.3	-	-	59.3	3.2	3.2	-	0.1	-	-	0.1	
Autogrill Italia	41.3	-	-	41.3	4.1	-	-	4.1	46.9	46.9	-	2.0	-	0.5	2.5	
Infoblu	0.3	-	-	0.3	0.3	-	-	0.3	0.2	0.2	-	0.2	-	-	0.2	
AB Concesses	2.8	-	-	2.8	-	-	1.7	1.7	-	-	-	-	-	-	-	
Autostade Brasil	0.2	-	-	0.2	-	-	-	-	0.2	0.2	-	-	-	-	-	
Autostade Holding do Sur	-	-	-	-	-	-	0.2	0.2	-	-	-	-	-	-	-	
Aeroporto di Roma group	2.6	-	-	2.6	0.4	-	-	0.4	1.1	1.1	-	-	-	-	-	
Sbi leopord group	6.1	-	-	6.1	13.2	-	0.3	13.2	13.2	13.2	-	-	-	-	-	
Societad Gestion Vial	0.7	-	-	0.7	-	-	-	-	0.7	0.7	-	-	-	-	-	
Aeroporto Bologna	-	-	-	-	-	-	-	-	0.1	0.1	-	-	-	-	-	
Telepass	19.7	-	-	19.7	12.3	-	1.1	13.4	34.0	34.0	5.1	9.9	-	0.3	15.3	
Telepass Pay	0.1	-	-	0.1	0.8	-	-	0.8	0.3	0.3	-	3.6	-	-	3.6	
Other affiliates	-	-	-	-	-	-	-	-	3.2	3.2	-	-	-	-	0.2	
Total affiliates	74.5	-	-	74.5	77.2	-	3.5	80.7	99.7	99.7	5.1	15.8	-	1.0	21.7	
SAT Lavori (in liquidation)	0.6	-	-	0.6	3.2	-	-	3.2	-	-	-	0.2	-	-	0.2	
Total other companies	0.6	-	-	0.6	3.2	-	-	3.2	-	-	-	0.2	-	-	0.2	
ASTRI pension fund	-	-	-	-	-	-	6.7	6.7	-	-	-	16.1	-	-	16.1	
CAPID pension fund	-	-	-	-	-	-	2.5	2.5	-	-	-	2.3	-	-	2.3	
Total pension funds	-	-	-	-	-	-	9.2	9.2	-	-	-	18.4	-	-	18.4	
Key management personnel	-	-	-	-	-	-	2.8	2.8	2.4	5.2	-	-	-	-	9.7	
Total key management personnel (1)	-	-	-	-	-	-	2.8	2.4	5.2	-	-	-	-	-	9.7	
TOTAL	91.1	23.9	0.4	115.40	122.6	138.1	15.6	278.7	103.1	103.1	5.1	24.4	28.1	1.5	58.9	
	31 December 2020															
Sintonia	-	7.1	-	7.1	-	-	-	-	-	-	-	-	-	-	-	
Atlanta	3.3	26.3	0.4	30.0	0.7	2.6	-	3.3	3.8	3.8	-	0.2	-	-	0.2	
Total parent	3.3	33.4	0.4	37.1	0.7	2.6	-	3.3	3.8	3.8	-	0.2	-	-	0.2	
Pavimental	10.5	-	-	10.5	144.5	-	5.6	150.1	0.5	0.5	-	308.3	-	-	308.3	
Spea Engineering	13.9	-	-	13.9	51.2	-	-	51.2	0.8	0.8	-	45.2	-	0.1	45.3	
Total associates	24.4	-	-	24.4	195.7	-	5.6	201.3	1.3	1.3	-	353.5	-	0.1	353.6	
Aberis group	1.8	-	-	1.8	48.9	-	-	48.9	5.6	5.6	-	0.3	-	-	0.3	
Autogrill Italia	14.5	-	-	14.5	4.7	-	-	4.7	34.3	34.3	-	5.3	-	0.1	54	
Indelco	0.5	-	-	0.5	0.7	-	-	0.7	0.4	0.4	-	0.3	-	-	0.3	
AB Concesses	2.7	-	-	2.7	-	-	1.6	1.6	-	-	-	-	-	-	-	
Autostade Brasil	0.2	-	-	0.2	-	-	-	-	-	-	-	-	-	-	-	
Autostade Holding do Sur	-	-	-	-	-	-	0.2	0.2	-	-	-	-	-	-	-	
Aeroporto di Roma group	1.5	-	-	1.5	0.4	-	-	0.4	0.4	0.4	-	-	-	-	-	
Sbi leopord group	0.1	-	-	0.1	-	-	-	-	1.7	1.7	-	-	-	-	-	
Societad Gestion Vial	1.6	-	-	1.6	-	-	-	-	1.3	1.3	-	-	-	-	-	
Aeroporto Bologna	0.1	-	-	0.1	-	-	-	-	0.1	0.1	-	-	-	-	-	
Telepass	21.9	-	-	21.9	12.5	-	0.1	12.6	45.2	45.2	0.3	8.9	-	0.4	9.6	
Telepass Pay	0.5	-	-	0.5	2.3	-	-	2.3	0.3	0.3	-	1.8	-	0.1	1.9	
Total affiliates	45.4	-	-	45.4	69.5	-	2.1	71.6	89.3	89.3	0.3	16.6	-	0.6	17.5	
SAT Lavori (in liquidation)	0.6	-	-	0.6	3.6	-	-	3.6	-	-	-	-	-	-	-	
Total other companies	0.6	-	-	0.6	3.6	-	-	3.6	-	-	-	-	-	-	-	
ASTRI pension fund	-	-	-	-	-	-	6.3	6.3	-	-	-	16.3	-	-	16.3	
CAPID pension fund	-	-	-	-	-	-	1.4	1.4	-	-	-	2.5	-	-	2.5	
Total pension funds	-	-	-	-	-	-	7.7	7.7	-	-	-	18.8	-	-	18.8	
Key management personnel	-	-	-	-	-	-	0.8	0.8	-	-	-	-	-	-	1.2	
Total key management personnel (1)	-	-	-	-	-	-	0.8	0.8	-	-	-	-	-	-	1.2	
TOTAL	73.7	33.4	6.8	113.9	269.5	2.6	16.2	288.3	94.4	94.4	0.3	370.3	20.0	0.7	391.3	

(1) Autostade per l'Italia's "key management personnel" means the Company's Directors, Statutory Auditors and other key management personnel as a whole. Expenses for each period include emoluments, salaries, benefits in kind, bonuses and other incentives (including the fair value of share-based incentive plans) for Autostade per l'Italia staff and staff of the relevant subsidiaries.

Principal financial transactions with related parties												
	Assets				Liabilities				Income		Expenses	
	Financial assets		Other current financial assets		Financial liabilities		Other current financial liabilities		Financial income		Financial expenses	
	Current financial assets deriving from government grants	Intercompany receivables	Other current financial assets	Total	Medium/long-term borrowings	Current portion of medium/long-term financial liabilities	Other current financial liabilities	Other non-current financial liabilities	Other financial income	Total	Other financial expenses	Total
31 December 2021												
€m												
Atlantia	-	-	-	-	3.0	1.1	-	-	4.1	-	4.6	4.6
Total parents	-	-	-	-	3.0	1.1	-	-	4.1	-	4.6	4.6
Pedemontana Veneta (in liquidation)	-	-	-	-	-	-	-	-	0.2	0.2	-	-
Spea Engineering	-	-	1.3	1.3	-	-	0.8	1.7	2.5	-	-	-
Total associates	-	-	1.3	1.3	-	-	0.8	1.7	2.5	0.2	-	-
Autogrill	0.5	-	-	0.5	-	-	-	-	-	-	-	-
Pavimental Est	-	-	0.4	0.4	-	-	-	-	-	-	-	-
Telepass	-	546.2	-	546.2	-	-	-	-	-	-	8.7	8.7
Total affiliates	0.5	546.2	0.4	547.1	-	-	-	-	-	-	8.7	8.7
TOTAL	0.5	546.2	1.7	548.4	3.0	1.1	0.8	1.7	6.6	0.2	13.3	13.3
31 December 2020												
Simtonia	-	-	-	-	-	-	-	-	-	0.7	-	-
Atlantia	-	-	-	-	2.2	0.8	-	-	3.0	-	9.0	9.0
Total parents	-	-	-	-	2.2	0.8	-	-	3.0	0.7	9.0	9.0
Pavimental	-	130.8	-	130.8	-	-	-	-	-	0.5	-	-
Pedemontana Veneta (in liquidation)	-	-	-	-	-	-	-	-	-	-	-	-
Spea Engineering	-	-	1.3	1.3	-	-	0.8	2.1	2.9	-	-	-
Total associates	-	-	1.3	1.3	-	-	0.8	2.1	2.9	0.5	-	-
Autogrill	0.5	-	-	0.5	-	-	-	-	-	-	-	-
Telepass	-	385.0	-	385.0	-	-	-	-	-	-	7.2	7.2
Total affiliates	0.5	385.0	-	385.5	-	-	-	-	-	-	7.2	7.2
TOTAL	0.5	515.8	1.3	517.6	2.2	0.8	0.8	2.1	5.9	1.2	16.2	16.2

Related party transactions do not include transactions of an atypical or unusual nature and are conducted on an arm's length basis.

The principal transactions entered into by the Group with related parties are described below.

The Autostrade per l'Italia Group's transactions with its parents

As a result of the tax consolidation arrangement headed by Atlantia, in which Autostrade per l'Italia and certain of its Italian subsidiaries participate, as at 31 December 2021 the Group has recognised tax liabilities and assets due to and from Atlantia of €23.9 million and €138.1 million.

As at 31 December 2021, the amount due to the Group from Sintonia, (which in 2012 absorbed Schemaventotto), totalling €7.1 million, has been collected in full. This sum related to amounts receivable in the form of tax rebates applied for by Schemaventotto for income tax (IRES) paid during the period when this company headed the tax consolidation arrangement.

Finally, financial expenses to the ultimate parent Atlantia as at 31 December 2021, amount to €4.6million.

The Autostrade per l'Italia Group's transactions with other related parties

As at 31 December 2021, Pavimental is no longer a related party of the Group, following the increase in Autostrade per l'Italia Spa's interest in Pavimental to 99.8% and this company's resulting consolidation by the ASPI Group. As at 31 December 2021, the Group reports trade payables of €41.6 million due to the associate, Spea Engineering, and trade receivables of €13.1 million due from the same company.

Trade receivables due from the affiliate, Telepass amount to €19.7 million as at 31 December 2021. These primarily regard the fact that Telepass collects tolls on the Group's behalf through its Viacard and Telepass payment systems.

With regard to relations between the Autostrade per l'Italia Group's motorway operators and the Autogrill group (considered a related party as it is under the common control of Edizione Srl), as at 31 December 2021, Autogrill holds 105 food service concessions and 9 oil service concessions at service areas along the Group's motorway network. In 2021, the Group earned revenue of approximately €46.8 million on transactions with Autogrill, including €38.0 million in royalties deriving from the management of service areas. This recurring income is generated by contracts entered into over several years, of which a large part was awarded as a result of transparent and non-discriminatory competitive tenders. As at 31 December 2021, trading assets receivable from Autogrill amount to €41.3 million.

Transactions of a financial nature as at 31 December 2020 include, as part of the Autostrade per l'Italia's provision of centralised treasury services for the Atlantia Group, intercompany current account receivables due from Telepass totals €546.2 million.

10.6 Disclosures regarding share-based payments

In previous years, with the aim of incentivising and fostering the loyalty of directors and/or employees holding key positions and responsibilities within Atlantia Group companies, a number of share incentive plans based on Atlantia's shares have been introduced in previous years. The plans entail payment in the form of shares or cash and are linked to the achievement of predetermined corporate objectives.

The beneficiaries of these plans include a number of Directors and employees of Autostrade per l'Italia, or that have been seconded to the Company, and of its subsidiaries.

There were no changes, during 2021, in the share-based incentive plans already adopted by the Group as at 31 December 2020.

Details of each plan are contained in specific information circulars prepared pursuant to art. 84-bis of CONSOB Regulation 11971/1999, as amended, and in Atlantia's Remuneration Report prepared pursuant to art. 123-ter of the Consolidated Finance Act. These documents, to which reference should be made, are published in the "Remuneration" section of Atlantia's website at www.atlantia.it.

The following table shows the main aspects of the Autostrade per l'Italia Group's existing cash-settled incentive plans as at 31 December 2021, including the options and units awarded to employees of Autostrade per l'Italia and its subsidiaries and changes during 2021 (in terms of new awards and the exercise, conversion or lapse of rights). The table also shows the fair value (at the grant date) of each option or unit awarded, as determined by a specially appointed expert, using the Monte Carlo model and other assumptions.

In accordance with IFRS 2, as a result of existing incentive plans, the Group recognised a fair value gain of €1,546 thousand in 2021 in the form of a reduction in staff costs. This resulted from the change in the fair value of options or units granted and vesting through to 31 December 2021. At this date, Autostrade per l'Italia has not recognised any liabilities in the consolidated financial statements in respect of outstanding options or units, as the Group does not expect the performance hurdles established in the terms of conditions of the plans, triggering the payment of cash bonuses to beneficiaries, to be met. This also applies to the cycles that, as at 31 December 2021, have yet to vest.

2014 Phantom Share Option Plan

The Annual General Meeting of Atlantia's shareholders approved this plan on 16 April 2014.

The exercise period for the second cycle of this plan expired on 8 May 2021. In addition, 339,211 options lapsed during the period, as the exercise period for the second cycle had expired in accordance with the related terms and conditions. The number of options outstanding as at 31 December 2021 is 907,181.

	Number of options/units awarded	Vesting date	Exercise/Grant date	Exercise price (€)	Fair value of each option or unit at grant date (€)	Expected expiration at grant date (years)	Risk free interest rate used	Expected volatility (based on historic mean)	Expected dividends at grant date
2014 PHANTOM SHARE OPTION PLAN									
Options outstanding as at 1 January 2021									
- 9 May 2014 grant	1,566,736	9 May 2017	9 May 2020	N/A (*)	2.88	3,0 - 6,0	1.10%	28.9%	5.47%
- deconsolidation of companies	-125,222								
- 8 May 2015 grant	1,436,941	8 May 2018	08 May 2021	N/A (*)	2.59	3,0 - 6,0	1.01%	25.8%	5.32%
- 10 June 2016 grant	1,617,292	10 June 2019	10 June 2022	N/A (*)	1.89	3,0 - 6,0	0.61%	25.3%	4.94%
- transfers/secondments	-530,512								
- options exercised	-2,012,537								
- options lapsed	-706,305								
Total	1,246,393								
Changes in options in 2021									
- options lapsed	-339,211								
Options outstanding as at 31 December 2021	907,181								
2017 PHANTOM SHARE OPTION PLAN									
Options outstanding as at 1 January 2021									
- 12 May 2017 grant	882,917	15 June 2020	1 July 2023	N/A (*)	2.37	3,13 - 6,13	1.31%	25.6%	4.40%
- 3 August 2018 grant	732,785	15 June 2021	1 July 2024	N/A (*)	2.91	5,91	2.35%	21.9%	4.12%
- June 7 2019 grant	561,821	15 June 2022	1 July 2025	N/A (*)	2.98	6,06	1.72%	24.3%	4.10%
- transfers/secondments	-86,380								
- options lapsed	-1,034,336								
Total	1,056,807								
Changes in options in 2021									
- options lapsed	-475,859								
Options outstanding as at 31 December 2021	580,948								
2017 PHANTOM SHARE GRANT PLAN									
Units outstanding as at 1 January 2021									
- 12 May 2017 grant	79,305	15 June 2020	1 July 2023	N/A (*)	23.18	3,13 - 6,13	1.31%	25.6%	4.40%
- 3 August 2018 grant	73,007	15 June 2021	1 July 2024	N/A (*)	24.5	5,91	2.35%	21.9%	4.12%
- June 7 2019	57,540	15 June 2022	1 July 2025	N/A (*)	22.57	6,06	1.72%	24.3%	4.10%
- transfers/secondments	-1,450								
- options lapsed	-96,279								
Total	112,123								
Changes in units in 2021									
- options lapsed	-52,625								
Units outstanding as at 31 December 2021	59,498								

(*) Given that these are cash bonus plans, involving payment of a gross amount in cash, the 2014 Phantom Share Option Plan and the 2017 Phantom Share Option Plan do not require an exercise price. However, the Terms and Conditions of the plans indicate an "Exercise price" (equal to the arithmetic mean of Atlantia's share price in a determinate period) as the basis on which to calculate the gross amount to be paid to beneficiaries.

2017 Phantom Share Option Plan

The Annual General Meeting of Atlantia's shareholders approved this plan on 21 April 2017.

The vesting period for the second cycle of this plan expired on 15 June 2021. In addition, 475,859 options lapsed in 2021, as the hurdle for the second cycle of the plan had not been met. The number of options outstanding as at 31 December 2021 is 580,948.

2017 Phantom Share Grant Plan

The Annual General Meeting of Atlantia's shareholders approved this plan on 21 April 2017.

The vesting period for the second cycle of this plan expired on 15 June 2021. In addition, 52,625 units lapsed in 2021, as the hurdle for the second cycle of the plan had not been met. The number of units outstanding as at 31 December 2021 is 59,498.

The prices of Atlantia's ordinary shares in the various periods covered by the above plans are shown below:

- price as at 31 December 2021: €17.45;
- the weighted average price for 2021: €15.82.

10.7 Significant legal and regulatory aspects

This section describes the main disputes outstanding and key regulatory aspects of importance to the Group's operators through to the date of approval of these consolidated financial statements.

Collapse of a section of the Polcevera road bridge in Genoa

A section of the Polcevera road bridge on the A10 Genoa-Ventimiglia collapsed on 14 August 2018, causing the deaths of 43 people. The causes of this tragic incident have yet to be identified at the date of approval of this Annual Report for the year ended 31 December 2021. The most significant legal and regulatory implications arising from this incident are described below.

Talks with the Government regarding the dispute over alleged serious breaches

With regard to ongoing talks between ASPI and the Ministry of Sustainable Infrastructure and Mobility (the *Ministero delle Infrastrutture e della Mobilità Sostenibili*, or "MIMS") aimed at resolving the dispute initiated on 16 August 2018 over the Ministry's allegations of serious breaches of the Concession Arrangement following the collapse of a section of the Polcevera road bridge, after numerous exchanges of correspondence, the parties have reached agreement on a settlement of the dispute and on a new Addendum and annexes, including the updated Financial Plan.

On 15 July 2021, Autostrade per l'Italia submitted a draft of the III Addendum to the Single Concession Arrangement, together with the Financial Plan and the other annexes, to the Grantor. On 21 July 2021, the Grantor informed the Company that the documentation received had been sent to the Attorney General's Office in order to obtain its opinion on the proposal for an agreed settlement of the dispute over alleged serious breaches.

Following this, further talks were held with representatives of the Government and local authorities in the Liguria region (the Regional Authority, Genoa City Council and the Port Authority). As a result of these talks, the focus of the measures provided for in the settlement agreement of 2020 was shifted more towards the Liguria area, reallocating the funds in order to better serve the public interest.

In a note dated 14 October 2021, the Grantor announced that *"in view of the significant degree of public interest in the proposal, and having received approval from the political authorities, the text of the Agreement of 23 September 2020 has been revised to reflect the reallocation of the sum in question, as indicated by the above company"*. On the same date, the settlement agreement was signed by the MIMS and ASPI, bringing to a close the dispute over alleged serious breaches of its concession arrangement.

Implementation of the agreement requires completion of the following steps:

- (i) filing of the decree approving the Agreement with the Court of Auditors;
- (ii) approval of the Addendum to the Single Concession Arrangement of 2007 - including all the annexes, above all the Financial Plan - and filing of the related decree issued by the MIMS and the Ministry of the Economy and Finance with the Italian Court of Auditors;
- (iii) completion of the change of control of ASPI in accordance with the related share purchase agreement between Atlantia SpA and HRA.

Subsequently, on 5 November 2021, ASPI announced that it had submitted the updated Addendum, Financial Plan and related annexes, as revised according to the Grantor's requests, to the Grantor.

On 19 December 2021, the MIMS informed ASPI of the ART's determinations regarding the III Addendum and the related annexes, specifying that ART *"has provided observations on the draft III Addendum, the annexes, including the Financial Plan and the method for setting rates of return"* and has requested the Company *"to reflect the suggestions put forward and provide all the necessary clarifications"*.

On 20 December 2021, ASPI replied to the note from the MIMS of 19 December, communicating its response to the observations made by ART on the Addendum and the related annexes and providing the requested clarifications.

Following this, on 22 December 2021, the Interministerial Committee for Economic Planning and Sustainable Development (CIPESS), having received the documentation in order to complete its examination, expressed a favourable opinion on the III Addendum to ASPI's Single Concession Arrangement and the related Financial Plan for the period 2020-2024.

In a letter dated 20 January 2022, the MIMS, having received the CIPESS determination of 22 December 2021 from the Cabinet Office (Department for Economic Policy Planning and Coordination), informed ASPI that the CIPESS determination *"is in the process of being submitted to the Court of Auditors for a review of compliance with the law"* and requested the Company to *"provide a formal undertaking to amend the points in the Concession Arrangement referred to in the CIPESS Determination in question"*.

On 4 February 2022, ASPI submitted the draft III Addendum to the Single Concession Arrangement of 2007 and annex C, amended in accordance with the above CIPESS Determination, to the Grantor.

With respect to the change of control of ASPI and the related clearance, on 15 June 2021, Atlantia SpA informed ASPI that it had agreed to sell its entire 88.06% stake in Autostrade per l'Italia SpA to Holding Reti Autostradali SpA (the corporate vehicle owned by the consortium consisting of CDP Equity SpA, The Blackstone Group International Partners LLP and Macquarie European Infrastructure Fund 6 SCSp, which had submitted a binding offer for the stake). Atlantia also informed the Company that completion of the sale is subject to a series of conditions precedent.

In particular, Atlantia SpA notified ASPI that the sale is, among other things, subject to the Grantor's issue of *"the clearance for the sale required in relation to the concessions held by ASPI and other ASPI Group companies"*.

In a letter dated 4 August 2021, ASPI sent the Grantor a formal request for clearance, pursuant to art. 10-bis, paragraphs 6 and 8 of the Single Concession Arrangement, regarding the change of control resulting from the signature by Atlantia SpA and Holding Reti Autostradali of the share purchase agreement for the sale of Atlantia's entire stake in ASPI. On 17 November 2021, the Grantor issued the Decree approving the *"change of control involving the transfer of the 88.06% interest from Atlantia SpA to Holding Reti Autostradali SpA"*. As later specified in a note from the Grantor dated 31 January 2022, the Decree makes approval of the transaction subject to the following conditions:

- a) prior acquisition by the representative of Holding Reti Autostradali SpA of a formal commitment regarding certain aspects regarding, among other things: (i) confirmation of the obligations deriving from the Single Concession Arrangement of 2007 and the future obligations contained in the III Addendum currently under approval, with reference to implementation of the investment programme and ordinary maintenance plan; (ii) compliance with the condition set out in art. 10-bis, paragraph 6(a) of the Arrangement, providing for an increase in equity of at least €10 million for each percentage point interest in the operator's issued capital; (iii) continued compliance with the requirement to ensure

financial strength, as established in annex O to the Concession Arrangement in force and with the relevant changes in the III Addendum;

- b) completion of the approval process for the III Addendum to the Concession Arrangement and the Settlement Agreement bringing to a close the dispute over alleged serious breaches brought by the Grantor on 16 August 2018.

Extraordinary tunnel inspections – Ministerial Circular no. 6736/61A1 of 19 July 1967 – Launch of a procedure for serious breach pursuant to art. 8 of the Single Concession Arrangement

On 22 July 2020, the Grantor announced the launch of a procedure for a serious breach under art. 8 of the Single Concession Arrangement, regarding the checks carried out by Autostrade per l'Italia on tunnels around the network it operates, with particular regard to those in the Liguria region. Following the counterarguments presented by the Company and two specific hearings at the offices of the Grantor, on 21 April 2021, the latter announced that the Company had failed to respect the expected timetable for work on 4 tunnels and imposed a fine of ad €100,000.00 on Autostrade per l'Italia. ASPI filed an appeal against this decision before Lazio Regional Administrative Court on 21 June 2021.

Investigation of the collapse of a section of the Polcevera road bridge by the Public Prosecutor's Office in Genoa

The above-mentioned collapse of a section of the Polcevera road bridge on the A10 Genoa–Ventimiglia motorway, on 14 August 2018, has resulted in criminal action being brought before the Court of Genoa against executives and other people employed at the company's Rome headquarters and the relevant area office in Genoa. As part of the same procedure, Autostrade per l'Italia is also under investigation pursuant to Legislative Decree 231/2001, relating to "Culpable homicide or grievous or very grievous bodily harm resulting from breaches of occupational health and safety regulations". The Company is also under investigation for false statements in a digital public document, in relation to the preparation of reports, in digital form, on surveillance of the Polcevera road bridge by the relevant technical units at SPEA.

At the hearing of 24 November 2021, the judge appointed to preside at the preliminary hearing ruled that:

- a) the civil claims brought against Autostrade per l'Italia and Spea Engineering were inadmissible as the companies have been charged with breaches of Legislative Decree 231/2001;
- b) excluded all the claims brought by unions and most of the associations;
- c) excluded all the claims brought by "bystanders/spectators" and the police;
- d) excluded all the claims brought by any remaining categories of claimant.

As regards civil liability, on the other hand, approximately 270 civil claims have been filed against ASPI, SPEA, MIMS and ANAS. The Cabinet Office and the MIMS have only filed civil claims against SPEA, whilst Genoa City Council has brought civil claims against ASPI, SPEA, MIMS and ANAS.

The civil claims against ANAS derive from the fact that four of the persons facing criminal charges were, at the time of the alleged crimes, employed by this organisation.

The preliminary hearing was adjourned until 15 December 2021 when the defendants in the civil case appeared in court.

With regard to the request from certain defendants for the presiding judge to be removed from the case (having, as part of a related proceeding, expressed views on the events that have given rise to the charges), a hearing was held at the Appeal Court in Genoa to discuss the case on 3

November 2021. The application was rejected by the court. This ruling was then appealed before the Supreme Court.

At the above hearing on 15 December 2021, lawyers representing the defendants in the civil case, ASPI, SPEA, MIMS and ANAS, requested that these entities should be excluded from the trial due to the fact that they did not take part in the pre-trial hearing as civil defendants, citing in addition the late receipt of certain legal process.

At the end of the hearing, the presiding judge:

- a) upheld the requests for exclusion made by counsel for ANAS and MIMS;
- b) rejected the requests from counsel for ASPI and SPEA, as the two companies, unlike ANAS and the MIMS “did take part in the two pre-trial hearings, exercising their rights as defendants by nominating their own expert witnesses, at no time declaring that they were participating only in the role of companies under investigation for breaches of Decree 231”;
- c) amended the court schedule due to the late notification of writs of summons to the civil defendants, adjourning the hearing until 28 December 2021 for the Public Prosecutors to present their case.

At the next hearing on 28 December 2021, lawyers representing a number of the defendants requested a stay of the proceedings whilst awaiting a ruling on the removal of the presiding judge from the Supreme Court, which was expected to hear the case on 21 January 2022.

On 21 January 2022, the Supreme Court rejected the appeal filed by the lawyers of certain defendants against the ruling handed down by Appeal Court in Genoa.

Discussion of the case then began on 28 January 2022, starting with the Public Prosecutor’s presentation their case. The Public Prosecutors completed their presentation at the hearing on 16 February 2022, with a request for the indictment of 59 natural persons in addition to ASPI and SPEA as entities charged with breaches of Legislative Decree 231/2001.

Counsel for the defence then began presenting their evidence and this is expected to continue through to mid-March.

Declaratory action before the Lazio Regional Administrative Court regarding the validity and effectiveness of articles 8, 9 and 9-bis of the Single Concession Arrangement

ASPI has brought a declaratory action before Lazio Regional Administrative Court regarding the validity and applicability of articles 8, 9 and 9-bis of the Single Concession Arrangement that governs Autostrade per l'Italia's concession, following non-application of art. 35 of the above Decree, and after referring matters of interpretation of European law and incidental matters of constitutional legitimacy. Following a joint request from the parties for an adjournment of the hearing to be held on 12 January 2022, the President of the Court removed the case from the roll, stating that, if and when there is an interest at a later date in receiving a decision on the appeal, it will be ASPI’s responsibility to file a reasoned request for to withdraw the removal and obtain a new date for the court to hear the case.

Legal challenges against the actions taken by the Special Commissioner pursuant to Law Decree 109/2018

With reference to Autostrade per l'Italia's legal challenges of the Special Commissioner's measures before the Liguria Regional Administrative Court, following the court’s acceptance of a joint request from the parties for an adjournment of the hearing to discuss the case, scheduled for 15 December 2021, this was adjourned until 2 December 2022.

With regard to the appeals brought by the Cabinet Office, the MIMS and the Special Commissioner before the Council of State on 5 January 2020, challenging the Liguria Regional Administrative Court's ruling on the preliminary questions proposed by the authorities as part of the related judgements at first instance, following the requests for a hearing from the Attorney General, the Council has scheduled the related hearings for 16 June 2022.

Transport Regulator – quantification of COVID-19 financial aid following losses incurred as a result of the health emergency caused by Covid-19

Following a specific request from AISCAT, the Ministry of Sustainable Infrastructure and Mobility has requested the Transport Regulator to devise a clear, consistent scheme to be applied to all motorway operators to quantify how much financial aid is due to each operator to mitigate losses incurred as a result of the health emergency caused by Covid-19.

ART highlighted the need for operators, at the time of each periodic update of their financial plans, to formally account for the progressive impact for the entire period of the state of emergency (which is expected to come to an end on 31 March 2022), based on the quantification method provided by ART.

In this sense, ASPI has included aid receivable for the lockdown period from March to June 2020 in the Financial Plan currently awaiting approval. In addition, the amount of the aid to cover the effects of the pandemic through to 31 December 2021, determined using the criteria set out in the notes accompanying the regulator's scheme, will be computed in the first half of 2022 and subject to certification by an audit firm, will be recovered via use of a specific component for additional expenses at the time of periodic revision of the Financial Plan.

The progressive impact relating to the expiry of the state of emergency, and any further impact resulting from a prolongation of the emergency, will be quantified and settled in accordance with the procedure drawn up on the basis of the indications provided in the above notes from ART dated 4 May and 15 July 2021.

Dispute with the Transport Regulator – Tariff frameworks

Regarding the appeal filed by Autostrade per l'Italia against Determinations 16/2019 and 71/2019 from the Transport Regulator (ART) relating to the new tariff framework, following a hearing on 5 October 2021, the Regional Administrative Court ordered ASPI and ART to submit documentation to clarify the different amount of Ferrovial's tax rate, which ART reported as 10.12% and ASPI as 23%, and scheduled a new hearing to discuss the case on 8 March 2022. ASPI submitted the required documents.

Legal action regarding the settlement of claims relating to the contract for the construction of the link between the Genoa airport junction on the A10 motorway, Aurelia state highway 1, Cristoforo Colombo airport and state highway 35

In the legal action regarding the settlement of claims brought by Astaldi (formerly CILT) in the mid-1990s relating to works along the Polcevera river - awarded to Autostrade under a construction-only concession - the Supreme Court, in a ruling issued on 17 January 2017, upheld ASPI and Atlantia's grounds for appeal (and the Astaldi's grounds for filing a cross-appeal), thereby annulling the Court of Appeal's ruling and the expert consultant's report that had been the basis for the ruling against ASPI. The case was referred back to the Court of Appeal.

The proceedings resumed by Astaldi before the Court of Appeal of Rome, in execution of the aforementioned ruling by the Supreme Court, were settled in favour of ASPI and Atlantia, with a ruling of 6 October 2021, which revised down the amount due to Astaldi under these claims to €17,945,381.63 (a significantly lower amount than the €47,122,343.44 determined by the previous Court of Appeal ruling in 2011, which was subsequently annulled by the Supreme Court). The Court also recognised the right of ASPI and Atlantia to be fully indemnified by ANAS for all amounts due (and already paid) to Astaldi.

On 21 December 2021, ANAS appealed the above ruling of the Court of Appeal dated 6 October 2021, requesting that it be overturned. On 14 January 2022, Astaldi filed a cross-appeal, requesting annulment of the ruling handed down by the Court of Appeal. ASPI and Atlantia appeared before the court and submitted a counter-appeal and a related cross-appeal on 31 January 2022.

Given that - in execution of the judgements of first and second instance, which as mentioned above were annulled by the Supreme Court - ASPI had previously paid Astaldi €47,122,343.44, following the latter judgment, on 17 October 2017, the Company filed an injunction to recover the amounts paid. This injunction was opposed by Astaldi and the related proceedings are currently pending before the Court of Appeal of Rome, with a judgement scheduled for 15 July 2022.

Autostrade per l'Italia's toll increases for 2019

With regard to the toll increase for 2019 of 0.81%, as authorised by the MIMS and the MEF and voluntarily deferred for the whole of 2019, Autostrade per l'Italia has repeatedly volunteered to extend the deferral, the latest extension postponing application of the increase through to 30 June 2022.

Toll increases for 2021

With regard to the toll increase for 2021, on 15 October 2020, Autostrade per l'Italia sent the Grantor a letter setting out two alternative requests for toll increases: (i) one, relating to the *"unlikely event that, as part of the overall agreed settlement of the dispute, the addendum being drawn up with the appended revised Financial Plan has not become effective by 31 December"*, to be determined on the basis of the toll increase formula provided for in the Single Concession Arrangement and amounting to 0.47%; and (ii) another one based on the new framework for toll increases (in line with the Financial Plan as updated at the date of submission of the request), amounting to 1.75%, which could be examined and approved by the Grantor were the Financial Plan to be approved in the meantime.

Art. 13 of Law Decree 183 of 31 December 2020 (the so-called *Milleproroghe* Decree) in force at the time provided that, for operators whose financial plans have expired:

- a) any adjustment to motorway tolls for 2020 and 2021 was to be deferred until the process of updating the operators' financial plans, to be drawn up in compliance with the Transport Regulator's determinations;
- b) the deadline for finalisation of the above financial plans was to be extended to 31 July 2021, in place of the previous deadline of 31 July 2020 established in the *Milleproroghe* Decree of December 2019.

In implementation of this legislation, the Grantor, in a letter dated 31 December 2020, informed Autostrade per l'Italia that the toll increase applicable from 1 January 2021 was equal to zero.

As the Company did last year to challenge the rejection of the toll increase for 2020, Autostrade per l'Italia challenged the Grantor's decision before the Regional Administrative Court.

On 31 December 2020, the Grantor sent letters with similar content to the one sent to Autostrade per l'Italia to Raccordo Autostradale Valle d'Aosta, Tangenziale di Napoli, Autostrada Tirrenica and Autostrade Meridionali. All the companies were informed that their toll increases for 2021 would be 0%, as opposed to the proposals submitted by the companies for increases of 12.30% in the case of Raccordo Autostradale Valle d'Aosta - taking into account the difference between the increase due to the company and the amount recognised by the Grantor for 2020 - and 41.47% in the case of Autostrada Tirrenica - taking into account the difference between the increase due to the company and the amount recognised by the Grantor for the years 2014-2020.

Like Autostrade per l'Italia, on 15 October 2020, Tangenziale di Napoli sent the Grantor a letter setting out two alternative requests for toll increases: a first request, based on the toll increase formula provided for in the existing Concession Arrangement and the Addendum of 2018, equal to 1.60%; and a second, equal to 0.72%, calculated on the basis of the proposal for the new financial plan put forward in 2020, based on the tariff framework drawn up by the Transport Regulator. In this case too, on 31 December 2020, the Grantor announced that the toll increase for 2021 would be zero.

All three companies have, like Autostrade per l'Italia, lodged legal challenges against the above decisions by the Grantor.

With regard to Autostrade Meridionali, the Grantor sent the operator the joint decree issued by the MIMS and the MEF on 31 December 2020, which established that the toll increase applicable from 1 January 2021 was to be zero, compared with the company's request for an increase of 2.52%.

This refusal was motivated by the company's failure to submit a transitional financial plan – being the financial plan covering the period between expiry of the concession and the effective date on which the motorway is to be handed over to the new operator – drawn up on the basis of CIPE Resolution 38/2019, which has set the criteria to be used in drawing up financial plans for expired concessions.

In the case of Traforo del Monte Bianco which operates under a different regulatory regime, the Intergovernmental Committee for the Mont Blanc Tunnel awarded a toll increase of 0.63%. This is based on the sum of -0.32% (representing the average inflation rate recorded in Italy and France from 1 September 2019 August to 31 August 2020), and an additional extraordinary increase of 0.95% based on the principle of application of parallel increases to be agreed upon for the Frejus and Mont Blanc tunnels requested by the Frejus company and also applicable to the Italian company, Traforo del Monte Bianco, for which allocation of the additional revenue has yet to be decided.

Toll increases for 2022

In a letter dated 15 October 2021, ASPI submitted a proposal for a toll increase to the Ministry of Sustainable Infrastructure and Mobility with effect from 1 January 2022, including the amount requested for 2021. In accordance with ART Resolution 71 of 2019 - with respect to which the objections raised by ASPI remain in place until the agreed Addendum is effective - this proposal provided for a toll increase of 3.12%, corresponding to the sum of: (i) a 1.40% increase for 2022; (ii) the unrecognised 1.70% increase for 2021; and (iii) the so-called "2022 compound increase effect" - equal to 0.02% - due to the failure to apply the 2021 increase. The Ministry, as well as assessing the request for an increase, also set the level of the discount to be applied to motorway

users, thereby determining the actual toll increase. In this regard, the Company will use part of the provisions set aside in previous years to cover the discount granted to motorway users.

Article 13, paragraph 3 of Law Decree 162 of 30 December 2019, as last amended by article 2, paragraph 1 of Law Decree 121 of 10 September 2021, converted, with amendments, by Law 156 of 9 November 2021, states that: *"for motorway operators whose five-year regulatory period has expired, the deadline for increasing motorway tolls for 2020 and 2021, as well as the tolls for all the years included in the new regulatory period, shall be postponed until the procedure for updating the Financial Plans drawn up in accordance with the resolutions adopted by the Transport Regulator has been completed"*.

On 31 December 2021, the Ministry of Sustainable Infrastructure and Mobility announced that *"the tolls applied on the motorways operated by companies whose concession arrangements are being updated/revised are also confirmed for 2022. Any increase will be applied exclusively to the newly drawn up contracts, which will implement the tariff framework laid down by the Transport Regulator"*.

The Ministry of Sustainable Infrastructure and Mobility adopted the same approach to the operators RAV, TANA and SAT, who did not receive any formal notification. In the light of the above, the companies are considering what action to take.

Exclusively regarding Autostrade Meridionali ("SAM"), in a memorandum of 31 December 2021, the Ministry of Sustainable Infrastructure and Mobility forwarded the Ministry of Sustainable Infrastructure and Mobility/Ministry of Economy and Finance decree, issued on the same date, stating that no increase was applicable from 1 January 2022. The reason for this measure is SAM's failure to submit the transitional Financial Plan - namely the Financial Plan relating to the period between the expiry of the concession and the date of actual transfer of the motorway to the new operator - drawn up on the basis of CIPE Resolution 38/2019. This is despite the fact that, on 10 November 2021, the Council of State issued a ruling annulling the memoranda in which the Grantor had asked SAM to draw up a rebalanced Financial Plan in accordance with the above CIPE Resolution 38/2019. SAM appealed against the Grantor's determination that no toll increase was applicable for 2022.

In the case of Traforo del Monte Bianco (SITMB), which operates under a different regulatory regime based on a bilateral agreement between Italy and France, an increase of 2.87% was applied, corresponding to the sum of 1.92% (representing to the average inflation rate recorded in Italy and France from 1 September 2019 to 31 August 2020), and an additional extraordinary increase of 0.95% based on the principle of application of parallel increases to be agreed upon for the Frejus and Mont Blanc tunnels requested by the Frejus company and also applicable to the Italian company, Traforo del Monte Bianco, regarding which allocation of the higher revenues should be defined.

Legal action regarding the failure to grant ASPI toll increases for 2020

Regarding the legal challenge lodged by ASPI relating to the failure to grant toll increases for 2020, following the parties' joint request to postpone the hearing, scheduled for 12 January 2022, the President of the Court removed the case from the roll, stating that, if and when there is an interest at a later date in receiving a decision on the appeal, it will be ASPI's responsibility to file a reasoned request for to withdraw the removal and obtain a new date for the court to hear the case.

Agreement to upgrade the Bologna bypass and ring road

With regard to the agreement to upgrade the Bologna bypass and ring road signed on 15 April 2016 by Autostrade per l'Italia, the Ministry of Infrastructure and Transport, the Emilia-Romagna Regional Authority, the Metropolitan Council for Bologna and Bologna City Council, after an initial Services Conference held in June 2020, a new Services Conference meeting was held on 29 July 2021, which gave rise to new requirements for the project.

ASPI carried out a technical analysis of these requirements, which was sent to the Grantor. The Grantor agreed with this technical analysis, and subsequently convened the third meeting of the Services Conference for 18 January 2022. At the meeting of 18 January 2022, further requirements emerged which will be assessed in agreement with the Grantor and incorporated in the detailed design, unless the Grantor decides otherwise. At the end of the Conference, having assessed the outcomes and taken into account the favourable opinions expressed or recorded at the meeting, the chairman declared the proceedings to be closed.

Moreover, after further requests to supplement the project presented by Bologna City Council and deemed by the Ministry of Sustainable Infrastructure and Mobility to be "feasible in phase 2", at the same meeting of the Services Conference, Bologna City Council requested that a second trilateral agreement be signed between the Ministry of Sustainable Infrastructure and Mobility, ASPI and Bologna City Council, before commencement of the works, in addition to and independent of the existing agreements between the Ministry, ASPI and the other bodies, aimed at regulating eligibility, timing and methods regarding the design and implementation of the "Phase 2" works. This request was supported by the Ministry of Sustainable Infrastructure and Mobility and ASPI, which confirmed its willingness to sign this additional agreement regarding assessment of possible design solutions and the implementation of future projects, and the related financing, in accordance with the Grantor's determinations.

Legal action regarding investigation of the illegitimacy of the Grantor's failure to respond to the proposal to update Autostrade per l'Italia's Financial Plan for the regulatory period 2018-2022

Regarding the appeal lodged by the MIMS relating to rectification of Regional Administrative Court Ruling 13789/2019, which partially upheld ASPI's action to have the illegitimacy of the Grantor's failure to respond to the proposed update of the Financial Plan for the regulatory period 2018-2022 investigated, in ruling 5585 of 27 July 2021, the Council of State corrected the grounds of the appealed judgment and rejected the Grantor's appeal, thereby confirming the obligation of the MIMS to have the Financial Plan updated and approved, and to adopt the final determination of the proceedings, whilst providing any grounds for refusal.

Proceeding initiated by the Antitrust Authority

In its final ruling of 26 March 2021, the Antitrust Authority deemed that ASPI's conduct with regard to the traffic disruption caused by the presence of a large number of construction sites relating to modernisation of the network constituted an unfair commercial practice in breach of consumer protection legislation and imposed a fine of €5 million. The Authority also requested evidence of initiatives that will be implemented to eliminate the alleged unfairness.

The ruling contains a number of aspects that are objectionable from a factual and legal standpoint.

ASPI fully cooperated with the investigation by producing useful evidence for a fair assessment of the alleged conduct, and by providing copious data, documents and information regarding driving conditions on the sections of motorway concerned, as well as the initiatives undertaken by the Company to mitigate the moderate inconvenience experienced by road users.

As regards the factual aspects, the ruling does not take into account the many pieces of evidence ASPI produced, regarding, among other things, the appropriateness of the maintenance initiatives carried out by the Company, the average journey times on the motorway sections affected by the maintenance works, the information the Company provided to road users to reduce inconvenience to a minimum, as well as with regard to the extraordinary toll discounts and exemptions adopted to compensate for situations of exceptional, but limited, disruption to traffic.

As regards the legal aspects, the ruling applies consumer protection regulations in a manner that is inconsistent with the relevant European and national regulatory framework, given that the ruling in no way demonstrates - as required by European and national regulations - the extent to which ASPI's conduct could have misled consumers.

While ASPI has complied with the requirements of the Authority's resolution, it has instructed its lawyers to assess the document with a view to presenting a legal challenge.

In an appeal lodged before the Lazio Regional Administrative Court on 25 May 2021, ASPI requested annulment - subject to the adoption of appropriate precautionary measures - of the Authority's ruling.

After a hearing on 23 June 2021, by a decree of 24 June 2021, the court upheld the request for injunctive relief only insofar as it related to publication of the announcement of the fine. However, not deeming there to be grounds for extreme seriousness and urgency, the court failed to grant relief cancelling the ruling on unfair commercial practices.

In this regard, it should be noted that, whilst it is in ASPI's interest to obtain certainty with regard to an issue that remains unresolved as far as the Antitrust Authority is concerned, in relation to the Authority's request for compliance, the Company is unable to take decisive action on its own, but only with the necessary agreement of the MIMS and the Transport Regulator, given that it regards the criteria for determining tolls.

The court has adjourned the case until 23 February 2022 when it will hold a hearing on the merits.

Due to the partial upholding of the suspension pronounced by the Regional Administrative Court, on 20 July 2021 the Authority initiated proceedings against ASPI for IP/346 non-compliance with the request to take appropriate measures to eliminate the unfair commercial practice.

In response to the Antitrust Authority's requests for information, ASPI presented a cashback initiative, launched on 15 September 2021, to reimburse delays caused by construction sites. The Authority requested periodic updates on the state of progress of the initiative, which is still in the trial phase.

After a hearing on 14 December 2021, the Antitrust Authority extended the deadline for the conclusion of the IP/346 proceedings to 15 March 2022, in order to be able to assess the data provided on the performance of the cashback service.

Given the extension of the deadline, at a hearing on 23 February 2022, whilst presenting its defence arguments, ASPI - in agreement with the Attorney General - requested postponement

of the discussion until after the conclusion of the pending non-compliance proceedings. The postponement was granted by Lazio Regional Administrative Court.

Award of the concession for the A3 Naples – Pompei – Salerno motorway

Autostrade Meridionali ("SAM") appealed the decision to award the SIS Consortium the new concession to operate the A3 Naples-Pompei-Salerno motorway before Campania Regional Administrative Court, requesting its cancellation after suspension of the award. On 21 October 2020, the Campania Regional Administrative Court ruling, rejecting the appeal filed by Autostrade Meridionali and, consequently, declaring the appeal filed by SIS to be inadmissible, was published. On 4 February 2022, the Council of State rejected the appeal brought by Autostrade Meridionali against the award of the contract for the A3 Naples-Salerno motorway concession to the SIS Consortium. In brief, this latter ruling deemed that the assessments made by the contracting authority regarding the successful Consortium's bid were not defective in law. The Interministerial Decree relating to the concession arrangement signed by the MIMS and the SIS Consortium on 29 July 2021 was registered without observations on 8 February 2022 and, in the coming months, following the outcome of talks with the Grantor aimed at establishing the value of Autostrade Meridionali's takeover right, the new operator is expected to begin operating the motorway.

Litigation involving Autostrade Meridionali

Dispute regarding the failure to prepare the Financial Plan and CIPE Resolution 38/2019

With regard to the legal proceedings initiated by SAM against the Ministry of Sustainable Infrastructure and Mobility to obtain adoption of a Financial Plan to rebalance the concession arrangement, on 10 November 2021, the Council of State issued a ruling that partially revised the first instance ruling. In particular, the Council of State:

- stated that CIPE Resolution 38/2019 is merely a directive addressed by the CIPE to the granting Ministry, and that the grantor does not have the power to unilaterally determine the terms for the return on invested capital, nor to unilaterally amend the terms of the Single Concession Arrangement. Therefore, pending takeover by the new operator, the parties are obliged to negotiate the terms for the return on invested capital, to be applied in the revised Financial Plan or in the approval of a rebalanced plan;
- partially reversing the ruling at first instance, dismissed SAM's appeal in so far as it sought annulment of CIPE Resolution 38/2019, on the grounds that it was a directive, and not binding for the operator;
- confirmed the ruling of the court of first instance and annulled the memoranda in which the Grantor had requested SAM to draw up a rebalanced Financial Plan in accordance with CIPE Resolution 38/2019.

Given this ruling, the company has taken the appropriate steps, in accordance with the principles of law affirmed in this judgment. In particular, discussions have been initiated with the Grantor, which are still in progress, to define the remuneration to be applied for the period of the extension of the concession after 31 December 2012, and therefore the takeover right. In this regard, it should be noted that, as provided for in the Single Concession Arrangement signed in 2009, Autostrade Meridionali is entitled to payment of a "takeover right" - which is currently subject to a dispute pending before the Campania Regional Administrative Court, as described below – based on the company's unamortised capital expenditure, as authorised by the Grantor, up to the

date the new operator is expected to begin operating the motorway. The value of this right is recognised in financial assets in the financial statements. This amount, to be paid by the incoming operator (as provided for in the above-mentioned tender specifications), must be settled at the same time as the incoming operator takes over.

SAM legal action relating to the adoption of a Financial Plan to rebalance the concession arrangement

With regard to the legal proceedings initiated by SAM against MIMS to obtain adoption of a Financial Plan to rebalance the concession arrangement, on 10 November 2021 the Council of State issued ruling 7478/2021, which partially revised the first instance judgement. In particular, the Council of State:

- a) annulled the memoranda in which the Grantor had requested SAM to draw up a rebalancing Financial Plan in accordance with the aforementioned CIPE Resolution 38/2019;
- b) stated that, pending the takeover by a new operator, the Grantor may not unilaterally determine the return on invested capital to be applied for the purposes of revising the Financial Plan or approving a rebalancing plan, and that such determination should be subject to negotiation between the parties.

SAM legal action relating to the takeover value assessment criteria

On 23 July 2021, SAM appealed to the Campania Regional Administrative Court requesting annulment of the MIMS memoranda/rulings of 25 May 2021, 28 May 2021 and 16 June 2021, which called into question the criteria for quantifying the takeover value that had already been determined in the Grantor's previous ruling of 8 November 2018.

SAM legal action relating to annulment of the Grantor's ruling that rejected the proposed Financial Plan

With regard to the legal proceedings brought by SAM requesting annulment of the MIMS ruling of 2 March 2021, which rejected the proposed Financial Plan, deeming that it did not comply with the criteria set out in CIPE Resolution 39/2007 and Resolution 38/2019, a hearing was held on 3 November 2021, on conclusion of which the Regional Administrative Court reserved judgement.

RAV legal action relating to toll increases for 2021

On 17 December 2021, Valle d'Aosta Regional Administrative Court dismissed the appeal lodged by the Company against the ruling of 31 December 2020, which rejected the request for toll increases in 2021. The Company will appeal this ruling.

Autostrada Tirrenica

Developments in the regulatory framework

Article 35, paragraph 1-ter of Law Decree 162/2019, converted, with amendments, into Law 8/2020, established that Autostrada Tirrenica ("SAT") shall only manage the sections of the A12 Livorno-Grosseto-Civitavecchia motorway link open to traffic on the date the law converting the decree came into force. On completion of the procedure to revise SAT's concession, the other sections will be assigned to ANAS, which will also implement the Tarquinia-San Pietro in Palazzi project, including an upgrade of the Aurelia state highway 1. In view of this, article 2, paragraphs 2-ter and 2-quater of Legislative Decree 121/2021 (the "Infrastructure Decree"), converted into

Law 156/2021, has established that, in order to reduce the time needed to implement the latter project, pending definition of the procedure to revise SAT's concession, ANAS is authorised to purchase the designs drawn up by SAT, subject to payment of a set amount exclusively regarding the design costs and intellectual property rights referred to in article 2578 of the Civil Code. In this respect, a government grant of €36.5 million has been allocated, subject to verification of the designs by ANAS.

Moreover, the Budget Law (Law 234 of 30 December 2021) provides for SAT to draw up a Financial Plan within 30 days of its entry into force, authorising total expenditure of up to €200 million as a grant to ensure the feasibility of the Financial Plan for the concession granted to SAT, and specifying that payment of the grant is subject to completion of the approval procedure relating to the agreements.

On the basis of this new regulatory framework, in a memorandum dated 28 January 2022, SAT sent the Grantor a proposal regarding an addendum to the Single Concession Arrangement and a Financial Plan rebalanced to take into account the expiry of the concession on 31 October 2028, together with the related annexes.

Società Autostrada Tirrenica - Action to ascertain the validity of the contractual clauses and the constitutional illegitimacy of art. 35, paragraph 1-ter of Law Decree 152/2006 (Milleproroghe)

Regarding the appeal lodged by SAT with the Regional Administrative Court, at a hearing on 12 January 2022, following a request for postponement jointly filed by the parties, the Regional Administrative Court postponed the discussion to a date yet to be determined.

Società Autostrada Tirrenica - Failure to grant toll increases for 2020

Società Autostrada Tirrenica initiated legal proceedings regarding the failure to grant toll increases for 2020. The hearing has been postponed to 20 September 2022.

Tangenziale di Napoli: five-yearly revision of the Financial Plan

On 12 January 2022, on the instructions of the Grantor, Tangenziale di Napoli sent the Ministry of Sustainable Infrastructure and Mobility and the Transport Regulator a proposal regarding a Second Addendum to the Single Concession Arrangement for the five-year period 2019-2023, together with the related annexes and the Financial Plan (included in the version already sent on 18 June 2021). On 9 February 2022, the Transport Regulator issued Opinion 1/2022 to the Grantor. The company is awaiting comments from the Ministry of Sustainable Infrastructure and Mobility, and instructions regarding the actions to be taken in order to finalise and sign the Second Addendum to the Single Concession Arrangement. Among other things, the new plan provides for:

- a) the introduction of "non-recurring maintenance" costs in the construction charge component;
- b) recovery of the effects of Covid-19 in the period March-June 2020 through the "additional charge" component of tolls. As the economic effects will be quantified on the basis of total data at the end of the state of emergency, the figures shown in the proposed Financial Plan are purely provisional and will be subject to adjustment on the basis of the memoranda issued by the Transport Regulator during 2021.

Accident on the Acqualonga viaduct on the A16 Naples-Canosa motorway on 28 July 2013

The trial before a single judge at the Court of Avellino has been completed, with a judgement at first instance regarding the accident that occurred on 28 July 2013 on the Acqualonga Viaduct, involving a coach travelling on the A16 Naples-Canosa motorway. The accused included a total of twelve managers and former managers and employees of the Autostrade per l'Italia, who were charged with being accessories to culpable multiple manslaughter and criminal negligence.

At the appeal hearing on 30 September 2021, the Court of Appeal reserved judgement on the requests regarding the preliminary investigation made by the defendants' lawyers and the appellants' civil representative, except for the request to re-examine the expert appointed by the Judge of first instance, which was postponed to a subsequent hearing on 9 December 2021.

At the above hearing, the defendants' lawyers and ASPI's civil representative, in accordance with the specific grounds set out in their respective appeals, requested the panel of judges to grant a direct discussion between the expert and the technical consultants appointed by the defence or, alternatively, a re-examination of the latter.

The Court of Appeal rejected these requests, whilst authorising examination of the expert only after questions had been previously formulated by the lawyers, who then decided not to proceed as, in their opinion, such a re-examination would have no effect at this stage and should be requested later at a subsequent instance.

Also, at the hearing of 9 December 2021, documentary evidence was produced by lawyers for certain defendants, with specific regard to certain projects prepared for implementation of the 2008 Redevelopment Plan.

At the end of the hearing on 3 February 2022, the Court upheld:

- a) the above-mentioned request for documentary evidence made by the lawyers of some of ASPI's defendants;
- b) the examination of a witness, as specifically requested by the lawyer of a defendant who owned a bus rental company.

The hearing was adjourned until 17 March 2022, when the above witness was examined, discussion of the case was resumed and the presentation of their cases by the Attorney General, counsel for the civil parties and the defendants took place.

Investigation by the Public Prosecutor's Office in Avellino regarding the anchorages for the

New Jersey safety barriers installed on road bridges on A16, A14 and A1

By a decree notified to the persons under investigation on 16 August 2021, the preliminary investigating magistrate at the Court of Avellino ordered the dismissal of the proceedings filed for the alleged offence of culpable disaster, against the then Head of the "Road Surfaces and Safety Barriers" unit and the various area office managers who, since 2013, have held the roles of Heads of the Cassino, Fiano and Pescara area offices, and ordered revocation of the seizure of the New Jersey safety barriers installed on road bridges on the A14, A16 and A1 viaducts.

Specifically, in agreement with the arguments put forward in the request for dismissal by the Public Prosecutor's Office, the preliminary investigating magistrate established that:

- a) ASPI shared with the Grantor the timing and methods for implementing the Plan to replace the so-called "Blue Catalogue" barriers;
- b) no certain scientific conclusions have been reached, even after the expert appraisal requested by the Public Prosecutor's Office, with regard to how dangerous the safety barriers in question were;
- c) no infringements of technical and legal regulations were found during the investigation;
- d) since the event that occurred on the Acqualonga viaduct on 28 July 2013, the Company's technical units have been seeking to identify technical solutions to modernise the barriers installed along the motorway network.

Finally, the preliminary investigating magistrate, reiterating the arguments put forward in the request for dismissal by the Public Prosecutor's Office, concluded that: "since 2013, it is clearly evident that the conduct of the operator and its management, which certainly included the persons currently under investigation, was aimed at finding solutions to the need - which had become even more pressing since the disastrous event that occurred on the Acqualonga viaduct - to modernise the barriers".

Investigation by the Public Prosecutor's Office in Genoa regarding the installation of integrated safety and noise barriers on the A12

The investigation derives from two accidents that occurred on 6 November 2016 and 17 January 2017 due to the collapse of "Integautos" integrated safety and noise barriers positioned respectively on the Rio Rezza and Rio Castagna bridges on the A12, involves investigation of former managers and managers and employees with technical expertise working for Autostrade per l'Italia, in relation to the offences of public procurement fraud, endangerment of transport safety attempted fraud against the State.

The investigation is ongoing.

Investigation by the Public Prosecutor's Office in Genoa of alleged false statements regarding several of the network's bridges

As part of this investigation into a series of allegations regarding false statements made by a public officer in an official document, a former manager, a company employee and executive of Autostrade per l'Italia. According to the prosecution, certain reports prepared by the technicians responsible for testing, monitoring and design were improperly drafted in order to make the maintenance conditions of the road bridges appear better than they actually were.

The investigation is ongoing.

Investigation by the Public Prosecutor's Office in Vasto of the alleged inclusion of false data in the technical documentation relating to the Giustina viaduct (A14)

This criminal investigation is linked to the previous one and follows the provision of evidence gathered by the Public Prosecutor's Office in Genoa to the Public Prosecutor's Office in Vasto, which has jurisdiction.

On 26 June 2020, the Public Prosecutor asked the preliminary investigating magistrate at the Court of Vasto for an extension of the deadline for completing the preliminary investigation to 3 February 2021. The people under investigation are the former Head of Operational Maintenance

and Investment, the former Director of local office VIII and Autostrade per l'Italia's then Sole Project Manager, who are accused of making false statements by a public officer in a public office. On 27 August 2021, the date set for the end of the investigation was extended until 3 March 2022.

Criminal trial before the Court of Rome relating to the award of contracts

The trial regarded charges of acts in breach of official duties and abuse of office brought against the Sole Project Manager and the Project Manager for Operating Investments in relation to work on construction of the Florence North, San Giovanni Valdarno and Rosignano toll stations and the Capannori flyover. Both the accused are employees of Autostrade per l'Italia and have been the subject of disciplinary action.

At the hearing held on 14 July 2021, the court declared that the statute of limitations had expired for the offences with which ASPI's two employees were charged.

Criminal proceedings brought relating to the event that took place in the Bertè tunnel on the A26 motorway on 30 December 2019

Following the event that took place in the Bertè tunnel on 30 December 2019, the Head of the Genoa I Area Office I was notified that they were under investigation by the Public Prosecutor's Office in Genoa for the offence of dereliction of duty.

The preliminary investigating magistrate in Genoa issued an order extending the deadline for completion of the preliminary investigation to 22 July 2021. The order indicates that, in addition to the Head of the relevant area office, who is now also being investigated for the offences of public procurement fraud, endangerment of transport safety and the negligent removal or omission of occupational safety protections, a further 5 former managers and 3 employees in technical roles at Autostrade per l'Italia are under investigation, solely with regard to the above offence of public procurement fraud.

On 6 September 2021, preliminary investigating magistrate in Genoa, at the request of the Public Prosecutor, ordered a further extension of the deadline for completion of the preliminary investigation until 22 January 2022.

Compared with the initial charge, reference to failure to comply with the law governing public supply contracts has been removed and replaced with fraud in public supplies.

Lawyers for the defendants have not indicated that there have been any further requests for an extension of the deadline for completion of the preliminary investigation.

Alleged breaches of environmental laws relating to construction of the *Variante di Valico*

The criminal case brought before the Court of Florence regarded alleged violations of environmental laws relating to the reuse of soil and rocks resulting from excavation work during construction of the *Variante di Valico* (offences provided for and punished in accordance with art. 260, “organised trafficking in waste”, in relation to art. 186, paragraph 5 “use of soil and rocks from excavation work as by-products and not as waste” in the Consolidated Law on the Environment no. 152/06; art. 256, paragraph 1(a) and (b) “unauthorised management of waste” and paragraph three, “fly tipping” of the Consolidated Law). The trial at first instance has come to an end with the full acquittal of Autostrade per l’Italia’s Joint General Manager for Network Development and Project Manager, as the court ruled that “there was no case to answer”.

The Public Prosecutor’s office in Florence has filed a *per saltum* appeal against the judgement with the Supreme Court.

the Supreme Court upheld the *per saltum* appeal, thereby annulling the acquittal ruling, and referred the case back to the Court of Appeal of Florence for a new trial.

A date for the hearing before the competent Appeal Court is awaited.

Investigation by the Public Prosecutor’s Office in Genoa regarding dismantled noise barriers on the urban section of the A7 and A10

Following the investigation launched by the Public Prosecutor’s Office in Genoa in December 2019, regarding the alleged danger represented by “Integautos” integrated safety and noise barriers, ASPI’s relevant area office I proceeded to remove portions of the noise barriers on a number of sections of motorway in Liguria, including the A7 and the A10.

Whilst awaiting approval of the designs for upgraded barriers, the dismantled panels, which were intended to reduce the traffic noise reaching neighbouring houses, have yet to be replaced.

This has led to a further, separate investigation following complaints from local residents. This investigation involves the then Head of Operations at Autostrade per l’Italia Spa’s area office I, who is accused of causing a disturbance of the peace and the throwing of dangerous articles.

The investigation is ongoing.

Investigation by the Public Prosecutor’s Office in Genoa regarding an alleged lack of maintenance of the Valle Ragone road bridge

On 31 May 2021, Genoa Area Office I was notified of a seizure order in connection with a new criminal investigation launched by the local Public Prosecutor’s Office.

Specifically, the police, acting on behalf of the Public Prosecutor’s Office, requested all the technical and non-technical documentation on the “Valle Ragone” road bridge in order to check the safety of the infrastructure in question.

This was followed on 6 July of this year by a notice of investigation served on the then Head of Genoa Area Office I, the Head of Network Operations and the then Head of Maintenance Engineering for the offences of dereliction of duty and endangerment of transport safety.

The investigation is ongoing.

Investigation by the Public Prosecutor's Office in Prato of a fatal accident to a worker employed by Pavimental

On 27 August 2014, a worker employed by Pavimental SpA – the company contracted by Autostrade per l'Italia to carry out work on a section of carriageway on the A1 – was involved in a fatal accident whilst at work. In response, the Public Prosecutor's Office in Prato has brought criminal charges against, among other people, Autostrade per l'Italia's Sole Project Manager, who is charged with reckless homicide due to the violation of occupational health and safety regulations.

The hearing of 27 January 2022 heard testimony from a number of witnesses for the prosecution. This process will continue at the hearing scheduled for 17 May 2022.

Investigation by the Public Prosecutor's Office in Ancona following the collapse of the motorway bridge on the SP10 crossing the A14 Bologna-Taranto motorway

On 9 March 2017, the collapse of a bridge on the SP10, as it crosses the A14 motorway at km 235+794, caused the deaths of the driver and a passenger in a car and injuries to three workers employed by a sub-contractor of Pavimental SpA, to which Autostrade per l'Italia had previously awarded the contract for the widening to three lanes of the Rimini North–Porto Sant'Elpidio section of the A14 Bologna-Bari-Taranto motorway. Criminal proceedings have been brought regarding the offences provided for and punished by Articles 113, 434, paragraph 2, and 449 of the criminal code ("accessory to culpable collapse"), 113 and 589, last paragraph, of the Italian Criminal Code ("accessory to multiple negligent homicide"), 113 and 589-*bis*, paragraph 1, and the last paragraph of the criminal code, ("accessory to vehicular homicide"). In addition, Autostrade per l'Italia is under investigation pursuant to art. 25-*septies* of Legislative Decree 231/2001 ("culpable homicide or grievous or very grievous bodily harm resulting from breaches of occupational health and safety regulations").

The hearings of 21 September 2021, 2 and 26 November 2021 and 21 January 2022 did not take place and the last of these was adjourned until 1 March 2022 for a number of preliminary matters to be dealt with and discussion of the case.

At the hearing held on 1 March, the court combined the criminal case with the case regarding breaches of health and safety regulations and rejected a number of preliminary matters raised by lawyers for the defence. The hearing was then adjourned until 7 June 2022 for: (i) an examination of matters relating to civil claims; (ii) opening statements; and (iii) the admission of evidence.

Investigation by the Public Prosecutor's Office of the Court of Florence into the alleged inclusion of false data in technical documentation relating to certain viaducts under the responsibility of the IV area office

The criminal proceedings in question, which are still at the preliminary investigation stage, stemmed from the proceedings already pending before the Court of Genoa relating to alleged false data regarding other viaducts on the network (namely the Paolillo viaduct on the Naples-Canosa motorway, the Moro viaduct in Pescara, the Pecetti, Sei Luci and Gargassa viaducts in Liguria, and the Sarno viaduct on the A30 motorway), after the documents were sent to the Prosecutor's Office of Florence. The then Head of Maintenance and Investment Operations is under investigation with regard to this matter.

Investigation by the Public Prosecutor's Office at the Court of Benevento regarding a call for tenders relating to lot 7 for motorway sections of the Cassino VI area office

On 9 December 2021, the *Guardia di Finanza* (Finance Police) visited ASPI's headquarters to serve a search and seizure order, issued by the Public Prosecutor's Office at the Court of Benevento, as part of criminal proceedings relating to alleged irregularities in a call for tenders issued by ASPI regarding lot 7 for the DT6 motorway sections in Cassino.

Specifically, this is a 24-month framework agreement relating to maintenance works on the motorway road surfaces, interchanges and car parks in the area, worth a total of €76,500,000.00.

Perusal of the documents available to the Company reveals that two operators were admitted to the bidding stage during the above-mentioned tender: Consorzio Argo Scarl, whose bid was judged to be the most economically advantageous by the selection committee, and a temporary consortium which was subsequently awarded the contract.

In the relevant proceedings, ASPI's Contract Manager, who was in charge of the tender procedure for lot 7, the Chairman of SAT and ASPI'S Head of Procurement, among others, are under investigation.

ASPI's Contract Manager and the Chairman of SAT were charged with the offences of bribery and obstruction of a public tender, as together with the managers of the companies in the temporary consortium, they allegedly awarded the contract in return for the future payment of *"a sum equal to 0.5% of the total amount of the project, namely €360,000 to the Chairman of SAT, as well as a further €100,000 to ASPI's Contract Manager and another unidentified official from ASPI"*.

Regarding this point, it should be noted that perusal of the currently available documents does not reveal any objective evidence of the alleged offences, except for an initial bank transfer of €64,128.00, made by one of the managers of the temporary consortium to the account of the Chairman of SAT *"relating to the issue of an invoice for objectively non-existent operations (namely, referring to limited legal assistance provided by the person under investigation to one of the companies involved)"*.

On the basis of these alleged unlawful agreements, the sole project manager technical unit of the works under the responsibility of the Company's Contract Manager, in order to favour the final award of the contract to the temporary consortium, allegedly drew up two reports, in the first of which *"the Consorzio Argo bid, already judged as being the most economically advantageous by the selection committee, was deemed to be irregular pursuant to art. 97 of Decree 50/2016, and in the second the temporary consortium's bid was deemed not to be irregular"*.

As a result of their alleged conduct, the Chairman of SAT and ASPI's Contract Manager were placed under house arrest by the local preliminary investigating magistrate.

In this regard, ASPI - which has been identified by the Public Prosecutor's Office as an injured party with regard to some of the alleged offences - via its own lawyer specifically appointed to protect the Company's interests, obtained a copy of the pre-trial detention order issued with respect to the Chairman of SAT Chairman and ASPI's Contract Manager.

After examination of the documentation, both persons under investigation were suspended from their respective posts.

ASPI's Head of Procurement is under investigation as an accomplice, exclusively regarding the offence of obstruction of a public tender.

Subsequently, on 29 December 2021, the Naples Court of Review, upholding the appeal filed by lawyers acting for the defendants, annulled the house arrest order and ordered the immediate release of the persons under investigation, if their detention was not based on other grounds.

Specifically, the ruling in question, the grounds for which were subsequently filed on 27 January 2022, first excluded the jurisdiction of the Court of Benevento in favour of the jurisdiction of the Court of Rome. Moreover, with reference to the need for pre-trial detention, the Court considered that the risk of tampering with evidence no longer existed, whereas regarding the risk of repetition of the offences, the Court deemed that it still theoretically existed (due to the plaintiffs' interest in other contracts, and given the relations between the Chairman of SAT and the businesses concerned), although not a matter of urgency, given: (i) the resignations of the Chairman of SAT and ASPI'S Contract Manager; and (ii) ASPI'S "suspension" of the contract awarded to the temporary consortium, regarding which the criminal proceedings under examination have been filed.

Proceedings brought by the Autostrade per l'Italia Group against CRAFT and Alessandro Patané *Autostrade per l'Italia and Autostrade Tech impleaded by ANAS SpA in the case brought by Alessandro Patané before the Court of Rome*

This regards legal action brought by Mr Patané against ANAS and the Ministry of Internal Affairs for improper use of the SICVe (Vergilius) system and the related software. ANAS appeared to implead Autostrade per l'Italia and Movyon (formerly Autostrade Tech) in order to be relieved of liability and held harmless. The Ministry of Internal Affairs, on the other hand, failed to appear.

At the hearing on 15 September 2021, the court upheld the requests from ANAS and ASPI and halted the case whilst awaiting the outcome of both the action brought by Mr Patané pending before the Appeal Court of Rome regarding ownership of the software, and the action brought by CRAFT pending before the Supreme Court for infringement of the plaintiff's patent.

Proceeding before the Court of Appeal in Rome – ASPI and Autostrade Tech against Alessandro Patané

The appeal against judgement 120/2019, filed by ASPI and Movyon at the Court of Appeal in Rome, was adjourned until 15 June 2021 when Mr Patané filed a further action for fraud (having already filed another action at first instance) in relation to documents filed by the companies.

The court ruled that the action was inadmissible and adjourned the hearing until 10 May 2022 for a clarification of the pleadings.

Proceeding before the Court of Appeal in Rome – ASPI against CRAFT

CRAFT has appealed judgement 2658/2021 handed down by the Appeal Court in Rome before the Supreme Court, following remission of the case to the court by the Supreme Court in judgement 21405/2019. ASPI is preparing to appear before the court and a date for the hearing is awaited.

The Appeal Court also ordered CRAFT to reimburse ASPI for all the legal expenses incurred at all the previous instances. CRAFT and ASPI have agreed on an instalment plan for the amounts to be recovered.

Litigation involving Società Italiana per il Traforo del Monte Bianco (SITMB)

In October 2017, an extraordinary general meeting of the shareholders of SITMB voted to amend the articles of association regarding "statutory reserves" and the distribution of "retained earnings" allocated to reserves by previous general meetings. One of the shareholders, ANAS, in disagreement with both the amendments to the articles of association and the criteria for

distribution of these earnings, after voting against both resolutions, then took legal action against SITMB to have the resolutions cancelled.

At the subsequent hearings and following attempts by the court to convince the parties to reach an agreed settlement of the dispute, in view of the impossibility of finding such an agreement despite the efforts made by SITMB, section 1a of the Civil Business Court in Turin issued judgement 231/2021, which was published on 18 January 2021. On the one hand, the court rejected ANAS's motion challenging the resolution passed by the extraordinary general meeting of 24 October 2017, relating to amendments to articles 13 and 20 of the articles of association. On the other, it annulled the resolution passed by the extraordinary general meeting of 24 October 2017 regarding the distribution of retained earnings and ordered the company to pay ANAS the sum of €28,136, in addition to lawyers' fees and VAT, to cover 50% of the plaintiff's legal expenses. On 16 July 2021, SITMB decided to appeal the court's judgement annulling the distribution of retained earnings and the order to pay legal expenses. On the same date, SITMB also received notice of a separate appeal brought by ANAS against the part of the judgement that ruled that there were no grounds for annulment of the resolution passed by the extraordinary general meeting of 24 October 2017, relating to amendments to articles 13 and 20 of the articles of association.

Furthermore, with regard to two additional legal actions challenging the financial statements for 2018 and 2019, the Court of Turin issued two rulings on 19 July 2021, ordering the parties to enter into mediation (mediation delegated by the court). The court gave the parties 15 days to apply to request a mediation body to intervene and invited them to adopt a more conciliatory position and make every effort to ensure a positive outcome.

In compliance with the requests contained in the July 2021 orders issued by the examining magistrate in the two legal actions challenging the financial statements, ANAS filed for mediation before the mediation body of the Turin Bar Association.

The request for mediation submitted by ANAS is broader in scope than the legal actions in which it was delegated by the court and covers all disputes between ANAS and SITMB.

ANAS has voluntarily extended the scope of mediation to include not only the two legal actions challenging the financial statements (for 2018 and 2019) but also: (i) the legal action relating to the resolutions of 27 October 2017 regarding the distribution of profits and amendments to the Articles of Association currently pending before the Court of Appeal; and (ii) the challenge to the resolution approving the 2020 financial statements, which has not yet been proposed.

SITMB participated in the mediation, which continued after the first meeting and is now pending. The parties have taken the first steps to determine whether the conditions are in place to reach a comprehensive and total settlement of their disputes through mediation. At present, there are no potential risks for the Company.

Tax disputes regarding ground tax, ground rent and property tax (TOSAP, COSAP and CUP)

In recent years, city councils and provincial authorities notified Autostrade per l'Italia of numerous demands for the payment of considerable sums in the form of ground tax (*Tassa per l'Occupazione di Spazi ed Aree Pubbliche* or TOSAP) and ground rent (*Canone per l'Occupazione di Spazi ed Aree Pubbliche* or COSAP) – now called the Single Property Tax (*Canone Unico Patrimoniale* or CUP) with effect from the 2021 tax year. The levies are allegedly payable in return for the occupation of public land owned by the relevant councils and provincial authorities by motorway infrastructure (road bridges, viaducts and underpasses, etc.). Assessment proceedings by the local authorities were further intensified following a number of judgements handed down by the Supreme Court, which found against the Company. The matter also involved certain subsidiaries operating under concession, in particular Autostrade Meridionali pA and Tangenziale di Napoli SpA, and these

actions were duly challenged before the Administrative Court, as not having any basis in fact or in law.

The Supreme Court has recently returned to this matter, issuing judgement 16395/2021, and then with orders 365-378-508-509/2022, brought against operators, stating that: (i) the occupation of land without a local authority concession must be considered “unlawful”, regardless of whether or not the land has been occupied in order to build infrastructure of interest to the state, and (ii) COSAP is payable by the entity receiving an economic benefit from use of the asset occupying municipally or provincially owned land, regardless of whether or not the public land has been rendered inaccessible for collective use.

Given the importance of this issue for all motorway operators, AISCAT has entered into talks with the Ministry of Sustainable Infrastructure and Mobility, in order to clarify that occupation of the land cannot be considered "abusive" as the right to build and operate motorway infrastructure is granted by the State via the award of a specific concession and by virtue of the law.

Procedures for the award of contracts by ASPI to external contractors and to Group companies following Constitutional Court Ruling 218/2021

Constitutional Court Ruling 218/2021 declared the constitutional illegitimacy of art. 177 of Legislative Decree 50/2016, and of art. 1, paragraph 1 of Law 11/2016 (the "*Delegated law implementing EU directives regarding public procurement*").

In particular, according to the Constitutional Court, the requirement that holders of existing concessions, which have not been awarded under a project financing model or via public tender, must award 80% (60% for motorway operator) of the contracts via a public tender process constitutes "*an unreasonable and disproportionate measure with respect to the purpose of the legislation, albeit legitimate, and is therefore detrimental to economic freedom*".

Without prejudice to the foregoing, the consequences of the above ruling with regard to the manner in which ASPI awards contracts to Group companies are set out below.

It should be noted that, with the declaration of unconstitutionality contained in the above art. 177, operators, including motorway operators, are no longer legally obliged to outsource. Therefore, they may freely decide how to perform the services provided for in their concession arrangements, either through the award of contracts to external contractors, or by insourcing services, either directly or via subsidiaries.

In view of the above events, the provisions for risks and charges made represent the best estimate, based on the information currently available, of the risk of negative outcomes and of the potential expenses to be incurred in relation to the above litigation.

10.8 Law 124 of 4 August 2017- Annual markets and competition law

Article 1, paragraphs 125 to 129, of Law 124 of 4 August 2017 has introduced a number of measures designed to ensure the transparency of the government grants system.

In the Company’s case, the legislation translates into the obligation to disclose in the notes to its financial statements (paragraph 126) the grants received from:

- a) the government bodies and entities referred to in article 2-*bis* of Legislative Decree 33 of 14 March 2013;
- b) companies directly or indirectly controlled, in law or in fact, by government bodies, including companies listed on regulated markets and their investees;
- c) publicly owned companies, including those that issue listed shares and other entities.

The legislation provides for significant penalties for failure to comply with the disclosure requirement, involving repayment of the grants received (paragraph 125).

Based on the assessment conducted, in the view of the Group's companies, the only type of grant received that qualifies for application of the disclosure requirements is represented by the government grants used to finance investment in the Group's motorway network.

The following table summarises the grants collected/released in 2021 in relation to "Financial assets deriving from government grants".

€000		
Grantor	Grant collected	Description
Campania Regional Authority	250	Balance of grant financing cost of investment in third lane of 5-10 km - Improvements to ordinary road network, in the Municipality of Portici, access to the new Portici-Ercolano junction
European Commission through the Coordinator (RWS-NL)	46	Grant for participation in the MOVE/C3/SUE/2015-547/CEF Datex II project involving the development of protocols and guidelines for the unified and integrated management of motorway radio control rooms
Total	296	

10.9 Events after 31 December 2021

Services Conference approves detailed design for Bologna Bypass

On 18 January 2022, the Services Conference approved the design for the Bologna Bypass, amounting to approximately €1.7 billion. Final approval of the detailed design is expected by the end of 2022, with the expropriation process, the movement of existing services interfering with construction and preparation of the various sites also due to begin during the year.

Bond issue

On 18 January 2022, Autostrade per l'Italia placed bonds worth €1,000m under its Euro Medium Term Notes (EMTN) programme in two tranches of €500m. The tranches have terms of 6 and 10 years. The proceeds from the issue will provide the Company with the financial resources needed to fully support our major investment and maintenance programmes, in addition to being used to fund development of the network digitalisation plan and for general corporate purposes.

Establishment of Elgea

A new company named Elgea SpA was established on 24 January 2022. The company, a wholly owned subsidiary of Autostrade per l'Italia, will produce renewable energy on behalf of the Group.

Annexes to the consolidated financial statements

**Annex 1 – The Autostrade per l'Italia Group's scope of consolidation and investments
as at 31 December 2021**

Annex 2 – Disclosures of the fees paid to the Independent Auditors

The above annexes have not been audited.

Annex 1

The Autostrade per l'Italia Group's scope of consolidation and investments as at 31 December 2021

NAME	REGISTERED OFFICE	BUSINESS	CURRENCY	SHARE CAPITAL/CONSORZIUM FUND AS AT 31 DECEMBER 2021 (UNITS)	HELD BY	SHARE CAPITAL/CONSORZIUM FUND AS AT 31 DECEMBER 2021 (UNITS)	TOTAL GROUP INTEREST (%)	NOTE
PARENT COMPANY								
AUTOSTRADE PER L'ITALIA SpA	ROME	Motorway operator	EURO	622,027,000				
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS								
AD MOVING SpA	ROME	Other activities	EURO	1,000,000	Autostrade per l'Italia SpA	100%	100%	(1)
AUTOSTRADE MERIDIONALI SpA	NAPLES	Motorway operator	EURO	9,056,250	Autostrade per l'Italia SpA	58,98%	58,98%	(1)
MOVYON SpA	ROME	Motorway services	EURO	1,120,000	Autostrade per l'Italia SpA	100%	100%	(2)
ESSEDIESTE SOCIETÀ DI SERVIZI SpA	ROME	Administrative services	EURO	500,000	Autostrade per l'Italia SpA	100%	100%	
FREE TO X Srl	ROME	Other activities	EURO	1,000,000	Autostrade per l'Italia SpA	100%	100%	
INFOMOBILITY Srl	CONCORDIA SULLA SECCHIA (MODENA)	Motorway services	EURO	400,000	Autostrade Tech SpA	90%	90%	
GIOVE CLEAR Srl	ROME	Motorway services	EURO	10,000	Autostrade per l'Italia SpA	100%	100%	
PAVIMENTAL SpA	ROME	Design, construction and maintenance	EURO	10,116,452	Autostrade per l'Italia SpA	99,40%	99,80%	(3)
PAVIMENTAL POLSKA SP.ZO.O.	TRZEBERNIA POLAND	Design, construction and maintenance	POLISH ZLOTY	3,000,000	Pavimental SpA	100%	99,80%	
RACCORDO AUTOSTRADALE VALLE D'AOSTA SpA	AOSTA	Motorway operator	EURO	343,805,000	Società Italiana per Azioni per il Traforo del Monte Bianco	47,97%	24,46%	(4)
SOCIETÀ AUTOSTRADA TIRRENICA pA	ROME	Motorway operator	EURO	24,460,800	Autostrade per l'Italia SpA	99,93%	99,99%	(5)
SOCIETÀ ITALIANA PER AZIONI PER IL TRAFORO DEL MONTE BIANCO	PRE SAINT DIDIER (AOSTA)	Motorway operator	EURO	198,749,200	Autostrade per l'Italia SpA	51,00%	51,00%	
TANGENZIALE DI NAPOLI SpA	NAPLES	Motorway operator	EURO	108,077,490	Autostrade per l'Italia SpA	100%	100%	
TECNE GRUPPO AUTOSTRADE PER L'ITALIA SpA	ROME	Engineering, research and design services	EURO	5,693,795	Autostrade per l'Italia SpA	100%	100%	

(1) The company is listed on Borsa Italiana SpA's Expandi market.
 (2) The resolution passed by the shareholders of the (former) Autostrade Tech SpA, changing the company's name, was registered on 23 February 2022.
 (3) The Group's percentage interest (99.80%) refers to the share of equity and differs from the investment in the issued capital (99.40%) as a result of the contribution for future capital increases, amounting to €20 million, paid by Autostrade per l'Italia on 21 December 2021.
 (4) The issued capital is made up of €284,350,000 in ordinary shares and €59,455,000 in preference shares. The percentage interest is calculated with reference to all shares in issue, whereas the 58.00% of voting rights is calculated with reference to ordinary voting shares.
 (5) On 29 December 2015, Autostrada Tirrenica, following authorisation by the general meeting of shareholders held on the same date, purchased 1,095,600 own shares from non-controlling shareholders. Autostrade per l'Italia's interest is, therefore, equal to 99.99% as at 31 December 2019 (the percentage interest is calculated on the basis of the ratio of shares held by Autostrade per l'Italia and the subsidiary's total shares is 99.93%).

NAME	REGISTERED OFFICE	BUSINESS	CURRENCY	SHARE CAPITAL/CONSORTIUM FUND AS AT 31 DECEMBER 2021	HELD BY	% INTEREST IN SHARE CAPITAL/CONSORTIUM FUND AS AT 31 DECEMBER 2021	NOTE
INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD							
<i>Associates</i>							
SPEA ENGINEERING SPA	ROME	Design, construction and maintenance	EURO	6,866,000	Autostrade per l'Italia SpA	20.00%	
BOLOGNA & FIERA PARKING SPA	BOLOGNA	Other concessions	EURO	2,715,200	Autostrade per l'Italia SpA	36.81%	
TANGENZIALI ESTERNE DI MILANO SPA	MILAN	Design, construction and maintenance	EURO	220,344,608	Autostrade per l'Italia SpA	27.45%	
<i>Joint ventures</i>							
GIEE DEL TRAFORO DEL MONTE BIANCO	COURMAYEUR (AOSTA)	Motorway services	EURO	2,000,000	Società Italiana per Azioni per il Traforo del Monte Bianco	50.00%	
Tecne Sperr Bridge Designers Srl	ROME	Design, construction and maintenance	EURO	250,000	Tecne Gruppo Autostrade per l'Italia SpA	50.00%	

NAME	REGISTERED OFFICE	BUSINESS	CURRENCY	SHARE CAPITAL/CONSORTIUM FUND AS AT 31 DECEMBER 2021 (UNITS)	HELD BY	SHARE CAPITAL/CONSORTIUM FUND AS AT 31 DECEMBER 2021 (UNITS)	NOTE
INVESTMENTS ACCOUNTED FOR AT FAIR VALUE							
<i>Unconsolidated subsidiaries</i>							
PAVIMENTAL EST AO (IN LIQUIDATION)	MOSCOW (RUSSIA)	Design, construction and maintenance	RUSSIAN RUBLE	4,200,000	Pavimental SpA	100.00%	
<i>Other investments</i>							
CENTRO INTERMODALE TOSCANO AMERIGO VESPUGGI SpA	LIVORNO	Other activities	EURO	11,756,695	Società Autostrada Tirrenica p.A.	0.43%	
TANGENZIALE ESTERNA SpA	MILAN	Motorway operator	EURO	464,945,000	Autostrade per l'Italia SpA Pavimental SpA	0.25%	
						1.00%	
digitAlog SpA	ROME	Other activities	EURO	1,142,000	Autostrade per l'Italia SpA	1.401%	(1)

(1) This company changed its name from UIRNET SpA, as approved by shareholders on 26 April 2021.

Consolidated financial statements as at
and for the year ended
31 December 2021.

NAME	REGISTERED OFFICE	BUSINESS	CURRENCY	SHARE CAPITAL/CONSORTIUM FUND AS AT 31 DECEMBER 2021 (UNITS)	HELD BY	% INTEREST IN SHARE CAPITAL/CONSORTIUM FUND AS AT 31 DECEMBER 2021
CONSORTIA						
CONSORZIO AUTOSTRADE ITALIANE ENERGIA	ROME	Electricity procurement	EURO	114,865	Autostrade per l'Italia SpA Tangenziale di Napoli SpA Società Italiana per Azioni per il Traforo del Monte Bianco Raccordo Autostradale Valle d'Aosta SpA Società Autostrada Tirrenica pA Autostrade Meridionali SpA Pavimental Spa Free To X STI	27.04% 1.93% 1.81% 1.08% 0.48% 0.97% 1.00% 0.01%
CONSORZIO COSTRUTTORI TEEM	TORTONA	Design, construction and maintenance	EURO	10,000	Pavimental Spa	1.00%
CONSORZIO MIDRA	FLORENCE	Other activities	EURO	73,989	Autostrade Tech Spa	33.33%
CONSORZIO RAMONTI SCARL (IN LIQUIDATION)	TORTONA	Design, construction and maintenance	EURO	10,000	Pavimental Spa	49.00%
CONSORZIO R.F.C.C. (IN LIQUIDATION)	TORTONA	Design, construction and maintenance	EURO	510,000	Pavimental Spa	30.00%
COSTRUZIONI IMPIANTI AUTOSTRADALI SCARL (IN LIQUIDATION)	ROME	Design, construction and maintenance	EURO	10,000	Pavimental Spa Autostrade Tech Spa Pavimental Polska Sp. z o.o.	75.00% 20.00% 5.00%
ELMAS SCARL (IN LIQUIDATION)	ROME	Design, construction and maintenance	EURO	10,000	Pavimental Spa	60.00%
LAMBRO SCARL	TORTONA	Design, construction and maintenance	EURO	200,000	Pavimental Spa	2.78%
SAFE ROAD5 SCARL	TORTONA	Design, construction and maintenance	EURO	10,000	Autostrade Tech Spa	17.22%
SAT LAVORI SCARL (IN LIQUIDATION)	ROME	Design, construction and maintenance	EURO	100,000	Costruzioni Impianti Autostradali Scarl (in liquidation) Società Autostrada Tirrenica pA	29.70% 1.00%
SMART MOBILITY SYSTEMS SCARL	TORTONA	Design, construction and maintenance	EURO	10,000	Autostrade Tech Spa	24.50%
Contratto di rete AGROBOT	PERUGIA	Network for the development of a prototype autonomous robot for agricultural use in the Umbria region	EURO	2,500	Infomobility SRL	20%
INVESTMENTS IN OTHER COMPANIES						
STRADA DEI PARCHI Spa	ROMA	Motorway operation and construction	EURO	48,114,240	Autostrade per l'Italia Spa	2.00%

(1) The contract establishes a network of companies with legal status.

Annex 2

Disclosures of the fees paid to the Independent Auditors

Disclosures pursuant to art.149-duodecies of the CONSOB Regulation for Issuers

€000

Autostrade per l'Italia SpA

Type of service	Provider of service	Note	Fees
Audit	Parent Company's auditor		199
Other services	Network of the Parent Company's auditor	(1)	62
Totale			261

Subsidiaries

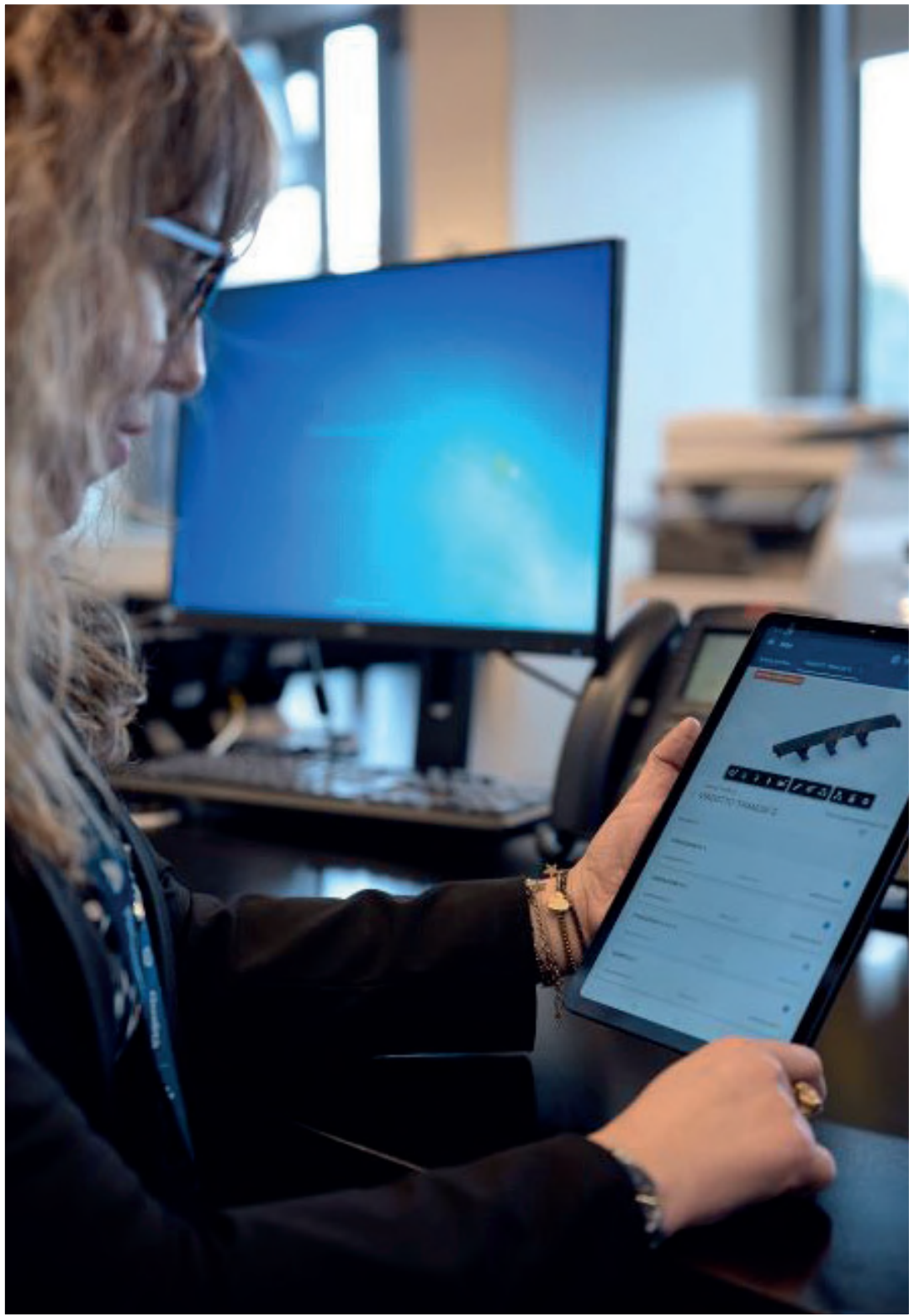
Type of service	Provider of service	Note	Fees
Audit	Parent Company's auditor		289
Total subsidiaries			289
Total Autostrade per l'Italia Group			550

(1) Comfort letters for loans and assistance in preparing the Sustainability Report.

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**SEPARATE FINANCIAL
STATEMENTS AS AT AND
FOR THE YEAR ENDED
31 DECEMBER 2021**



Financial Statements

STATEMENT OF FINANCIAL POSITION

€000	Note	31 December 2021	of which related party transactions	31 December 2020	of which related party transactions
ASSETS					
Non-current assets					
Property, plant and equipment	6.1	91,537,106		79,141,189	
Property, plant and equipment		86,087,412		72,706,132	
Investment property		5,449,694		6,435,057	
Intangible assets	6.2	14,450,180,842		16,568,312,319	
Intangible assets deriving from concession rights		8,269,982,867		10,425,810,905	
Goodwill and other intangible assets with indefinite lives		6,111,259,022		6,111,199,083	
Other intangible assets		68,938,953		31,302,331	
Investments	6.3	317,424,054		247,464,315	
Non-current financial assets	6.4	332,553,214		562,071,326	
Non-current financial assets deriving from government grants		129,396,089		154,340,922	
Non-current term deposits		129,396,088		154,340,921	
Non-current derivative assets		41,234,157		-	
Other non-current financial assets		32,526,880	9,866,000	253,389,483	234,132,000
Other non-current assets		-		60,624	
Total non-current assets		15,191,695,216		17,457,049,773	
Current assets					
Trading assets	6.5	621,251,262		472,577,261	
Inventories		66,864,368		56,634,807	
Contract work in progress		4,226,481		4,204,491	
Trade receivables		550,160,413	120,030,000	411,737,963	64,837,000
Cash and cash equivalents	6.6	1,593,682,638		1,601,663,108	
Cash		781,348,574		1,083,229,056	
Cash equivalents		150,104,475		59,231	
Intercompany current account receivables due from related parties		662,229,589	662,229,589	518,374,821	518,374,821
Current financial assets	6.4	355,483,276		66,377,816	
Current financial assets deriving from government grants		45,137,432		20,192,599	
Current term deposits		44,316,112		19,371,279	
Current portion of medium/long-term financial assets		264,639,982	232,366,000	25,463,938	4,536,000
Other current financial assets		1,389,750		1,350,000	
Current tax assets	6.7	18,617,947	18,617,947	53,367,222	29,504,000
Other current assets	6.8	80,715,420		127,952,246	
Investments held for sale or for distribution to shareholders or as discontinued operations	6.9	-		6,057,504	
Total current assets		2,669,750,543		2,327,995,157	
TOTAL ASSETS		17,861,445,759		19,785,044,930	

Separate financial statements as at
and for the year ended
31 December 2021.

STATEMENT OF FINANCIAL POSITION

€	Note	31 December 2021	of which related party transactions	31 December 2020	of which related party transactions
EQUITY AND LIABILITIES					
Equity					
Issued capital		622,027,000		622,027,000	
Reserves and retained earnings		525,305,469		871,399,802	
Profit/(Loss) for the year		681,876,752		-398,131,283	
Total equity	6.10	1,829,209,221		1,095,295,519	
Non-current liabilities					
Non-current portion of provisions for construction services required by	6.11	-		1,808,115,535	
Non-current provisions	6.12	2,023,186,824		1,080,683,713	
Non-current provisions for employee benefits		56,381,514		66,916,897	
Non-current provisions for repair and replacement of motorway infrastructure		607,810,123		1,013,766,816	
Other non-current provisions for risks and charges		1,358,995,187		-	
Non-current financial liabilities	6.13	8,180,384,514		7,679,256,179	
Bond issues		7,532,239,256		7,124,161,486	
Medium/long-term borrowings		543,435,049		162,269,021	
Non-current derivative liabilities		104,690,773		392,825,672	
Other non-current financial liabilities		19,436		-	
Net deferred tax liabilities	6.14	314,623,941		17,200,645	
Other non-current liabilities	6.15	25,460,384		23,183,687	
Total non-current liabilities		10,543,655,663		10,608,439,759	
Current liabilities					
Trading liabilities	6.16	1,544,243,424		1,292,504,405	
Trade payables		1,544,243,424	423,363,000	1,292,504,405	317,386,000
Current portion of provisions for construction services required by contract	6.11	-		732,161,150	
Current provisions	6.12	1,036,601,957		2,489,576,387	
Current provisions for employee benefits		11,748,623		11,974,879	
Current provisions for repair and replacement of motorway infrastructure		395,855,446		729,270,498	
Current provisions for the risk of fines and penalties under the Single Concession Arrangement		16,480,661		14,290,662	
Other current provisions		612,517,227		1,734,040,348	
Current financial liabilities	6.13	2,538,393,015		3,409,844,025	
Bank overdrafts repayable on demand		620		180	
Short-term borrowings		-		5,000,000	
Intercompany current account payables due to related part		40,071,054	40,071,054	26,942,816	26,942,816
Current portion of medium/long-term financial liabilities		2,468,321,341		3,345,895,548	
Other current financial liabilities		30,000,000	30,000,000	32,005,481	32,005,000
Current tax liabilities	6.7	150,591,311	129,779,000	-	
Other current liabilities	6.17	218,751,168	14,101,000	157,223,685	14,920,000
Liabilities related to discontinued operations		-		-	
Total current liabilities		5,488,580,875		8,081,309,652	
TOTAL LIABILITIES		16,032,236,538		18,689,749,411	
TOTAL EQUITY AND LIABILITIES		17,861,445,759		19,785,044,930	

INCOME STATEMENT

€	Note	2021	of which related party transactions	2020	of which related party transactions
REVENUE					
Toll revenue	7.1	3,203,057,507		2,569,385,531	
Revenue from construction services	7.2	869,660,253		162,432,453	
Other operating income	7.3	202,778,013	65,724,000	174,296,067	54,826,000
TOTAL REVENUE		4,275,495,773		2,906,114,051	
COSTS					
Raw and consumable materials	7.4	-69,386,633	-18,996,000	-66,150,734	-5,742,000
Service costs	7.5	-1,381,219,159	-444,181,000	-1,447,037,759	-415,430,000
Gains/(losses) on sale of property, plant and equipment		926,947		442,628	
Staff costs	7.6	-451,419,383	-18,716,000	-394,276,148	-11,749,000
Other operating costs	7.7	-490,262,805		-397,237,247	
Concession fees		-415,969,876		-344,794,864	
Lease expense		-3,236,318		-4,759,842	
Other		-71,056,611		-47,682,541	
Operating change in provisions	7.8	48,604,184		-398,249,807	
Uses of provisions/(Provisions) for repair and replacement of motorway infrastructure		57,853,794		-185,359,296	
(Provisions)/Uses of provisions for risks and charges		-9,249,610		-212,890,511	
Use of provisions for construction services required by contract	7.9	-		349,526,751	
Amortisation and depreciation	7.10	-498,573,650		-602,531,402	
Depreciation of property, plant and equipment		-17,559,973		-17,816,973	
Depreciation of right-of-use assets classified in property, plant and equipment		-4,655,206		-3,433,436	
Depreciation of investment property		-321,487		-481,415	
Amortisation of intangible assets deriving from concession rights		-435,315,049		-558,159,737	
Amortisation of other intangible assets		-40,721,935		-22,639,841	
(Impairment losses)/Reversals of impairment losses on current and non-current assets	7.11	-3,994,135		-2,224,361	
TOTAL COSTS		-2,845,324,634		-2,957,738,079	
OPERATING PROFIT/(LOSS)		1,430,171,139		-51,624,028	
Financial income		184,560,028		89,920,146	
Dividends received from investees		16,536,710		-	
Other financial income		168,023,318	15,645,000	89,920,146	17,767,000
Financial expenses		-473,950,406		-565,326,354	
Financial expenses from discounting of provisions for construction services required by contract and other provisions		-2,924,050		-15,133,907	
Other financial expenses		-471,026,356	-13,564,000	-550,192,447	-16,689,000
Foreign exchange gains/(losses)		-7,062		-33,473	
FINANCIAL INCOME/(EXPENSES)	7.12	-289,397,440		-475,439,681	
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		1,140,773,699		-527,063,709	
Income tax (expense)/benefit	7.13	-458,896,947		128,932,426	
Current tax expense		-178,078,123		973,212	
Differences on current tax expense for previous years		166,751		3,897,862	
Deferred tax income and expense		-280,985,575		124,061,352	
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		681,876,752		-398,131,283	
Dividends, after related taxation, from discontinued operations		-		-	
PROFIT/(LOSS) FOR THE YEAR		681,876,752		-398,131,283	

€	Note	2021	2020
Basic earnings/(loss) per share	7.14	1.10	-0.64
of which:			
from continuing operations		1.10	-0.64
from discontinued operations		-	-
Diluted earnings/(loss) per share	7.14	1.10	-0.64
of which:			
from continuing operations		1.10	-0.64
from discontinued operations		-	-

Separate financial statements as at
and for the year ended
31 December 2021.

STATEMENT OF CASH FLOWS

€	Note	2021	of which related party transactions	2020	of which related party transactions
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES					
Profit/(Loss) for the year		681,876,752		-398,131,283	
Adjusted by:					
Amortisation and depreciation	7.10	498,573,649		602,531,402	
Operating change in provisions		-452,327,307		377,609,781	
Financial expenses from discounting of provisions for construction services required by contract	7.12	2,924,050		15,133,907	
(Reversal of impairment losses)/Impairment losses on non-current financial assets and investments		5,124,719		2,313,146	
(Gains)/Losses on sale of non-current assets		-807,175		-442,628	
Net change in deferred tax (assets)/liabilities through profit or loss	7.13	280,985,575		-124,061,352	
Other non-cash costs (income)		-109,280,108		-23,183,576	
Change in working capital and other changes		392,205,992	193,040,000	-145,598,842	-5,016,000
Net cash generated from/(used in) operating activities [a]	8.1	1,299,276,147		306,170,555	
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES					
Investment in assets held under concession	6.2	-869,627,035		-509,324,204	
Purchases of property, plant & equipment	6.1	-22,520,694		-20,055,087	
Purchases of other intangible assets	6.2	-78,418,496		-31,305,055	
Government grants related to assets held under concession		-		116,156	
Purchases of investments	6.3	-65,688,735	-65,688,735	-5,100,000	-5,100,000
Proceeds from sales of property, plant and equipment, intangible assets and investments		952,439		1,033,636	
Net change in other non-current assets		60,624		60,624	
Net change in current and non-current financial assets		-7,116,798	-3,564,000	34,751,760	8,680,000
Net cash generated from/(used in) investing activities [b]	8.1	-1,042,358,695		-529,822,170	
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES					
Issuance of bonds	6.13	983,535,152		1,218,864,447	
Increase in lease liabilities		-		3,887,868	
Bond redemptions	6.13	-1,074,936,000		-501,728,000	
Repayments of medium/long-term borrowings	6.13	-135,749,809		-140,162,636	
Repayment of lease liabilities	6.13	-5,372,642		-3,221,496	
Net change in other current and non-current financial liabilities		-45,503,301	-2,048,000	-72,949,958	-63,020,000
Net cash generated from/(used in) financing activities [c]	8.1	-278,026,600		504,690,225	
Increase/ (decrease) in cash and cash equivalents [a+b+c]		-21,109,149		281,038,610	
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		1,574,720,112		1,293,681,502	
NET CASH AND CASH EQUIVALENTS AT END OF YEAR		1,553,610,963		1,574,720,112	

ADDITIONAL INFORMATION ON THE STATEMENT OF CASH FLOWS

€000		2021	2020
Income taxes paid/(refunded)		-7,429	44,069
Interest and other financial income collected		65,150	57,125
Interest expense and other financial expenses paid		451,542	490,927
Dividends collected	7.12	16,537	-
Foreign exchanges gains collected		6	31
Foreign exchange losses incurred		11	65

RECONCILIATION OF NET CASH AND CASH EQUIVALENTS

€000		2021	2020
Net cash and cash equivalents at beginning of year		1,574,720	1,293,681
Cash and cash equivalents	6.6	1,601,663	1,378,535
Bank overdrafts repayable on demand		-	-1
Intercompany current accounts payables due to related parties	6.13	-26,943	-84,853
Net cash and cash equivalents at end of year		1,553,612	1,574,720
Cash and cash equivalents	6.6	1,593,683	1,601,663
Bank overdrafts repayable on demand		-	-
Intercompany current accounts payables due to related parties	6.13	-40,071	-26,943

STATEMENT OF COMPREHENSIVE INCOME

€000		Note	2021	2020
Profit/(Loss) for the period	(A)		681,877	-398,131
Fair value gains/(losses) on cash flow hedges			51,519	-
Tax effect of fair value gains/(losses) on cash flow hedges			-12,365	-
Other comprehensive income/(loss) reclassifiable to profit or loss for the period	(B)		39,154	-
Gains/(losses) from actuarial valuations of provisions for employee benefits		6.12	-5,312	-2,219
Tax effect of gains/(losses) from actuarial valuations of provisions for employee benefits			1,275	532
Other comprehensive income/(loss) not reclassifiable to profit or loss for the year	(C)		-4,037	-1,687
Other reclassifications of the cash flow hedge reserve			22,264	34,924
Tax effect of other reclassifications to the cash flow hedge reserve			-5,343	-8,382
Reclassifications of other components of comprehensive income to profit or loss for the period	(D)	6.10	16,921	26,542
Total other comprehensive income/(loss) for the year	(E=B+C+D)		52,038	24,855
Comprehensive income/(loss) for the year	(A+E)		733,915	-373,276

STATEMENT OF CHANGES IN EQUITY

€000	Issued capital	Reserves and retained earnings				Reserves and retained earnings	Profit/(Loss) for the year	Total equity
		Share premium reserve	Legal reserve	Cash flow hedge reserve	Other reserves and retained earnings			
Balance as at 31 December 2019	622,027	216,070	124,406	-157,637	949,395	1,132,234	-291,333	1,462,928
Comprehensive income for the year	-	-	-	26,542	-1,687	24,855	-398,131	-373,276
<u>Owner transactions and other changes</u>								
Transfer of profit/(loss) for 2019 to retained earnings (AGM of 29 May)	-	-	-	-	-291,333	-291,333	291,333	-
Share-based incentive plans	-	-	-	-	5,643	5,643	-	5,643
Balance as at 31 December 2020	622,027	216,070	124,406	-131,095	662,019	871,400	-398,131	1,095,296
Comprehensive income for the year	-	-	-	56,075	-4,037	52,038	681,877	733,915
<u>Owner transactions and other changes</u>								
Transfer of profit/(loss) for 2020 to retained earnings (AGM of 15 April)	-	-	-	-	-398,131	-398,131	398,131	-
Balance as at 31 December 2021	622,027	216,070	124,406	-75,020	259,851	525,307	681,877	1,829,211

NOTES

1. Introduction

Autostrade per l'Italia (the "Company" or "ASPI") is a public limited company incorporated in 2003. The Company's core business is the operation of motorways under a concession granted by the Ministry of Sustainable Infrastructure and Mobility (the "MIMS", previously the Ministry of Infrastructure and Transport or the "MIT"), which assumed the role of Grantor previously fulfilled by ANAS SpA (Italy's Highways Agency) from 1 October 2012.

Under the concession arrangements, the Company and its motorway subsidiaries are responsible for the construction, management, improvement and upkeep of sections of motorway in Italy. Further information on the Company's concession arrangement is provided in note 4, "Concession arrangement".

The Company's registered office is at Via Bergamini, 50 in Rome. The Company does not have branch offices.

The duration of the Company is until 31 December 2050.

88.06% of the Company's share capital is held by Atlantia SpA (also referred to as "Atlantia"), which is listed on the screen-based trading system (*Mercato Telematico Azionario*) operated by Borsa Italiana SpA. On 12 June 2021, the parent, Atlantia, and Holding Reti Autostradali SpA – the corporate vehicle owned by the consortium consisting of CDP Equity SpA, The Blackstone Group International Partners LLP and Macquarie European Infrastructure Fund 6 SCSp ("HRA") – signed the share purchase agreement regarding the sale of Atlantia's entire stake in Autostrade per l'Italia. Completion of the sale is subject to fulfilment of a number of conditions precedent, including (i) completion of the approval process for the III Addendum and the Settlement Agreement and (ii) the receipt of waivers from the ASPI Group's lenders, including bondholders, including the release of the guarantees provided by Atlantia securing a number of Autostrade per l'Italia's bond issues and borrowings.

At the date of preparation of these separate financial statements, Autostrade per l'Italia is under the legal control of Atlantia, which is listed on the screen-based trading system (*Mercato Telematico Azionario*) operated by Borsa Italiana SpA, which also managed and coordinated the Company pursuant to articles 2497 *et seq.* of the Italian Civil Code until 15 October 2021. On this date, Atlantia informed the Company, among other things, that, at a Board meeting held on 14 October 2021 - in view of its organisational, operational and managerial restructuring, which has led Atlantia to focus on its core activities relating to portfolio management, strategy, risk, talent acquisition, partnership, innovation and sustainability, and following the redefinition of relations with its subsidiaries, which are granted full managerial autonomy - it was decided to cease management and coordination of Autostrade per l'Italia, among others, and consequently to repeal the related Management and Coordination Regulations adopted on 19 January 2018, as subsequently amended by Atlantia's Board of Directors on 15 February 2019. As a result, the Company is no longer managed and coordinated by Atlantia. Atlantia prepares its own consolidated financial statements according to the procedures and timing required by law and publishes it on its website at www.atlantia.com.

At the date of preparation of these separate financial statements, Sintonia SpA is the shareholder that holds a relative majority of the issued capital of Atlantia SpA.

These separate financial statements as at and for the year ended 31 December 2021 were approved by the Company's Board of Directors at its meeting of 8 March 2021.

The Company, which holds significant controlling interests in other companies, also prepares consolidated financial statements for the Group, published together with these separate financial statements.

2. Basis of preparation of the separate financial statements

These separate financial statements as at and for the year ended 31 December 2020, have been prepared on a going concern basis and in accordance with articles 2 and 4 of Legislative Decree 38/2005 and art. 154-ter "Financial reporting" in the Consolidated Finance Act ("CFA"). They have been prepared on the assumption that the Company is a going concern, given that the Company's Board of Directors believes that there is a reasonable expectation that the Company will continue to operate normally in the foreseeable future, and in any event over a period of at least twelve months from 31 December 2021. This reflects that fact that the risk factors and uncertainties present at the time of preparation of the consolidated financial statements as at and for the year ended 31 December 2020 no longer exist. These are summarized below:

- a) relations and outstanding litigation between Autostrade per l'Italia and the Grantor;
- b) the Italian Government's approval of the so-called *Milleproroghe* Decree, above all art. 35 of the Decree, which, among other things, amended the legislation governing the "revocation, forfeiture or termination of road or motorway concessions, including those for toll roads and motorways";
- c) the downgrade of Autostrade per l'Italia's credit rating to below investment grade and of its outlook by the international agencies, Moody's, Fitch and Standard & Poor's, following enactment of art. 35 of the above *Milleproroghe* Decree. In this regard, it should be noted that the downgrade to below investment grade could have exposed – and continues to expose – the Company to the risk that the European Investment Bank ("EIB") and, in relation to its share of the debt, Cassa Depositi e Prestiti ("CDP") might request additional protections, and, were such protections not judged to be reasonably satisfactory, they could request early repayment of the existing debt (€1.6 billion including €1.3 billion guaranteed by Atlantia). The failure to satisfy a request for early repayment from the EIB or CDP, provided that it were lawful, could result in similar requests from the Company's other creditors, including bondholders;
- d) the operational difficulties affecting the Company as a result of the Covid-19 pandemic, and the ensuing restrictions on the movement of people and on business activity imposed by the Italian authorities.

With regard to points a) and b) above (relations with the Grantor and *Milleproroghe* Decree), on 14 October 2021, the Settlement Agreement was signed by the Ministry of Sustainable Infrastructure and Mobility (the *Ministero delle Infrastrutture e della Mobilità Sostenibili*, or "MIMS") and ASPI, bringing an end to the dispute initiated on 16 August 2018 over the Ministry's allegations of serious breaches of the Concession Arrangement following the collapse of a section of the Polcevera road bridge, as described in note 10.7, "Significant legal and regulatory aspects", to which reference should be made. Following this, on 22 December 2021, the Interministerial Committee for Economic Planning and Sustainable Development (*CIPESS*) expressed a favourable opinion on the III Addendum to ASPI's Single Concession Arrangement and the related Financial

Plan for the period 2020-2024, which also includes the content of the Settlement Agreement. Final approval of the overall Framework Agreement – which includes the III Addendum to the Single Concession Arrangement, the related Financial Plan for the period 2020-2024 and the Settlement Agreement – remains subject to, among other things, registration of the related CIPESS determination and the decrees approving the Framework Agreement with the Italian Court of Auditors.

In addition, on 12 June 2021, the parent, Atlantia, and Holding Reti Autostradali SpA – the corporate vehicle owned by the consortium consisting of CDP Equity SpA, The Blackstone Group International Partners LLP and Macquarie European Infrastructure Fund 6 SCSp (“HRA”) – signed the share purchase agreement regarding the sale of Atlantia’s entire stake in Autostrade per l’Italia. Completion of the sale is subject to fulfilment of a number of conditions precedent, including (i) completion of the approval process for the III Addendum and the Settlement Agreement and (ii) the receipt of waivers from the ASPI Group’s lenders, including bondholders, including the release of the guarantees provided by Atlantia securing a number of ASPI’s bond issues and borrowings. At the date of preparation of these consolidated financial statements, talks are ongoing with the EIB with a view to obtaining the necessary changes to the loan agreement. The Company’s other lenders, including its bondholders, have given their consent for the modification of change of control provisions and the removal of Atlantia’s guarantee, where applicable.

With regard to point c) above (the downgrade), at the date of preparation of these consolidated financial statements, neither the European Investment Bank or Cassa Depositi e Prestiti has requested the enforcement of any contractual rights and/or remedies.

Again with regard to the financial position, it should be noted that, following the financial transactions carried out in 2021 and 2022 (new bond issues by Autostrade per l’Italia in January 2021 and January 2022 and agreement of a revolving credit facility amounting to €750 million), together with cash flows from continuing operations, have enabled the Company to strengthen its financial structure and to fund its operations and the expenditure involved in delivering the upgrade and modernisation programme for the motorway network operated under concession.

In response to the decision taken by a General Meeting of Atlantia’s shareholders to approve the Board of Directors’ proposal to sell Atlantia’s entire stake in Autostrade per l’Italia to Holding Reti Autostradali, on 4 June 2021, Fitch upgraded the Company’s rating to Rating Watch Positive. Moreover, on 22 June 2021, Standard & Poor’s also upgraded Autostrade per l’Italia’s credit rating to “BB” with a “Positive Outlook” (from “BB-” with a “Developing Outlook”). Finally, on 22 October 2021, Moody’s upgraded Autostrade per l’Italia’s credit rating to “Ba2” / review for upgrade (from “Ba3” with a “Positive Outlook”).

With regard to point d) above (the Covid-19 pandemic), the Company has included aid receivable for the lockdown period from March to June 2020 in the Financial Plan currently awaiting approval. In this regard, the transport regulator, ART, has devised a method for determining the portion of the impact of Covid-19 that can be recouped through tolls and the corresponding amount has been included in the Financial Plan. The amount of the aid to cover the effects of the pandemic through to 31 December 2021 will be calculated in the first half of 2022, certified by an audit firm and recognised, in the year in which the loss is recognised, via the use of a specific component for additional expenses at the time of periodic revision of the Financial Plan.

The Board of Directors has thus deemed that the above risk factors and uncertainties, both individually and as a whole, present at the date of preparation of these financial statements are surmountable and, as a result, has concluded that these factors are not such as to raise doubts about the ability of the Company to continue as going concerns. For this reason, the separate financial statements as at and for the year ended 31 December 2021 have been prepared on a going concern basis.

Assessment of whether the going concern assumption is appropriate requires a judgement, at a certain time, of the future outcome of events or circumstances that are by nature uncertain. Whilst taking due account of all the available information at that time, this judgement is, therefore, susceptible to change as developments occur, should events that were reasonably foreseeable at the time of the assessment not occur, or should facts or circumstances arise that are incompatible with such events, and that are currently not known or, in any event, not reasonably estimable.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), in force on the balance sheet date, as issued by the International Accounting Standards Board and endorsed by the European Commission. These standards reflect the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), in addition to previous International Accounting Standards (IAS) and previous interpretations issued by the Standard Interpretations Committee (SIC) and still in force at the end of the reporting period. For the sake of simplicity, all standards and interpretations are hereinafter referred to as "IFRS". Moreover, the measures introduced by the CONSOB, in application of paragraph 3 of article 9 of Legislative Decree 38/2005, relating to the preparation of financial statements, have also been taken into account.

The financial statements consist of the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and these notes, applying the historical cost convention, with the exception of those items that are required by IFRS to be recognised at fair value, as explained in the accounting policies for individual items described in note 3, "Accounting standards and policies applied". The statement of financial position is based on the format that separately discloses current and non-current assets and liabilities. The income statement is classified by nature of expense, whilst the statement of cash flows has been prepared in application of the indirect method.

IFRS have been applied in accordance with the "Conceptual Framework for Financial Reporting", and no events have occurred that would require exemptions pursuant to paragraph 19 of IAS 1.

CONSOB Resolution 15519 of 27 July 2006 requires that, in addition to the specific requirements of IAS 1 and other IFRS, financial statements must, where material, include separate sub-items providing (i) disclosure of amounts deriving from related party transactions; and, with regard to the income statement, (ii) separate disclosure of income and expenses deriving from events and transactions that are non-recurring in nature, or transactions or events that do not occur on a frequent basis in the normal course of business.

In this regard, it should be noted that:

- a) no non-recurring, atypical or unusual transactions, having a material impact on the Company's income statement, were entered into during 2021, either with third or related

- parties. As a result, the financial statements therefore only show material amounts in thousands of euros relating to related party transactions;
- b) the financial statements as at and for the year ended 31 December 2021, like those for the comparative period of 2020, include the impact on profit or loss and on the financial position of the non-recurring event that took place in August 2018, relating to the collapse of a section of the Polcevera road bridge on the A10 Genoa-Ventimiglia motorway operated by the Company. The impact on the accounts for 2020 is described in note 5;
 - c) as described in note 5.2, in 2021 the Company signed a settlement agreement with the MIMS designed to bring to a close the dispute arising in relation to the collapse, whilst, on 22 December 2021, the CIPESS expressed a favourable opinion on the III Addendum to ASPI's Single Concession Arrangement and the related Financial Plan for the period 2020-2024, which also includes the content of the settlement agreement. The changes to Autostrade per l'Italia's rights and obligations introduced by the Addendum and the related Financial Plan have substantially modified the terms of the concession arrangement. In response, these consolidated financial statement as at and for the year ended 31 December 2021 reflect the impact of the agreed modifications, described in detail in note 5.2.

Amounts in the statement of financial position, the income statement and the statement of cash flows are shown in euros, whilst amounts in the statement of comprehensive income, the statement of cash flows, the statement of changes in equity and these notes are shown in thousands of euros, unless otherwise indicated.

The euro is both the Company's functional currency and its presentation currency.

With regard to the Covid-19 pandemic, in response to the Recommendation issued by the European Securities and Markets Authority (ESMA) on 28 October 2020, and Warning Notice 9/2020 issued by the CONSOB on 20 July 2020, in order to provide the market with relevant, reliable and transparent disclosure on the current and expected impact on the issuer's financial position, operating performance and cash flows, the disclosures in these notes have been supplemented where appropriate. In addition, note 5.3 has been included to describe the impact on the Company's operating performance of the restrictions on movement introduced by the Government in response to the Covid-19 pandemic.

Each component of the financial statements is compared with the corresponding amount for the comparative reporting period. The comparative amounts have not been restated or reclassified with respect to those previously presented in the financial statements as at and for the year ended 31 December 2020, as no events have occurred or material changes taken place in the accounting standards applied that would result in the need to adjust or reclassify amounts for the previous year.

3. Accounting standards and policies applied

A description follows of the more important accounting standards and policies employed by the Company for its financial statements as at and for the year ended 31 December 2021. These

accounting standards and policies are consistent with those applied in preparation of the financial statements for the previous year, with the exception of the changes to IFRS effective from 2021, details of which are provided in the following section and which have not had an impact on financial statement items.

Reference should also be made to the paragraph, "Going-concern uncertainty and assessment conducted by the Company", in note 2.

Property, plant and equipment

Property, plant and equipment is stated at cost. Cost includes expenditure that is directly attributable to the acquisition of the items and financial expenses incurred during construction of the asset. As permitted by IFRS 1, assets acquired through business combinations prior to 1 January 2004 are stated at previous amounts, as determined under Italian GAAP for those business combinations and representing deemed cost.

The cost of assets with finite useful lives is systematically depreciated on a straight-line basis applying rates that represent the expected useful life of the asset. Each component of an asset with a cost that is significant in relation to the total cost of the item, and that has a different useful life, is accounted for separately. Land, even if undeveloped or annexed to residential and industrial buildings, is not depreciated as it has an indefinite useful life.

Investment property, which is held to earn rentals or for capital appreciation, or both, is recognised at cost measured in the same manner as property, plant and equipment. The relevant fair value of such assets has also been disclosed.

The bands of annual rates of depreciation used in 2021, are shown in the table below by asset class.

Property, plant and equipment	Rate of amortisation
Buildings	3% - 16.7%
Right to use buildings	5.6% - 50%
Industrial and business equipment	10% - 25%
Other assets	12% - 20%
Leasehold improvements	8.3%
Right-of-use assets	20% - 50%

Assets acquired under finance leases are initially accounted for as property, plant and equipment, and the underlying liability recorded in the balance sheet, at an amount equal to the relevant fair value or, if lower, the present value of the minimum payments due under the contract. Lease payments are apportioned between the interest element, which is charged to the income statement as incurred, and the capital element, which is deducted from the financial liability.

Property, plant and equipment is tested for impairment, as described below in the relevant note, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, as described in the specific paragraph, "Impairment of assets and reversals".

Property, plant and equipment is derecognised on disposal. Any gains or losses (determined as the difference between disposal proceeds, less costs to sell, and the carrying amount of the asset) are recognised in profit or loss in the period in which the asset is sold.

Intangible assets

Intangible assets are identifiable assets without physical substance, controlled by the entity and from which future economic benefits are expected to flow, and purchased goodwill. Identifiable intangible assets are those purchased assets that, unlike goodwill, can be separately distinguished. This condition is normally met when the intangible asset: (i) arises from a legal or contractual right, or (ii) is separable, meaning that it may be sold, transferred, licensed or exchanged, either individually or as an integral part of other assets. The asset is controlled by the entity if the entity has the ability to obtain future economic benefits from the asset and can limit access to it by others.

Internally developed assets are recognised as assets to the extent that: (i) the cost of the asset can be measured reliably; (ii) the entity has the intention, the available financial resources and the technical expertise to complete the asset and either use or sell it; (iii) the entity is able to demonstrate that the asset is capable of generating future economic benefits.

Intangible assets are stated at cost which, apart from concession rights, is determined in the same manner as the cost of property, plant and equipment. The cost of concession rights is recovered in the form of payments received from road users and includes the following:

- a) the fair value of construction services and/or improvements carried out on behalf of the Grantor (measured as described in the standard on "Revenue") less finance-related amounts, consisting of: (i) (i) the amount funded by government grants, (ii) the amount that will be unconditionally paid by replacement operators on termination of the concession (so-called "takeover rights"), and/or (iii) any minimum level of tolls or revenue guaranteed by the Grantor. In particular, the following give rise to intangible assets deriving from concession rights:
 - 1) rights received as consideration for specific obligations to provide construction services for road widening and improvement for which the operator does not receive additional economic benefits. These rights are initially recognised at the fair value of the construction services to be provided in the future (equal to their present value, less the portion covered by grants, and excluding any financial expenses that may be incurred during provision of the services), with a contra entry of an equal amount in "Provisions for construction services required by contract", accounted for in liabilities in the statement of financial position. In addition to the impact of amortisation, the initial value of the rights changes over time as a result of periodic reassessment of the fair value of the part of the construction services still to be rendered at the end of the reporting period (equal to their present value, less the portion covered by grants, and excluding any financial expenses that may be incurred during provision of the services;
 - 2) rights received as consideration for construction and/or upgrade services rendered for which the operator receives additional economic benefits in the form of specific toll increases and/or significant increases in the expected number of users as a result of expansion/upgrade of the infrastructure;

- b) rights to infrastructure constructed and financed by service area concession holders which have reverted free of charge to the Company on expiry of the related concessions.

Concession rights, on the other hand, are amortised over the concession term in a pattern that reflects the estimated manner in which the economic benefits embodied in the right are consumed. For this purpose, given that the Company does not expect to obtain material increases in traffic over the concession term, amortisation is calculated on a straight-line basis from the accounting period in which the rights in question begin to generate economic benefits.

Amortisation of other intangible assets with finite useful lives begins when the asset is ready for use and is based on remaining economic benefits to be obtained in relation to their residual useful lives.

The bands of annual rates of amortisation used 2021 are shown in the table below by asset class.

Intangible assets	Rate of amortisation
Concession rights	5.6%
Development costs	20% - 33.3%
Industrial patents and intellectual property rights	10% - 33.3%
Licenses and similar rights	3.3% - 33.3%

Intangible assets are tested for impairment, as described below in the note on impairments and reversals, whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable, as described in the paragraph, "Impairment of assets and reversals".

Gains and losses on the disposal of intangible assets are determined as the difference between the disposal proceeds, less costs to sell, and the carrying amount of the asset and then recognised in profit or loss in the period in which the asset is disposed of.

Business combinations and goodwill

Acquisitions of companies and business units are accounted for using the acquisition method, as required by IFRS 3. For this purpose, identifiable assets and liabilities acquired through business combinations are measured at their fair value at the acquisition date. The cost of an acquisition is measured as the fair value, at the date of exchange, of the assets acquired, liabilities assumed and any equity instruments issued by the Company in exchange for control.

In compliance with IFRS 3, goodwill is initially measured as the positive difference between:

- a) the sum of:
- 1) the acquisition cost, as defined above;
 - 2) fair value at the acquisition date of any previous non-controlling interest held in the acquiree;
 - 3) the value of non-controlling interests held by third parties in the acquire (at fair value or prorated to the current net asset value of the acquire);
- b) the fair value, at the acquisition date, of the identifiable net assets acquired.

- c) The goodwill, as measured on the date of acquisition, is allocated to each of the substantially independent cash generating units or groups of cash generating units which are expected to benefit from the synergies of the business combination. When the expected benefits regard more than one CGU, the goodwill is allocated to all the CGUs.

A negative difference between the cost of the acquisition, as increased by the above components, and the fair value of the net assets acquired is recognised as income in profit or loss in the year of acquisition.

Goodwill on acquisitions of investments is included in the carrying amount of the relevant investment.

If the Company is not in possession of all the information necessary to determine the fair value of the assets acquired and the liabilities assumed, these are recognised on a provisional basis in the year in which the business combination is completed and retrospectively adjusted within twelve months of the acquisition date.

After initial recognition, goodwill is no longer amortised and is carried at cost less any accumulated impairment losses, determined as described in the paragraph, "Impairment of assets and reversals".

IFRS 3 was not applied retrospectively to acquisitions prior to 1 January 2004. As a result, the carrying amount of goodwill on these acquisitions is that determined under Italian GAAP, which is the net carrying amount at this date, subject to impairment testing and the recognition of any impairment losses.

Investments

Investments in subsidiaries, associates and joint ventures are accounted for at cost and include any directly related transaction costs. Impairment losses are identified in accordance with IAS 36, as described below in the note on “Impairment of assets and reversals (impairment testing)”. The impairment is reversed in the event the circumstances giving rise to the impairment cease to exist; the reversal may not exceed the original carrying amount of the investment. Provisions are made to cover any losses of an associate or joint venture exceeding the carrying amount of the investment, to the extent that the shareholder is required to comply with actual or constructive obligations to cover such losses.

Investments in other companies, which qualify as equity instruments as defined by IFRS 9, are initially accounted for at cost at the settlement date, in that, this represents fair value, including any directly attributable transaction costs.

After initial recognition, these investments are measured at fair value through the statement of comprehensive income, with the exception of investments not held for trading and for which, as permitted by IFRS 9, the Company has exercised the option, at the time of purchase, to designate the investment at fair value through other comprehensive income, thus recognising any changes in a specific equity reserve.

Acquisitions or disposals of companies and/or business units between companies belonging to the same group (entities or businesses under common control) are treated, in accordance with IAS 1 and IAS 8, on the basis of their economic substance, with confirmation of the fact that the purchase consideration is determined on the basis of fair value and that added value is generated for all the parties involved, resulting in significant measurable changes in the cash flows generated by the investments transferred before and after the transaction. In this regard:

- a) in the case of the disposal of an intra-group investment, if both requirements to be confirmed are met, the difference between the purchase consideration received and the carrying amount of the investment transferred is recognised in profit or loss. In the other cases, the difference is recognised directly in equity;
- b) in the case of acquisitions of intra-group investments, if both requirements to be confirmed are met, such investments are recognised at cost (as defined above); in the other cases, the investment is accounted for at the same amount at which it was accounted for in the financial statements of the transferee. The difference between the purchase consideration paid and this amount is recognised as an increase/reduction in the value of the investment held in the transferee, or in equity if the transferee is an affiliated company in which no equity is held.

Inventories

Inventories, primarily consisting of stocks and spare parts used in the maintenance and assembly of plant, are measured at the lower of purchase or conversion costs and net realisable value obtained on their sale in the ordinary course of business. The cost of purchase is to be determined using the weighted average cost formula.

Financial instruments

Financial instruments include cash and cash equivalents, derivative financial instruments and financial assets and liabilities (as defined by IFRS 9 and including, among other things, trade receivables and payables). Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument.

Cash and cash equivalents

Cash and cash equivalents are recognised at face value and include highly liquid demand or very short-term instruments of excellent quality which are subject to an insignificant risk of changes in value.

Derivative financial instruments

All derivative financial instruments are recognised at fair value at the end of the year.

As required by IFRS 9, derivatives are designated as hedging instruments when the relationship between the derivative and the hedged item is formally documented and the periodically assessed effectiveness of the hedge is high.

Changes in the fair value of cash flow hedges hedging assets and liabilities (including those that are pending and highly likely to arise in the future) are recognised in the statement of comprehensive income. The gain or loss relating to the ineffective portion is recognised in profit or loss.

Accumulated changes on fair value taken to the cash flow hedge reserve are reclassified in profit or loss in the year in which the hedging relationship ceases.

Changes in the value of fair value hedged assets or liabilities are recognised in profit or loss for the period. Analogously, the hedged assets and liabilities are restated at fair value through profit or loss.

If an entity enters into a fair value hedge to hedge the exposure to changes in the fair value of an asset and/or liability whose changes in fair value are recognised in other comprehensive income, in keeping with the changes in the fair value of the derivative instrument, these changes are also recognised in other comprehensive income for the period.

Changes in the fair value of derivative instruments that do not qualify for hedge accounting under IFRS 9 are recognised in profit or loss.

Financial assets

The classification and related measurement are driven by both the business model in which the financial asset is held and the contractual cash flow characteristics of the asset.

The financial asset is measured at amortised cost subject to both of the following conditions:

- a) the asset is held in conjunction with a business model whose objective is to hold assets in order to collect contractual cash flows; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Receivables measured at amortised cost are initially recognised at the fair value of the underlying asset, after any directly attributable transaction proceeds. The receivables are measured at amortised cost using the effective interest method, less provisions for impairment losses (recognised in profit or loss) for amounts considered uncollectible. The estimate for uncollectible amounts is based on the present value of expected cash-out flows. These cash flows take account of expected collection times, estimated realisable value, any guarantees received, and the expected costs of recovering the amounts due. Impairment losses are reversed in future periods if the circumstances that resulted in the loss no longer exist. In this case, the reversal is accounted for in the income statement and may not in any event exceed the amortised cost of the receivable had no previous impairment losses been recognised.

Trade receivables subject to normal commercial terms and conditions are not discounted to present value.

Financial assets measured at amortised cost include the following receivables arising from assets held under concession:

- a) “takeover rights”, being the amount that will be unconditionally paid by an incoming operator on termination of the concession;
- b) the present value of the minimum tolls guaranteed by the Grantor, representing an unconditional right to receive contractually guaranteed cash payments regardless of the extent to which the public uses the service;
- c) amounts due from public entities as grants or similar compensation relating to the construction of infrastructure (construction and/or upgrade services).

The financial asset is measured at fair value through other comprehensive income if the objectives of the business model are to hold the financial asset to collect the contractual cash flows, or to sell it, and the contractual terms of the financial asset give rise, on specified dates, to cash flows that solely represent a return on the financial asset.

Finally, any remaining financial assets, other than those described above, are classified as held for trading and measured at fair value through profit or loss.

Impairment of financial assets

Assessment of the recoverability of financial assets that are debt instruments measured at amortised cost is conducted by estimating expected credit losses (ECLs), based on expected cash flows. These flows, taking into account the estimated probability of a default occurring, are determined in relation to the expected time needed to recover the amount due, the estimated realizable value, any guarantees received, and the costs that the Company expects to incur in recovering the amounts due.

In the case of amounts due from counterparties where there has not been a significant increase in risk, ECLs are determined on the basis of expected losses in the 12 months after the reporting date. In other cases, the expected losses are estimated through to the end of the financial instrument’s life.

In the case of trade and other receivables, the probability of a default is determined on the basis of internal customer ratings, which are periodically reviewed, including with reference to back-testing.

Financial liabilities

Financial liabilities are initially recognised at fair value, after any directly attributable transaction cost. After initial recognition, financial liabilities are measured at amortised cost using the effective interest method with the exception of those for which the Company irrevocably elects, at the time of recognition, to measure at fair value through profit or loss, so as to eliminate or reduce the accounting mismatch at the time of measurement or recognition, compared with an asset also measured at fair value.

Trade payables subject to normal commercial terms and conditions, or that do not include significant financial components, are not discounted to present value.

If there is a modification of one or more terms of an existing financial liability (including as a result of its novation), it is necessary to conduct a qualitative and quantitative assessment in order to decide whether or not the modification is substantial with respect to the existing contractual terms. In the absence of substantial modifications, the difference between the present value of the modified cash flows (determined using the instrument's effective interest rate at the date of modification) and the carrying amount of the instruments is accounted for in profit or loss. As a result, the value of the financial liability is adjusted and the instrument's effective interest rate recalculated. If the modifications are substantial, the existing instrument is derecognised and the fair value of the new instrument is recognised, with the related difference recognised in profit or loss.

Derecognition of financial instruments

Financial instruments are derecognised in the financial statements when, following their sale or settlement, the Company is no longer involved in their management and has transferred all the related risks and rewards of ownership.

Fair value measurement and the fair value hierarchy

For all transactions or balances (financial or non-financial) for which an accounting standard requires or permits fair value measurement and which fall within the application of IFRS 13, the Company applies the following criteria:

- a) identification of the "unit of account", defined as the level at which an asset or a liability is aggregated or disaggregated in an IFRS for recognition purposes;
- b) identification of the principal market or, in the absence of such a market, the most advantageous market in which the particular asset or liability to be measured could be traded; unless otherwise indicated, it is assumed that the market currently used coincides with the principal market or, in the absence of such a market, the most advantageous market;
- c) definition for non-financial assets of the highest and best use of the asset; unless otherwise indicated, highest and best use is the same as the asset's current use;
- d) definition of valuation techniques that are appropriate for the measurement of fair value, maximising the use of relevant observable inputs that market participants would use when determining the price of an asset or liability;
- e) determination of the fair value of assets, based on the price that would be received to sell an asset, and of liabilities and equity instruments, based on the price paid to transfer a liability in an orderly transaction between market participants at the measurement date;

- f) inclusion of non-performance risk in the measurement of assets and liabilities and above all, in the case of financial instruments, determination of a valuation adjustment when measuring fair value to include, in addition to counterparty risk (CVA - credit valuation adjustment), the own credit risk (DVA - debit valuation adjustment).

Based on the inputs used for fair value measurement, a fair value hierarchy for classifying the assets and liabilities measured at fair value, or the fair value of which is disclosed in the financial statements, has been identified:

- a) level 1: includes quoted prices in active markets for identical assets or liabilities;
- b) level 2: includes inputs other than quoted prices included within level 1 that are observable, such as the following: i) quoted prices for similar assets or liabilities in active markets; ii) quoted prices for similar or identical assets or liabilities in markets that are not active; iii) other observable inputs (interest rate and yield curves, implied volatilities and credit spreads);
- c) level 3: unobservable inputs used to the extent that observable data is not available. The unobservable inputs used for fair value measurement should reflect the assumptions that market participants would use when pricing the asset or liability being measured.

Definitions of the fair value hierarchy level in which individual financial instruments measured at fair value have been classified, or for which the fair value is disclosed in the financial statements, are provided in the notes to individual components of the financial statements.

There are no assets or liabilities classifiable in level 3 of the fair value hierarchy.

No transfers between the various levels of the fair value hierarchy took place during the year.

The fair value of derivative financial instruments is based on expected cash flows that are discounted at rates derived from the market yield curve at the measurement date and the curve for listed credit default swaps entered by the counterparty and the Company, to include the non-performance risk explicitly provided for by IFRS 13.

In the case of medium/long-term financial instruments, other than derivatives, where market prices are not available, the fair value is determined by discounting expected cash flows, using the market yield curve at the measurement date and taking into account counterparty risk in the case of financial assets and the own credit risk in the case of financial liabilities.

Provisions for construction services required by contract and other provisions

“Provisions for construction services required by contract” relate to specific contractual obligations having regard to motorway expansion and upgrading for which the operator receives no additional economic benefit. Since the performance of such obligations is treated as part of the consideration for the concession, an amount equal to the fair value of future construction services (equal to the present value of the services, less the portion covered by grants, and excluding any financial expenses that may be incurred during provision of the services) is initially recognised. The double entry is concession rights for works without additional economic benefits. The fair value of the residual liability for future construction services (equal to their present value, less the portion covered by grants, and excluding any financial expenses that may be incurred during provision of the services) is periodically reassessed and changes to the measurement of the liabilities (such as, for example, changes to the estimated cash outflows necessary to discharge the obligation, a change in the discount rate or a change in the construction period) are recognised

as a matching increase or reduction in the corresponding intangible asset. Any increase in provisions to reflect the time value of money is recognised as a financial expense. The costs incurred during the year, in relation to the effective performance of motorway construction and/or upgrade services for which no additional economic benefits are received, are recognised by nature in individual items in the income statement. Matching entries are made in the income statement item, "Uses of provisions for construction services required by contract", to represent the use of provisions previously made as an indirect adjustment of the costs incurred.

Provisions are made when: (i) the Company has a present (actual or constructive) obligation as a result of a past event; (ii) it is probable that an outflow of resources will be required to settle the obligation; and (iii) the related amount can be reliably estimated.

Provisions are measured on the basis of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the discount to present value is material, provisions are determined by discounting future expected cash flows to their present value at a rate that reflects the market view of the time value of money and the risks specific to the obligation, which are based on the yield on the government securities of the country in which the obligation is to be settled. Subsequent to the computation of present value, the increase in provisions over time is recognised as a financial expense. The costs incurred during the year to settle the obligation are accounted for as a direct reduction in the provisions previously made.

"Provisions for the repair and replacement of motorway infrastructure" cover the liability represented by the contractual obligation to repair and replace assets to be handed over, as required by the concession arrangements entered into with the Grantor, with the aim of ensuring the serviceability and safety of the assets held under concession. These provisions are calculated on the basis of the usage and wear and tear of motorways at the end of the reporting period, taking into account, if material, the time value of money. The provisions are discounted using the same criteria as applied to "Provisions".

Routine maintenance costs are, in contrast, recognised in the income statement when incurred and are not, therefore, included in the provisions.

The provisions for cyclical maintenance include the estimated cost of a single cycle and are determined separately for each category of infrastructure (viaducts, flyovers, tunnels, safety barriers, motorway surfaces). The following process is applied for each category, based on specific technical assessments, the available information, and the current state of motorway traffic and existing materials and technologies:

- a) the duration of the cycle linked to the repair or replacement work is estimated;
- b) the serviceability of the infrastructure is assessed, classifying the various types of intervention based on the state of repair of the infrastructure and the number of years remaining until the scheduled maintenance work;
- c) the cost for each category is determined, based on the verifiable and documented evidence available at the time and comparable work;
- d) the total value of the work included in the relevant cycle is determined;
- e) the provisions at the reporting date are calculated, allocating the cost to the income statement in relation to the number of years remaining until the date of the scheduled maintenance work, in line with the above classification based on the state of repair of the infrastructure, discounting the resulting amount to present value at the measurement date using an interest rate with a duration in line with that of the expected cash flows.

The above effects are recognised in the following income statement items:

- a) the “Operating change in provisions”, reflecting the impact of the revision of estimates as a result of technical assessments (the value of the works to be carried out and the expected timing of such works) and the change in the discount rate used compared with the previous year;
- b) “Financial expenses from discounting of provisions”, reflecting the time value of money, calculated on the basis of the value of the provisions and the interest rate used to discount the provisions to present value at the prior year reporting date.

When the cost of the works is actually incurred, the cost is recognised by nature in individual items in the income statement and the item “Operating change in provisions” reflects use of the provisions previously made.

Employee benefits

Short-term employee benefits, provided during the period of employment, are recognised on an accruals basis as the accrued liability at the end of the reporting period.

Liabilities deriving from medium/long-term employee benefits are recognised in the vesting period, less any plan assets and advance payments made. They are determined on the basis of actuarial assumptions and, if material, recognised on an accruals basis in line with the period of service necessary to obtain the benefit.

Medium/long-term post-employment benefits in the form of defined benefit plans are recognised at the amount accrued at the end of the reporting period.

Post-employment benefits delivered at the same time or after the termination of employment in the form of defined benefit plans are recognised in the vesting period, less any plan assets and advance payments made. Such defined benefit plans primarily regard the obligation as determined on the basis of actuarial assumptions and recognised on an accruals basis in line with the period of service necessary to obtain the benefit. The obligation is calculated by independent actuaries. Any resulting actuarial gain or loss is recognised in full in other comprehensive income in the period to which it relates.

Non-current assets held for sale, assets and liabilities included in disposal groups or held for distribution to shareholders and/or related to discontinued operations

Where, at the end of the period, it is highly likely that the carrying amount of non-current assets held for sale, or of assets and liabilities included in disposal groups or held for distribution to shareholders and/or related to discontinued operations is to be recovered primarily through sale rather than through continued use, these items are presented separately in the statement of financial position.

Immediately prior to being classified as held for sale or for distribution, each asset and liability is recognised under the specific IFRS applicable and subsequently accounted for at the lower of the carrying amount and fair value. Any impairment losses are recognised immediately in the income statement.

Disposal groups or operations held for sale or for distribution are recognised in profit or loss as discontinued operations provided when the following conditions are met:

- a) they represent a major line of business or geographical area of operation;

- b) they are part of a single coordinated plan to dispose of a separate major line of business or geographical area of operation;
- c) they are subsidiaries acquired exclusively with a view to resale.

After tax gains and losses resulting from the management or sale or distribution of such operations are recognised as one amount in profit or loss with comparatives.

Revenue

Revenue is recognised when the fair value can be reliably measured and it is probable that the economic benefits associated with the transactions will flow to the Company. The amount recognised as revenue reflects the consideration to which the Company is entitled in exchange for goods transferred to the customer and services rendered. This revenue is recognised when the performance obligations under the contract have been satisfied.

Depending on the type of transaction, revenue is recognised on the basis of the following specific criteria:

- a) toll revenue is accrued with reference to traffic volumes;
- b) to the extent, for sales of goods, that significant risks and rewards of ownership are transferred to the buyer;
- c) the provision of services is prorated to the percentage of completion of the work, on the basis of the contract revenue and costs that can be reliably estimated with reference to the stage of completion of the contract, in accordance with the percentage of completion method, as determined by a survey of the works carried out or on a cost-to-cost basis. Under this method, contract revenue is matched with the contract costs incurred in reaching the stage of completion, resulting in the reporting of revenue and profit in each reporting period in proportion to the stage of completion. In addition to contract payments, contract revenues include variations, price revisions and any additional payments to the extent that their payment is probable and that their amount can be reliably measured. In the event that a loss is expected to be incurred on the completion of a contract, this loss shall be immediately recognised in profit or loss regardless of the stage of completion of the contract. When service revenue cannot be reliably determined, it is only recognised to the extent that expenses are considered to be recoverable. Any positive or negative difference between the accrued revenue and any advance payments is recognised in assets or liabilities in the statement of financial position, taking into account any impairment recognised in order to reflect the risks linked to the inability to recover the value of work performed on behalf of customers;
- d) rental income or royalties, on an accruals basis, based on the agreed terms and conditions of the contract. This revenue includes amounts generated by the sub-concession of retail and office space to third parties within the motorway infrastructure operated by the Company and, as they substantially equate to the lease of portions of infrastructure, are subject to IFRS 16. This revenue, under existing contractual agreements, is partly dependent on the revenue earned by the sub-operator and, as a result, the related amount varies over time;
- e) interest income (and interest expense) is calculated with reference to amount of the financial asset or liability, in accordance with the effective interest method;
- f) dividend income is recognised when the right to receive payment is established.

Provision of the above services also includes construction and/or upgrade services provided to Grantors, in application of IFRIC 12, and relating to concession arrangements. These revenues represent the consideration for services provided and are measured at fair value, calculated on the basis of the total costs incurred (primarily consisting of the costs of materials and external services, the relevant employee benefits and attributable financial expenses, the latter only in the case of construction and/or upgrade services for which the operator receives additional economic benefits). The double entry of revenue from construction and/or upgrade services is represented by a financial asset (deriving from government grants) or an intangible asset deriving from concession rights.

Government grants

Government grants are accounted for at fair value when: (i) the related amount can be reliably determined and there is reasonable certainty that (ii) they will be received and that (iii) the conditions attaching to them will be satisfied.

Grants related to income are accounted for in the income statement for the accounting period in which they accrue, in line with the corresponding costs.

Grants received for investment in motorways are accounted for as construction service revenue, as explained in the note on the accounting policy for "Revenue".

Any grants received to fund investment in property, plant and equipment and/or intangible assets (other than concession rights) are accounted for as a reduction in the cost of the asset to which they refer and result in a reduction in depreciation.

Income taxes

Income taxes are recognised on the basis of an estimate of tax expense to be paid, in compliance with the regulations in force.

Deferred tax assets and liabilities are determined on the basis of temporary differences between the carrying amounts of assets and liabilities as in the Company's books (resulting from application of the accounting policies described in note 3), and the corresponding tax bases (resulting from application of the tax regulations in force), as follows:

- a) deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the asset can be utilised;
- b) deferred tax liabilities are always recognised (unless the liability derives from the initial recognition of goodwill).

Deferred tax assets and liabilities are calculated on the basis of the tax rate expected to be in effect at the time the related temporary differences will reverse, taking into account any legislation enacted by the end of the reporting period. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer considered probable that there will be sufficient future taxable profits against which the asset can be fully or partially utilised.

Current and deferred tax assets and liabilities are recognised in profit or loss, with the exception of those relating to items recognised directly in equity, and for which the related taxation is also recognised in equity.

In 2021, the parent, Atlantia SpA, again operated a tax consolidation arrangement in which Autostrade per l'Italia participates. For this purpose, relations between Atlantia and participating companies are regulated by a specific contract. This contract establishes that participation in the tax consolidation arrangement may not, under any circumstances, result in economic or financial disadvantages for the participating companies compared with the situation that would have arisen had they not participated in the arrangement. Should such disadvantages arise, they are to be offset by a corresponding indemnity to be paid to the participating companies concerned.

Income tax expense is recognised in current tax liabilities in the statement of financial position, less any payments on account, and includes the portion of IRES transferred to Atlantia under the tax consolidation arrangement. Any tax credits are recognised in current tax assets.

Share-based payments

The cost of services provided by directors and/or employees remunerated through share-based incentive plans, and settled through the award of financial instruments, is based on the fair value of the rights at the grant date. Fair value is computed using actuarial assumptions and with reference to all characteristics, at the grant date (vesting period, any consideration due and conditions of exercise, etc.), of the rights and the plan's underlying securities. The obligation is determined by independent actuaries. The cost of these plans is recognised in profit or loss, with a contra-entry in equity, over the vesting period, based on a best estimate of the number of options that will vest. In case the beneficiaries are administrators and employees of subsidiaries the cost is determined as an increase in the value of the related investment.

The cost of any services provided by Directors and/or employees and remunerated through share-based payments, but settled in cash, is instead measured at the fair value of the liability assumed and recognised in profit or loss, with a contra entry in liabilities, over the vesting period, based on a best estimate of the number of options that will vest. Fair value is remeasured at the end of each reporting period until such time as the liability is settled, with any changes recognised in profit or loss. If the beneficiaries are the directors or employees of subsidiaries, where the Company has an obligation to settle the transaction, the cost is recognised as an increase in the value of the investment.

Impairment of assets and reversals

At the end of the reporting period, the Company tests property, plant and equipment, intangible assets, financial assets and investments for impairment.

If there are indications that these assets have been impaired, the recoverable amounts of such assets are estimated in order to verify and eventually measure the amount of the impairment loss. Irrespective of whether there is an indication of impairment, intangible assets with indefinite lives and those which are not yet available for use are tested for impairment at least annually, or more frequently, if an event has occurred or there has been a change in circumstances that could cause an impairment.

If it is not possible to estimate the recoverable amounts of individual assets, the recoverable amount of the cash-generating unit to which a particular asset belongs is estimated.

This entails estimating the recoverable amount of the asset (represented by the higher of the asset's fair value less costs to sell and its value in use) and comparing it with the carrying amount. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount. In calculating value in use, expected future pre-tax cash flow is discounted using a pre-tax rate that reflects current market assessments of the cost of capital which embodies the time value of money and the risks specific to the business. In estimating an operating CGU's future cash flows, after-tax cash flows and discount rates are used because the results are substantially the same as pre-tax computations.

Impairments are recognised in profit or loss in a variety of classifications depending on the nature of the impaired asset. If there are indications, at the end of the reporting period, that an impairment loss recognised in previous years has been reduced, in full or in part, the recoverability of the carrying amount is tested and any reversal of the impairment loss determined. The reversal may under no circumstances exceed the amount of the impairment loss previously recognised. Impairment losses on goodwill are never reversed.

Estimates and judgements

Preparation of financial statements in compliance with IFRS involves the use of estimates and judgements, which are reflected in the measurement of the carrying amounts of assets and liabilities and in the disclosures provided in the notes to the financial statements, including contingent assets and liabilities at the end of the reporting period. These estimates are primarily used in determining amortisation and depreciation, impairment testing of assets (including the measurement of receivables), provisions, employee benefits, the fair value of financial assets and liabilities, and deferred tax assets and liabilities.

The estimate of the above provisions is by its nature complex and subject to a high degree of uncertainty. This is because it may be influenced by a range of variables and assumptions, including technical assumptions regarding the scheduling and nature of work on the repair, replacement and renewal of individual components of infrastructure. Key assumptions regard the duration of maintenance cycles, the state of repair of assets and the projected costs for each type of intervention.

The amounts subsequently recognised may, therefore, differ from these estimates. Moreover, these estimates and judgements are periodically reviewed and updated, and the resulting effects of each change immediately recognised in the financial statements.

Translation of foreign currency items

Transactions in currencies other than the functional currency are recognised by application of the exchange rate of the transaction date. Assets and liabilities denominated in currencies other than the euro are, subsequently, remeasured by application of the closing exchange rate. Any exchange differences on remeasurement are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies and recognised at historic cost are translated using the exchange rate of the date of initial recognition.

Earnings per share

Basic earnings per share is computed by dividing profit attributable to owners of the parent by the weighted average number of shares outstanding during the accounting period.

Diluted earnings per share is computed by dividing profit attributable to owners of the parent by the above weighted average, also taking into account the effects deriving from the subscription, exercise or conversion of all potential shares that may be issued as a result of the exercise of any outstanding rights.

New accounting standards and interpretations, or amendments of existing standards and interpretations, effective from 1 January 2021

As required by IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, this section describes new accounting standards and interpretations, and amendments of existing standards and interpretations that are already applicable, effective from 1 January 2021. Such changes have not had an impact on amounts in the financial statements for the year, as there were no material changes applicable.

Amendment to IFRS 16 – “Leases Covid-19 -Related Rent Concessions”

Related Rent Concessions”, effective for annual accounting periods beginning on or after 1 June 2020. The changes introduced by the new paragraphs 46A and 46B have added a practical expedient to the paragraph on “Lease modifications”, allowing the lessee to not consider rent concessions, relating to the impact of Covid-19, as a modification of the original terms and conditions of the lease. The above changes must, therefore, be accounted for as if the contract had not been modified, recognising the impact of the rent concessions for which the lessee has applied the practical expedient introduced by paragraph 46A in profit or loss. This expedient does not regard lessors and was to be applied to Covid-19- related relief reducing rentals falling due by 30 June 2021. However, on 31 March 2021, the IASB extended the period of application of the practical expedient until 30 June 2022. The amendment only applies to rent concessions granted as a direct consequence of the Covid-19 pandemic and only when a series of conditions, indicated in paragraph 46B, have been met. Finally, the new paragraph 60A requires lessees applying the expedient to disclose the fact in their financial statements.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 on “Interest Rate Benchmark Reform – Phase 2”

On 27 August 2020, the IASB published the document entitled “Interest Rate Benchmark Reform - phase 2 - (Amendments to IFRS 9, IAS 39 and IFRS 7)”, to take into account the impact of the effective replacement of interest rate benchmarks used in determining existing interest rates with alternative benchmarks. These amendments provide for a temporary relaxation of the requirements ordinarily provided for in IFRS for when the interbank offered rate (IBOR) is replaced by an alternative nearly risk-free rate (RFR).

The amendments include the following practical expedients:

- a) an entity may consider and account for changes to contracts or to contractual cash flows resulting directly from the reform as changes in a variable interest rate, equivalent to a movement in a market interest rate;

- b) an entity may make the changes required by the IBOR reform to the documentation for designating a hedging relationship without having to discontinue with hedging relationship;
- c) an entity is not required to respect the requirements for separate identification when an RFR is designated as a hedge of a risk component.

New accounting standards and interpretations, or revisions and amendments of existing standards, that have either yet to come into effect or are yet to be endorsed

As required by IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, this section describes new accounting standards and interpretations, and amendments of existing standards and interpretations that are already applicable, that have yet to come into effect as at 31 December 2021, and that may in the future be applied in the Company's financial statements.

Amendments to IAS 1 – Presentation of Financial Statements – Classification of liabilities as current or non-current

On 23 January 2020, the IASB published a document entitled "Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current", with the amendments to applicable to annual accounting periods beginning on or after 1 January 2023, unless otherwise decided at the time of endorsement by the European Commission. The IASB has clarified the criteria to be used in order to determine if a liability is to be classified as current or non-current. The amendments aim to enable consistent application of the requirements, helping entities to determine if debt, and other liabilities with an uncertain settlement date, should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments also clarify the classification requirements for debt a company might settle by converting it into equity.

Amendments to IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets; Annual Improvements 2018-2020

On 14 May 2020, the IASB issued a document entitled "Amendments to (i) IAS 16 Property, Plant and Equipment; (ii) IAS 37 Provisions, Contingent Liabilities and Contingent Assets (iii) Annual Improvements to IFRS Standards 2018-2020". The amendments applicable to annual accounting periods beginning on or after 1 January 2022, unless otherwise decided at the time of endorsement by the European Commission. In particular:

- (i) with the "Amendments to IAS 16 - Property, Plant and Equipment", the IASB has introduced a number of clarifications, prohibiting entities from deducting from the cost of property, plant and equipment amounts received from selling items produced while the entity is preparing the asset for its intended use. Instead, entities must recognise such sales proceeds and related cost in profit or loss;
- (ii) with the "Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets", the IASB has clarified which costs an entity shall consider in assessing whether a contract is onerous;
- (iii) finally, with the "Annual Improvements to IFRS Standards 2018–2020", changes have been made to: (1) IFRS 1 - First-time Adoption of IFRS; (2) IFRS 9 Financial Instruments. The amendment clarifies that, when conducting the "10 per cent" test, provided for in paragraph B3.3.6 of IFRS 9, to assess if the modifications made to a financial liability are

material (and, thus, resulting in derecognition), an entity must include only fees paid or received between the entity and the lender.

Amendments to IAS 1 – Presentation of Financial Statements – Disclosure of Accounting Policies, and to IAS 8 – Accounting policies, Change in Accounting estimates and Errors – Definition of Accounting Estimates

On 12 February 2021, the IASB published two amendments named “Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2” and “Definition of Accounting Estimates - Amendments to IAS 8”. The changes are designed to improve disclosure of the accounting policies used, providing more useful information to investors and other primary users of financial statements and helping companies to distinguish changes in estimates from changes in accounting policy.

The amendments are effective from 1 January 2023, but early adoption is permitted.

Amendments to IAS 12 – Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

On 7 May 2021, the IASB published an amendment to IAS 12. The document clarifies how to account for deferred tax on certain transactions that can generate assets and liabilities of the same amount, such as leases and decommissioning obligations.

The amendments are effective from 1 January 2023, but early adoption is permitted.

Based on the assessment conducted to date, the Company does not expect the above revisions and amendments to have a material impact.

4. Concessions

The Single Concession Arrangement executed by the Company and ANAS (whose role as Grantor was assumed by the Ministry of Sustainable Infrastructure and Mobility from 1 October 2012) on 12 October 2007 and approved by Law 101/2008. Its purpose is the construction and operation of the motorways for which the concession is granted. The Single Concession Arrangement terminates on 31 December 2038.

Very briefly, the concession gives the Company, on the one hand, the right to retain tolls collected from motorway users, less the concession fees payable to ANAS, with such tolls being revised annually based on a toll formula contained in the Single Concession Arrangement, while, on the other hand, requiring the Company to upgrade and modernise the motorway infrastructure operated under concession and provide maintenance and operating services.

At the end of the concession term, the operator shall hand over the motorway operated under the concession and the related assets free of charge to the Grantor in a good state of repair and unencumbered.

On 24 December 2013 the Grantor and Autostrade per l'Italia signed an Addendum to the Single Concession Arrangement. This document contained the five-yearly revision of the financial plan annexed to the Arrangement, as provided for by art. 11 of the Arrangement. The above Addendum was approved by a ministerial decree of 30 December 2013 and was registered with the Italian Court of Auditors on 29 May 2014.

Furthermore, as described in detail in note 9.5, "Significant legal and regulatory aspects", on 22 December 2021, the Interministerial Committee for Economic Planning and Sustainable Development (*CIPRESS*) expressed a favourable opinion on the III Addendum to the Single Concession Arrangement agreed by ASPI and the MIMS and the related Financial Plan for the period 2020-2024. In order to complete the approval process for the overall Framework Agreement, the results of a review of compliance with the law by the Court of Auditors is awaited.

Further details of significant regulatory developments during the year are provided in note 9.5, "Significant legal and regulatory aspects".

Autostrade per l'Italia's investment programme included in the Financial Plan, which is in the process of being approved, includes a total commitment of €27.4 billion. This includes €0.9 billion in unremunerated investment in the Liguria area under the Settlement Agreement between the Ministry of Sustainable Infrastructure and Mobility and ASPI bringing to an end the dispute over alleged serious breaches. This consists of:

- planned investment in "Major Works" (including the works referred to in the Concession Arrangement of 1997, the IV Addendum of 2002, the motorway upgrade services and improvements included in paragraph C3, construction of the third and fourth lanes provide for in art. 15, and improvements to the road network in Genoa), amounting to €21.2 billion;
- the programme including "Other investment" in the existing motorway and the noise abatement plan, totalling €3.5 billion;
- further works relating to the new plan for the upgrade and improvement of the network, amounting to a total of €2.7 billion.

As at 31 December 2021, investment amounting to approximately €14.4 billion has been carried out.

The item, “Current provisions for fines and penalties under the Single Concession Arrangement”, in the statement of financial position reflects estimated fines and penalties that may be imposed on the Company by the Grantor, in connection with alleged breaches of the concession terms and conditions and/or non-fulfilment of its obligations under Annex N of the existing Concession Arrangement. In this regard, Autostrade per l’Italia has brought five actions before Lazio Regional Administrative Court, contesting the application of fines and penalties. A detailed analysis of the provisions is contained in note 6.12, “Provisions”.

The following table lists the sections of motorway operated under the concession as at 31 December 2021.

Section of motorway	Kilometres in service
A1 Milan – Naples ^(*)	803.5
A4 Milan – Brescia	93.5
A7 Genoa – Serravalle	50.0
A8/9 Milano – lakes	77.7
A8 / A26 link road	24.0
A10 Genoa – Savona	45.5
A11 Florence – Pisa North	81.7
A12 Genoa – Sestri Levante	48.7
A12 Rome – Civitavecchia	65.4
A13 Bologna – Padua	127.3
A14 Bologna – Taranto	781.4
A16 Naples – Canosa	172.3
A23 Udine – Tarvisio	101.2
A26 Genoa – Gravellona Toce	244.9
A27 Mestre – Belluno	82.2
A30 Caserta – Salerno	55.3
Total	2,854.6

^(*) including 32 km upgraded through the doubling of capacity via construction of new carriageway (*Variante di Valico*).

5. Events and corporate actions

5.1 Acquisition of control of Pavimental

The acquisition of control of Pavimental SpA, a company that provides services for the construction, maintenance, repair and modernisation of the motorway network, was completed in 2021, following the purchase of a 79.4% stake previously held by Atlantia (59.4%) and Aeroporti di Roma SpA (20%), at a total cost of €14,689 thousand. The price paid was confirmed by an independent expert appraisal.

Following the purchase, Autostrade per l'Italia holds a total interest of 99.4% in Pavimental.

5.2 Events of 14 August 2018 relating to the collapse of a section of the Polcevera road bridge in Genoa and developments in the legal and regulatory framework

Events of 14 August 2018 relating to the collapse of a section of the Polcevera road bridge in Genoa and resulting impact on the financial statements

With regard to the collapse of a section of the Polcevera road bridge (the "road bridge") on the A10 Genoa-Ventimiglia motorway operated by Autostrade per l'Italia (the "operator") on 14 August 2018, already dealt with in the financial statements for previous years, this section describes developments in 2021 and the resulting impact on the accounts. Developments relating to legal and regulatory aspects are described below in note 9.5, "Significant legal and regulatory aspects".

In line with the accounting treatment used in previous years and with regard to the costs closely connected with the above collapse, in 2021, Autostrade per l'Italia proceeded to:

- 1) recognise costs of €93,050 thousand, as a result of requests from the Special Commissioner to fund reconstruction of the road bridge (€87,512 thousand) and other expenses (€5,538 thousand). The reconstruction costs are entirely covered by use of "Provisions for the repair and replacement of motorway infrastructure" previously set aside from 2018, and its impact on the income statement for 2021 has been offset by indirect use of the above provisions in the "Operating change in provisions";
- 2) pay a total of €13,203 thousand directly from existing "Other provisions for risks and charges" in the form of compensation for a number of the families of victims impacted by the collapse of the road bridge, in grants for small businesses and firms hit by the collapse and to cover the cost of consultants' fees and legal expenses linked to actions undertaken to protect the Company's rights and those of its employees who are under investigation.
- 3) make further provisions of €38,557 thousand to "Other provisions for risks and charges", following an updated estimate of the cost of consultants' fees and legal expenses linked to actions undertaken to protect the Company's rights and those of its employees who are under investigation, and a review of the legal risks relating to existing litigation and for compensation payable to the victims and the injured.

In particular, it should be noted that an obligation on the part of Autostrade per l'Italia to reconstruct the bridge was identified. In this regard, in accordance with the accounting treatment applied by the Company, a series of expenses resulting from the events in question were already

recognised in the consolidated income statements for 2018 and 2019, as detailed in the notes to relevant financial statements.

As described in the above notes, with regard to the method of accounting for risks and charges connected with “direct” and “indirect” damages, the following should be noted:

- a) so-called “direct damages”, meaning damages directly linked to the events as a direct and immediate consequence of the collapse of the road bridge and regardless of any theoretical hypothesis on the cause of the collapse, may be divided into two types: (i) the costs connected with demolition and reconstruction, including the payment of compensation to the businesses located beneath the road bridge, for which the Parent Company has made provision in the “Provisions for the repair and replacement of motorway infrastructure”; and (ii) the charges related to the compensation paid to the victims’ families and to the injured, which have been accounted for in “Other provisions for risks and charges”;
- b) with regard to so-called “indirect damages” hypothetically identified in relation to the collapse, it should be noted that, as regards determination of the probability of an adverse outcome and, as a result, identification of the accounting category provided for in IAS 37 (provisions or a contingent liability) with which it is reasonable to associate the legal risks in question, the Company’s considerations are based on, and are in consistent with, a series of technical and legal opinions from professionals specialising in the related areas, in which the circumstances surrounding the collapse of the road bridge and the related disputes have been analysed in detail in order to estimate the probability of an adverse outcome for Autostrade per l’Italia and the expected value of any liabilities in the event of such an outcome.

With regard to the “indirect damages”, the opinions received provide useful, if not decisive, elements on which Autostrade per l’Italia has based its judgement as to how to account for the charges, as either provisions or a contingent liability. This means assessing the degree to which it is likely that an adverse outcome will occur as a result of the disputes and the possibility of arriving with reasonable certainty at an estimate of the size of the loss connected with the occurrence of this event.

The above technical and legal opinions have demonstrated that it is currently impossible to construct an ex-ante hypothesis, and that it will be necessary to assess the concrete evidence that may emerge from time to time, and that, as to any identification of the entity responsible for the event, the Parent Company has not been identified as being responsible for the occurrence of the event in any final court or out-of-court ruling.

Thus, based on the fact that:

- a) it is not possible to construct an ex-ante hypothesis regarding the Autostrade per l’Italia’s responsibility for the occurrence of the event, nor, as a result, regarding whether or not any damages are due or the size of any damages;
- b) at the present time, there are further causes of uncertainty regarding whether or not any damages are due, or the size of any damages payable by the Company, in view of the disputes arising as a result of the assessments currently being conducted by the Company’s insurance providers in relation to the collapse of the road bridge;

and that, from an accounting point of view, the conditions set out in paragraph 14 of IAS 37 have not been met, it is not possible to recognise provisions in “Other provisions for risks and charges”.

With regard to the above costs of €93,050 thousand recognised in 2021, and more generally to the commitment assumed by the Company in relation to reconstruction of the San Giorgio road bridge (described later in this section), it should be noted that the Company has reclassified the sum of €76,817 thousand from “Other current provisions for risks and charges” to “Current provisions for the repair and replacement of motorway infrastructure” made in previous years. This amount relates to:

- a) additional funds requested by the Special Commissioner for Genoa with regard to reconstruction of the San Giorgio road bridge, amounting to €24,751 thousand;
- b) the decision to expense refundable VAT of €52,066 thousand relating to work on reconstruction of the road bridge carried out in previous years, following the Italian tax authority’s refusal to allow the Company’s claim for a refund.

As at 31 December 2021, the following provisions have been recognised in the financial statements in relation to the above charges:

- a) “Provisions for the repair and replacement of motorway infrastructure”, totalling €14,041 thousand;
- b) “Other provisions for risks and charges”, amounting to €41,476 thousand.

Developments in the legal and regulatory framework and resulting impact on the financial statements

As described in greater detail in the notes to the financial statements for previous years, and above all in those for 2020, following the Grantor’s initiation of a dispute over serious breaches of the Company’s concession arrangement following the previously described collapse of a section of the Polcevera road bridge in Genoa, the parties engaged in lengthy talks with a view to agreeing on a settlement of the dispute. This led Autostrade per l’Italia and the Grantor to draw up a Framework Agreement reflected in a Settlement Agreement, an Addendum to the Concession Arrangement and the Financial Plan (annexed to the Addendum). The above documents are to be viewed as interdependent components designed to settle all aspects of the dispute.

The Framework Agreement therefore consists of the following documents that, together, constitute a settlement covering all aspects of the dispute:

- a) a Settlement Agreement bringing to a close the dispute over alleged serious breaches;
- b) the Addendum to the Concession Arrangement;
- c) the Financial Plan (annexed to the Addendum).

In detail:

- a) the Settlement Agreement, signed on 14 October 2021, establishes €3.4 billion as the total amount of expenditure that Autostrade per l’Italia will cover at its own expense in order to settle the dispute over alleged serious breaches. This commitment, which thus represents the total cost of the agreement, was modified over time at the request of the MIMS and now consists of the following individual items of expenditure to be carried out: a) €1,108 million for specific projects in the Liguria and Genoa areas; b) €1,200 million for unremunerated investment in the infrastructure operated under concession in the

regulatory period 2020 – 2024; c) €509 million for toll discounts for road users; d) €583 million in expenses to be incurred by Autostrade per l'Italia in relation to reconstruction of the San Giorgio road bridge and other associated expenses;

- b) the Addendum to the Single Concession Arrangement sets out and governs the necessary changes to the Arrangement in order to apply the tariff mechanisms introduced into the tariff framework by the transport regulator (“ART”) with determination 71/2019 of 19 June 2019, and to include the changes, resulting from the settlement agreement, to the articles relating to termination of the concession relationship (in accordance with articles 9 and 9-bis of the Single Concession Arrangement);
- c) finally, the Financial Plan that reflects, after taking into account the new tariff framework introduced by ART, the commitments assumed and the investment agreed on by the Company and the Grantor and all the obligations and undertakings agreed to by the parties within the settlement agreement. As a result, the Financial Plan also reflects the sum of €1.2 billion relating to the Extraordinary Maintenance Plan requested by the MIMS, which includes certain maintenance works, to be remunerated, deriving from new requirements or decisions adopted by the Grantor. This Plan is additional to the operator’s “normal” maintenance obligations as it regards specific requests from the Grantor with the aim of raising maintenance standards. For this reason, the Extraordinary Maintenance Plan is remunerated, with the costs included in the construction charge component of tolls introduced by ART’s new tariff framework. This Extraordinary Maintenance Plan, to be remunerated through tolls under the final version of the Financial Plan, was included in the costs to be covered by ASPI at its own expense in previous versions of the settlement agreement. This has now been replaced in the agreement by an equivalent amount of unremunerated investment.

The Framework Agreement began to be put into practice and produce initial effects in 2021 through the following events:

- a) formal signature of the Settlement Agreement by Autostrade per l'Italia and the MIMS on 14 October 2021;
- b) a favourable opinion from the Interministerial Committee for Economic Planning and Sustainable Development (*CIPRESS*) on the above Addendum to the Single Concession Arrangement agreed by ASPI and the MIMS on 12 October 2007 and the related Financial Plan for the period 2020-2024, which, as noted above, includes, among other things, the content of the settlement agreement referred to in point a).

The Framework Agreement establishes a series of rights and obligations for Autostrade per l'Italia in relation to events that took place prior to signature of the agreement. This has involved mutual recognition of aspects regarding transactions and activities carried out and/or taking place in previous years, starting from 2019, above all with regard to tariffs, the cost of operating the infrastructure and investment. As a result, taking into account this latter aspect and the substantial effectiveness of the Framework Agreement in 2021, it was deemed necessary to reflect the resulting effects during preparation of the financial statements as at and for the year ended 31 December 2021.

In this regard, the above accounting effects may only be recognized from 1 January 2021 given that, as noted above:

- a) the Framework Agreement has retroactively redefined the Company's rights and obligations, including for periods prior to signature of the Agreement;
- b) the agreed changes represent neither the correction of an error or a change in accounting policies and standards adopted by Autostrade per l'Italia (a restatement), and it is therefore not possible to restate amounts in the income statement or statement of financial position included in the financial statements as at and for the year ended 31 December 2020, when a different arrangement with the Grantor was in place.

With regard to the most significant aspects for accounting purposes, compared with the information provided in the financial statements as at and for the year ended 31 December 2020, the following should be noted:

- a) the impact of adoption of a new tariff mechanism, in compliance with the approach indicated by ART in Determination 71/2019, which has introduced a number of radical changes with the respect to the terms of the Company's Single Concession Arrangement dated 12 October 2007;
- b) Autostrade per l'Italia's commitment to carry out €1.2 billion of unremunerated investment in the infrastructure operated under concession in the period from 2020 to 2024, under the terms of the Settlement Agreement;
- c) recognition, within the Financial Plan, of the works included in the Extraordinary Maintenance Plan (€1.2 billion) in the construction charge component of tolls, in common with other investment.

With regard to point a), the above Determination introduces a number of changes to way that the tariffs to be applied on the motorway network operated by the Company are determined. The resulting tolls are made up of the following two components:

- an "operational charge" component, to recover (i) the Company's eligible operating costs, and (ii) its cost of capital (amortisation and the return on invested capital) for the assets used in managing the concession that are non-reversible at the end of the concession relationship;
- a "construction charge" component, designed to recover the cost of capital (amortisation and the return on invested capital) for assets that are reversible at the end of the concession relationship, also including the value of all the infrastructure built in accordance with the investment plans included in the concession, including any takeover value payable to Autostrade per l'Italia by the incoming operator. This component also includes, for regulatory purposes, the remuneration of the goodwill initially recognised by the Company as a result of the transaction that took place in 2003 when the motorway assets of the former Autostrade – Concessioni e Costruzioni were transferred to Autostrade per l'Italia. For regulatory purposes, this goodwill is amortised over the concession term.

In substance, therefore, the new mechanisms introduced by the Determination, insofar as they relate to the above components, provide remuneration for all the construction and/or upgrade services through tolls. These include those for which until now the Company did not recognise additional economic benefits (in terms of remuneration of the services provided, as described in note 3), and those that already benefit from remuneration. This sum was, therefore, until the year ended 31 December 2020, classified in the financial statements in "concession rights" for which additional economic benefits were or were not received, net of "Provisions for construction services required by contract", representing the present value of construction services to be

performed in the future. Based, therefore, on the provisions in the Determination and reflected in the Framework Agreement, there is no longer a distinction between concession rights for which no additional benefits are received and those for which additional benefits are received, given that all investment is eligible for remuneration. In addition, as there is no longer an obligation to perform specific upgrade or construction services not giving rise to the right to receive remuneration through tolls, the need to recognise “Provisions for construction services required by contract” no longer applies.

As a result, following introduction of the new regulatory framework with effect from 1 January 2021, the carrying amount of “Provisions for construction services required by contract” (totalling €2,540 million) has been reclassified as a direct reduction in concession rights for which no additional economic benefits are received accounted for in assets. Moreover, within this category of asset, the net remaining amount of concession rights for which no additional economic benefits are received has been reclassified to those for which additional benefits are received.

With regard to the works included in point b) above, unremunerated investment of €1.2 billion – provided for in the Settlement Agreement of 14 October 2021 – represents a specific component of the overall cost of €3.4 billion to be borne by Autostrade per l’Italia in order to bring to a close the dispute over serious breaches. This commitment, which thus represents the total cost of the agreement, had already been reflected in the financial statements for previous years, up to the above amount of €3.4 billion, in the following components of the income statement of statement of financial position:

- a) €2.2 billion in provisions for risks and charges, after the expenses already incurred for reconstruction of the Polcevera road bridge and the associated costs;
- b) €1.2 billion, based on the rights and obligations under the Single Concession Arrangement in force at that time, in “Provisions for the repair and replacement of motorway infrastructure” (after amounts already spent up to 31 December 2020), in relation to the new commitment assumed by the Company to perform the related services.

However, with regard to point 2), the new Financial Plan provides that the Extraordinary Maintenance Plan should be remunerated via the construction charge. The costs included in this plan are therefore similar to new construction services giving rise to specific additional economic benefits through tolls. In addition, on a par with other upgrades and improvements included in the construction charge, the plan does not constitute a separate performance obligation, as it is not separable or identifiable in the toll charged to customers.

As a result, within the overall cost of €3.4 billion to be borne by Autostrade per l’Italia in order to bring to a close the dispute over serious breaches, it was agreed that the amount of €1.2 billion for the above extraordinary maintenance should be replaced by a matching amount of unremunerated investment in the Settlement Agreement signed on 14 October 2021.

In this regard, without affecting the overall cost to Autostrade per l’Italia of €3.4 billion in the Settlement Agreement, the following impacts have been recognised with reference to 1 January 2021:

- in terms of the works included in the Extraordinary Maintenance Plan: (i) an increase of €439 million in intangible assets deriving from concession rights for which additional economic benefits are received, representing works already carried out as at 1 January 2021, and a reduction in “Provisions for the repair and replacement of motorway infrastructure” of €761

- million, representing the remaining works to be carried out at that date, which as noted are to be remunerated through tolls and cannot therefore be included in the provisions;
- with regard to unremunerated investment: (i) a reduction of €489 million in intangible assets deriving from concession rights for which additional economic benefits are received, to take into account investment carried out through to 1 January 2021 (and that will no longer be remunerated) and an increase of €711 million in “Other provisions for risks and charges”, representing the remaining investment to be carried out by Autostrade per l’Italia as at 1 January 2021.

To complete the analysis, the following table summarises the adjustments to carrying amounts as at 1 January 2021:

€m		31 December 2020	Adoption of new tariff framework (ART)	Remuneration through tolls of the €1.2 billion extraordinary maintenance plan	Company's assumption of the cost of unremunerated investment amounting to €1.2 billion	1 January 2021
		A	B	C	D	A+B+C+D
Statement of financial position	Total assets	19,785	-2,540	439	-489	17,195
	<i>of which</i>					
	<i>Intangible assets deriving from concession rights for which additional economic benefits are received</i>	3,168	4,614	439	-489	7,732
	<i>Intangible assets deriving from concession rights for which no additional economic benefits are received</i>	7,154	-7,154			-
	Total liabilities	-19,785	2,540	761	-711	-17,195
	<i>of which</i>					
	<i>Provisions for construction services required by contract (current and non-current portions)</i>	-2,540	2,540			-
<i>Provisions for the repair and replacement of motorway infrastructure (current and non-current portions)</i>	-1,743		761		-982	
<i>Provisions for risks and charges relating to settlement with MIMS</i>	-1,721			-711	-2,432	
	Net invested capital	-	-	1,200	-1,200	-
Income statement	Gains/(Losses) on first-time application of the Framework Agreement		-	1,200	-1,200	-

With regard to the total cost of €3.4 billion to be borne by the Company under the settlement agreement in order to bring to a close the dispute over serious breaches, in line with the above accounting treatment, this amount has been accounted for in “Other provisions for risks and charges”. This cost refers to:

- a) €509 million in toll discounts and other initiatives for the benefit of road users. With regard to this amount, discounts and exemptions totalling €87 million were applied in 2021, whilst €30 million was incurred by Autostrade per l’Italia in 2020. As at 31 December 2021, therefore, the remaining commitment amounts to €392 million;
- b) €1,108 million for work in the Liguria area, including €930 million in unremunerated investment. With regard to this commitment, no expenses had been recognised through to 31 December 2021 and, therefore, the remaining commitment amounts to €1,108 million;
- c) €583 million relating to the expenses incurred by the operator in connection with demolition and reconstruction of the Polcevera road bridge. With regard to reconstruction of the road bridge, which was reopened to traffic in August 2020, a total of €460 million has been paid at the request of the Special Commissioner for Genoa to fund reconstruction of the San

Giorgio road bridge. In addition, exemptions from the payment of tolls in the Genoa area cost a total of €42 million in the period from 2018 to 2020 and other expenses relating to reconstruction of the road bridge amount to €43 million. As a result, the remaining commitment updated to 31 December 2021 amounts to €39 million (€14 million in the current portion of “Provisions for the repair and replacement of motorway infrastructure” and €25 million in the current portion of “Other provisions for risks and charges”);

- d) €1,200 million for the unremunerated investment plan to be carried out in the period 2020 – 2024, with the cost to be borne entirely by the Company. This commitment was included in “Other provisions for risks and charges”, in place of the same amount of €1.2 billion linked to the Extraordinary Maintenance Plan, which had previously been included in the “Provisions for the repair and replacement of motorway infrastructure”. Unremunerated investment amounting to €299 million was carried out in 2021, compared with €489 million in 2020. As at 31 December 2021, therefore, the remaining commitment amounts to €412 million.

5.3 Impact of the Covid-19 pandemic

As described in the financial statements as at and for the year ended 31 December 2020, from the end of February 2020, the restrictions on movements imposed by numerous governments in response to the global spread of the Covid-19 pandemic have resulted in a drastic fall in traffic volumes.

Traffic using Autostrade per l'Italia's network in 2021 is up 23.1% compared with 2020, thanks to the relaxation in 2021 of the restrictions on movement introduced by the Government authorities. Despite this, traffic remains below the pre-crisis levels of 2019 (down 10.3%).

Moreover, as previously disclosed in the notes to the separate financial statements for 2020, the Company responded to the fall in traffic from 2020 by taking rapid steps to implement cost efficiencies, whilst not reducing expenditure on the maintenance and safety of the Company's infrastructure. It also adopted the measures made available by the authorities in order to protect their workers. These included use of the ordinary wage guarantee fund or *CIGO*, limited to 2020, in addition to the adoption of a series of financial initiatives designed to support service area operators.

Finally, as also reported in note 9.5, “Significant legal and regulatory aspects”, the Transport Regulator has established a method for calculating the aid available to operators in order to partially recover the losses incurred as a result of the state of emergency through tolls.

The amount of the aid to cover the effects of the pandemic through to 31 December 2021 will be calculated in the first half of 2022, certified by an audit firm and recognised, in the year in which the loss is recognised, via the use of a specific component for additional expenses at the time of periodic revision of the Financial Plan.

The progressive impact relating to the expiry of the state of emergency, and any further impact resulting from a prolongation of the emergency, will be quantified and settled in accordance with the procedure drawn up on the basis of the indications provided in the above notes from ART dated 4 May and 15 July 2021.

6. Notes to the statement of financial position

The following notes provide information on items in the statement of financial position as at 31 December 2021. Comparative amounts as at 31 December 2020 are shown in brackets.

Details of amounts in the statement of financial position deriving from related party transactions are provided in note 9.3, "Related party transactions".

6.1 Property, plant and equipment - €91,537 thousand (€79,141 thousand)

The following table provides details of property, plant and equipment at the beginning and end of the period, showing the original cost and accumulated depreciation at the end of the period.

€000	31 December 2021			31 December 2020		
	Cost	Accumulated depreciation	Carrying amount	Cost	Accumulated depreciation	Carrying amount
Property, plant and equipment	355,108	-269,021	86,087	328,201	-255,495	72,706
Investment property	17,690	-12,240	5,450	19,150	-12,715	6,435
Total property, plant and equipment	372,798	-281,261	91,537	347,351	-268,210	79,141

The following table shows amounts at the beginning and end of the period for the different categories of asset, and the related changes in the carrying amounts.

€000	Carrying amount as at 31 December 2020	CHANGES DURING THE YEAR							Carrying amount as at 31 December 2021
		Additions due to purchases and capitalisations	Assets entering service	Reductions due to disposals (cost)	Reclassifications (cost)	Additions (accumulated depreciation)	Reductions due to disposals (accumulated depreciation)	Reclassification (accumulated depreciation)	
Land	1,107	-	-	-	32	-	-	-	1,139
Buildings	14,798	770	-	-	1,428	-1,004	-	-796	15,196
Right to use buildings	7,700	21,251	-	-	-13,365	-3,458	-	1,158	13,286
Right to use plant and machinery	356	-	-	-	-534	-	-	-	178
Industrial and business equipment	21,110	11,143	1,086	-8,039	330	-10,055	7,895	-33	23,437
Other assets	16,020	5,403	73	-194	-330	-6,317	193	33	14,881
Right to use other assets	1,515	3,888	-	-	-78	-1,198	-	62	4,189
Property, plant and equipment under construction and advance payments	10,100	2,545	-1,159	-	-	-	-	-	11,486
Leasehold improvements	-	2,657	-	-	-	-184	-	-	2,473
Property, plant and equipment	72,706	47,657	-	-8,233	-12,517	-22,216	8,088	602	86,087
Land	437	-	-	-	-32	-	-	-	405
Buildings	5,998	-	-	-	-1,428	-321	-	796	5,045
Investment property	6,435	-	-	-	-1,460	-321	-	796	5,450
Total property, plant and equipment	79,141	47,657	-	-8,233	-13,977	-22,537	8,088	1,398	91,537

Investment property refers to portions of buildings and land not used in operations and leased (primarily to Atlantia Group companies). The properties are valued at cost. The total fair value of these assets is estimated to be €26 million, based on independent appraisals and information on property markets relevant to these types of investment property, and is higher than the corresponding carrying amount.

The properties generated rental income of €4,495 thousand in 2021, compared with direct maintenance and management costs of €4,304 thousand.

There were no significant changes in the expected useful lives of these assets during 2021.

Finally, as at 31 December 2021, property, plant and equipment is free of mortgages, liens or other collateral guarantees restricting use.

Right-of-use assets relating to property, plant and equipment amount to €17,475 thousand as at 31 December 2021 and primarily regard:

- a) the rental of properties for use as guest accommodation and for office (€13,286 thousand);
- b) long-term lease contracts for motor vehicles (€4,189 thousand).

The effective duration of the contracts is between 2 and 17 years, after taking into account extension options available to the Company.

Right-of-use assets relating to buildings amounting to €10,917 thousand and right-of-use assets relating to plant and equipment amounting to €534 thousand were reclassified to loans and receivables in 2021, reflecting the sub-leases entered into by ASPI with the subsidiaries, Tecne and FreeToX.

6.2 Intangible assets - €14,450,184 thousand (€16,568,314 thousand)

The following table provides details of property, plant and equipment at the beginning and end of the period, showing the original cost and accumulated amortisation at the end of the period.

€000	31 December 2021			31 December 2020		
	Cost	Accumulated amortisation	Carrying amount	Cost	Accumulated amortisation	Carrying amount
Intangible assets deriving from concession rights	15,780,992	-7,511,009	8,269,983	17,501,505	-7,075,694	10,425,811
Goodwill and other intangible assets with indefinite lives	6,111,261	-	6,111,261	6,111,201	-	6,111,201
Other intangible assets	385,942	-317,002	68,940	307,582	-276,280	31,302
Intangible assets	22,278,195	-7,828,011	14,450,184	23,920,288	-7,351,974	16,568,314

The following table shows amounts at the beginning and end of the period for the different categories of intangible asset, and the related changes in the carrying amounts.

Separate financial statements as at
and for the year ended
31 December 2021.

€000	Carrying amount as at 31 December 2020	CHANGES DURING THE YEAR					Carrying amount as at 31 December 2021
		Additions due to purchases and capitalisations	Additions free of charge	Additions due to completion of construction services	Assets entering service	Amortisation	
Concession rights accruing from construction services for which no additional economic benefits are received	7,154,350	-	-	-	-	-	-7,154,350
Concession rights accruing from construction services for which additional economic benefits are received	3,168,165	-	-	869,627	-	-429,575	4,564,177
Concession rights accruing from construction services provided by sub-operators	103,296	-	33	-	-	-5,740	97,589
Intangible assets deriving from concession rights	10,425,811	-	33	869,627	-	-435,315	8,269,983
Goodwill	6,111,198	-	-	-	-	-	6,111,198
Trademarks	3	60	-	-	-	-	63
Goodwill and other intangible assets with indefinite lives	6,111,201	60	-	-	-	-	6,111,261
Development costs	16,892	50,878	-	-	18	-25,473	42,315
Industrial patents and intellectual property rights	10,920	26,948	-	-	-	-15,098	22,770
Concessions and licenses	678	163	-	-	-	-151	690
Intangible assets under development and advance payments	2,812	371	-	-	-18	-	3,165
Other intangible assets	31,302	78,360	-	-	-	-40,722	68,940
Intangible assets	16,568,314	78,420	33	869,627	-	-476,037	14,450,184

The reduction in intangible assets compared with 31 December 2020, amounting to €2,118,130 thousand, essentially reflects:

- a) the effects connected with introduction of the Framework Agreement from 1 January 2021, as described above in note 5.2, "Events of 14 August 2018 relating to the collapse of a section of the Polcevera road bridge in Genoa and developments in the legal and regulatory framework";
- b) investment in construction services for which additional economic benefits are received (€869,627 thousand), including €442,924 thousand due to recognition of services performed in 2021 in relation to the Extraordinary Maintenance Plan;
- c) investment in other intangible assets, amounting to €78,420 thousand, essentially linked to implementation of the Group's Transformation Plan, focusing on technological innovation relating to the management and safety of infrastructure and advanced digital mobility services;
- d) amortisation for the year (€476,037 thousand).

There were no significant changes in the expected useful lives of intangible assets during the period.

The following analysis shows the various components of investment in assets held under concession effected through construction services, as also reported in the statement of cash flows.

€000	2021	2020	Increase/ (Decrease)
Use of provisions for construction services required by contract for which no additional economic benefits are received	-	349,527	-349,527
Use of provisions for construction services required by contract for which additional economic benefits are received	869,627	159,797	709,830
Investment in assets held under concession	869,627	509,324	360,303

No provisions for constructions services required by contract were used in 2021 as a result of adoption of the above Determination by ART.

Goodwill was recognised following the transfer of motorway assets from the former Autostrade – Concessioni e Costruzioni Autostrade SpA (now Atlantia), as part of the Group's reorganisation in 2003. This amount has been determined under the previous accounting standards (in accordance with the exemption permitted by IFRS 1) and coincides with the carrying amount as at 1 January 2004, the Atlantia Group's IFRS transition date.

As in previous years, the Company's entire activities were allocated to a single CGU, as the cash flows generated by the sections of motorway operated under concession are closely related. As a result, the impairment test permits an overall assessment of the recoverability of all the intangible assets and net invested capital as a whole.

With regard to the recoverability of goodwill, these assets have been tested for impairment in accordance with IAS 36. This test was conducted on the basis of the fair value paid by Holding Reti Autostradali to the parent, Atlantia, for its entire stake in ASPI. This fair value, coinciding with 100% of the equity value, amounts to approximately €9.3 billion (including a ticking fee of €0.2 billion). The impairment test confirmed that the goodwill allocated to the Autostrade per l'Italia CGU as at 31 December 2021 is fully recoverable.

Finally, in 2021, research and development expenditure of approximately €1,319 thousand (€299 thousand in 2020). The purpose of research and development is to improve infrastructure, the services offered and safety levels and to develop software in house, as well as environmental protection.

6.3 Investments - €317,424 thousand (€247,464 thousand)

The following tables show:

- a) amounts at the beginning and end of the period (showing the original cost and any accumulated revaluations and impairments) for the investments held by the Company, classified by category, and the related changes during the year;

	CHANGES DURING THE YEAR														
	31 December 2020					Impairments					31 December 2021				
	Cost	Accumulated (Impairments)	Carrying amount	Newly established companies	Re-classifications	Additions/Reductions	(Increase)/Decrease	Cost	Accumulated (Impairments)	Carrying amount	Cost	Accumulated (Impairments)	Carrying amount		
€000															
Autostrada Tirrenica spa	90,672	-	90,672	-	-	-	-	-	-	-	90,672	-	90,672		
Tangenziale di Napoli SpA	54,785	-	54,785	-	-	-	-	-	-	-	54,785	-	54,785		
Pavimentale SpA	9,697	-4,891	4,806	-	-	34,689	-	-	-	-	44,386	-4,891	39,495		
Free To X Srl	-	-	-	1,000	-	-	-	-	-	-	26,000	-	26,000		
Autostrade Meridionali SpA	15,340	-	15,340	-	-	-	-	-	-	-	15,340	-	15,340		
Tecne Gruppo Autostrade per l'Italia SpA	5,100	-	5,100	-	-	5,000	-	-	-	-	10,100	-	10,100		
Movyon SpA (1)	5,692	-	5,692	-	-	-	-	-	-	-	5,692	-	5,692		
Società Italiana per Azioni per il Traforo del Monte Bianco	2,461	-	2,461	-	-	-	-	-	-	-	2,461	-	2,461		
AD Moving SpA	4,000	-3,165	835	-	-	-	-	-	-	-	4,000	-3,165	835		
EssediEsse Società di Servizi SpA	701	-	701	-	-	-	-	-	-	-	701	-	701		
Glove Clear Srl	326	-	326	-	-	-	-	-	-	-	326	-	326		
Investments in subsidiaries (A)	188,774	-8,056	180,718	1,000	-	64,689	-	-	-	-	254,463	-8,056	246,407		
Tangenziali Esterne di Milano SpA	64,867	-2,522	62,345	-	-	-	-	-	-	-	64,867	-2,522	62,345		
Spea Engineering SpA	1,784	-	1,784	-	-	-	-	-	-	-	1,784	-	1,784		
Bologna & Fiera Parking SpA	999	-	999	-	-	-	-	-	-	-	999	-	999		
Consorzio Autostrade Italiane Energia	29	-	29	-	-	-	-	-	-	-	29	-	29		
Investments in associates (B)	67,679	-2,522	65,157	-	-	-	-	-	-	-	67,679	-2,522	65,157		
Strada dei Parchi SpA	-	-	-	-	4,271	-	-	-	-	-	4,271	-	4,271		
Tangenziale Esterna SpA	1,163	-	1,163	-	-	-	-	-	-	-	1,163	-	1,163		
diGiTAlog SpA	426	-	426	-	-	-	-	-	-	-	426	-	426		
Investments in other companies (C)	1,589	-	1,589	-	-	4,271	-	-	-	-	5,860	-	5,860		
Investments (A+B+C)	258,042	-10,578	247,464	1,000	4,271	64,689	-	-	-	-	328,002	-10,578	317,424		

- b) details of investments, showing, as well as other information, the percentage interest and relevant carrying amount as at 31 December 2021 (net of any unpaid, called-up issued capital).

Name	Registered office	Number of shares/units	Par value	Capital/ Consortium fund	Interest (%)	Number of shares/units held	Profit/(Loss) for 2021 (€000) (1)	Equity as at 31 December 2021 (€000) (1)	Carrying amount as at 31 December 2021 (€000)
Società Autostrada Tirrenica pA	Rome	163,072,000	euro	24,460,800	99.99%	162,960,400	1,180	75,694	90,672
Tangenziale di Napoli SpA	Naples	20,945,250	euro	108,077,490	100.00%	20,945,250	291	278,898	54,785
Pavimental SpA	Rome	77,838,865	euro	10,116,452	99.40%	77,350,836	23,376	53,727	39,495
Free To X Srl	Rome	1,000,000	euro	1,000,000	100.00%	1,000,000	-1,657	24,343	26,000
Autostrade Meridionali SpA	Naples	4,375,000	euro	9,056,250	58.98%	2,580,500	16,023	195,274	15,340
Tecne Gruppo Autostrade per l'Italia SpA	Rome	5,693,795	euro	5,693,795	100.00%	5,693,795	-2,209	6,691	10,100
Movyon SpA (3)	Rome	1,120,000	euro	1,120,000	100.00%	1,120,000	8,359	71,453	5,692
Società Italiana per Azioni per il Traforo del Monte Bianco	Pré Saint Didier (Aosta)	3,848,000	euro	198,749,200	51.00%	1,962,480	12,363	234,686	2,461
AD Moving SpA	Rome	1,000,000	euro	1,000,000	100.00%	1,000,000	358	1,795	835
EssedEsse Società di Servizi SpA	Rome	500,000	euro	500,000	100.00%	500,000	160	3,447	701
Glove Clear Srl	Rome	10,000	euro	10,000	100.00%	10,000	640	2,839	326
Investments in subsidiaries (A)									246,407
Tangenziali Esterne di Milano SpA	Milan	293,792,811	euro	220,344,608	27.45%	80,645,753	-494	230,989	62,345
Spa Engineering SpA	Rome	1,350,000	euro	6,966,000	20.00%	270,000	-6,820	33,809	1,784
Bologna & Fiera Parking SpA	Bologna	2,715,200	euro	2,715,200	36.81%	999,440	-847	5,984	999
Consorzio Autostrade Italiane Energia	Rome	-	euro	114,864,79	27.04%	-	-	114	29
Investments in associates (B)									65,157
Strada dei Perchi SpA	Rome	4,811,424	euro	48,114,240	2%	96,228	2,604	18,732	4,271
Tangenziale Esterna SpA	Milan	464,945,000	euro	464,945,000	0.25%	1,162,363	-15,001	281,672	1,163
digitalog SpA (5)	Rome	1,142	euro	1,142,000	1.401%	16	209	5,671	426
Investments in other companies (C)									5,860
Investments (A+B+C)									317,424

(1) The figures have been taken from the latest financial statements approved by the board of directors of each company.
(2) On 29 December 2015, Autostrada Tirrenica, following authorisation by the general meeting of shareholders held on the same date, purchased 109,600 own shares from non-controlling shareholders. Autostrade per l'Italia's interest is, therefore, equal to 99.99% as at 31 December 2021 (the percentage interest calculated on the basis of the ratio of shares held by Autostrade per l'Italia and the subsidiary's total shares is 99.93%).
(3) The resolution passed by the shareholders of the (former) Autostrade Tech SpA, changing the company's name, was registered on 23 February 2022.
(4) The figures have been taken from the financial statements approved by shareholders (31 December 2020).
(5) This company changed its name from UIRNET SpA to digitalog SpA, as approved by shareholders on 26 April 2021.

With regard to the recoverability of the carrying amounts of investments as at 31 December 2021, there are no indicators of potential impairments.

With regard to the impact of the ongoing Covid-19 pandemic, based on the recommendations contained in the ESMA Public Statement 32-63-11186 of 29 October 2021, it was decided that this did not constitute an indicator of impairment in 2021, as all the operators were tested for impairment in relation to this event in 2020 (as recommended by the ESMA and the CONSOB and reported in the consolidated financial statements for the previous year). Moreover, there was a significant improvement in the operating and financial performances of these companies in 2021 compared with 2020, with results in line with the expectations for 2021 contained in the long-term plans used as the basis for impairment testing in the previous year. In addition, the cumulative negative impact on the Group's operators throughout the national emergency, calculated on the basis of the specific method established by the Transport Regulator and certified by an independent audit firm, will be covered by the Grantor through a specific component of the tolls collected by operators.

In the case of Autostrade Meridionali, whilst the operator's motorway concession expired on 31 December 2012, it is continuing to operate the infrastructure until the talks with the Grantor have established the value of Autostrade Meridionali's takeover right payable by the incoming operator, recognised in current financial assets. This payment, together with the new operator's obligation to acquire and assume all existing contractual rights and obligations entered into by Autostrade Meridionali, with the exception of those of a financial nature, will enable recovery of the full value of the investment.

The change in this item, amounting to €69,960 thousand, reflects:

- a) the acquisition of a 79.4% stake in Pavimental (59.4% from Atlantia and 20% from Aeroporti di Roma) for a total of €14,689 thousand and the subsequent payment, in December 2021, of €20,000 thousand in the form of a contribution for a future capital increase. The investment in Pavimental currently stands at 99.4%;
- b) the establishment of Free To X Srl, whose issued capital, amounting to €1,000 thousand, is entirely owned by the Company, this was followed in 2021 by the subsequent payment of €25,000 thousand in the form of a contribution for a future capital increase;
- c) the payment of €5,000 thousand to Tecne for capital increases;
- d) reclassification of the 2% interest in Strada Dei Parchi, totalling €4,271 thousand, to assets held for sale.

6.4 Financial assets

(non-current) - €332,552 thousand (€562,072 thousand)

(current) - €355,482 thousand (€66,378 thousand)

The following analysis shows the composition of financial assets at the beginning and end of the period, together with the current and non-current portions.

€000	Note	31 December 2021			31 December 2020		
		Carrying amount	Current portion	Non-current portion	Carrying amount	Current portion	Non-current portion
Financial assets deriving from concession rights	(1)	174,533	45,137	129,396	174,534	20,193	154,341
Term deposits	(1)	173,711	44,315	129,396	173,712	19,371	154,341
Derivative assets	(2)	51,519	10,285	41,234	-	-	-
Medium/long-term loans		244,853	231,000	13,853	251,569	4,536	247,033
Accrued income on medium/long-term financial assets		21,120	21,120	-	19,762	19,762	-
Staff loans		4,872	833	4,039	5,759	1,132	4,627
Multi-year accrued financial income		2,900	36	2,864	390	34	356
Other loans and receivables		13,136	1,366	11,770	1,374	-	1,374
Other medium/long-term financial assets	(1)	286,881	254,355	32,526	278,854	25,464	253,390
Other current financial assets	(1)	1,390	1,390	-	1,350	1,350	-
Financial assets		688,034	355,482	332,552	628,450	66,378	562,072

(1) These assets are held within a hold to collect business model and, as such, are measured at amortised cost.

(2) These assets include derivative financial instruments classified as cash flow hedges under IFRS 9 and in level 2 of the fair value hierarchy.

The balance, including the current and non-current portions, is up €59,584 thousand compared with 31 December 2020, essentially due to:

- a) an increase in the balance of derivative assets of €51,519 thousand, essentially reflecting the recognition of fair value gains on derivative instruments entered into in 2021, classified as hedging instruments, with the aim of hedging interest rate risk on future financial liabilities to be assumed by the Company. Further details are provided in note 8.2, "Financial risk management";
- b) an increase of €11,762 thousand in other loans and receivables, due essentially to recognition of amounts due on sub-leases with the subsidiaries, Tecne and FreeToX, amounting to €11,451 thousand, as previously reported in note 6.1, "Property, plant and equipment".

With regard to the most significant items:

- a) financial assets deriving from government grants include amounts payable by the Grantor, third parties or other government entities as grants payable for construction services carried out. As regards grants due from the Grantor, these grants are recognised at the time that the Grantor certifies the effective performance of the works on the A1 Milan-Naples, and relating to a number of lots included in the *Variante di Valico* and the upgrade of Florence interchange;
- b) term bank deposits relate to loans disbursed by banks as a condition precedent for the grants required by laws 662/1996, 345/1997 and 135/1997, relating to the above works on the A1 motorway mentioned in point a). The balances on the accounts may not be withdrawn until such time as the Grantor specifically certifies the substantial completion of the works and the stage of completion;
- c) medium/long-term loans primarily include the loans granted to the subsidiaries, Autostrada Tirrenica (€231,000 thousand, at a fixed rate of 5.75% and maturing on 31 March 2022). With regard to this latter loan, in February 2022, the original maturity date was extended from 31 March 2022 to 30 September 2023.

In addition, following completion of the bond issue of €1,000 million in January 2022, a portion of the derivative assets outstanding as at 31 December 2021, with a notional value of €500 million, have been unwound. Fair value gains of €10,285 thousand as at 31 December 2021 have, therefore, been classified in other current financial assets.

6.5 Trading assets - €621,251 thousand (€472,577 thousand)

As at 31 December 2021, trading assets consist of:

- inventories of €66,864 thousand (€56,635 thousand as at 31 December 2020), primarily relating to stocks and spare parts used in motorway maintenance or the assembly of machinery;
- contract work in progress of €4,226 thousand (€4,204 thousand as at 31 December 2020), connected to work carried out for the Grantor, in this case a customer;
- trade receivables of €550,161 thousand (€411,738 thousand as at 31 December 2020), which consist of the following.

€000	31 December 2021	31 December 2020
Trade receivables due from:		
Motorway users	351,768	238,677
Sub-operators at motorway service areas	60,452	47,084
Sundry customers	70,735	66,310
Trade receivables, gross	482,955	352,071
Allowance for bad debts	-44,961	-43,563
Other trading assets	112,167	103,230
Trade receivables, net	550,161	411,738

The increase in trade receivables of €138,423 thousand, compared with 31 December 2020, essentially reflects:

- an increase in the amount receivable from motorway users (€113,091 thousand), reflecting traffic growth in 2021 compared with 2020;
- an increase in amounts due from sub-operators at motorway services areas (€13,368 thousand), essentially relating to the request for a series of support measures for oil and refreshment service providers to mitigate the negative effects of the Covid-19 health emergency;
- an increase in other trading assets (€8,937 thousand), reflecting advances and prepayments to suppliers for maintenance services, network construction and tunnel inspections.

The following table shows an ageing schedule for trade receivables.

€000	Total receivables as at 31 December 2021	Total not yet due	More than 90 days overdue	Between 90 and 365 days overdue	More than one year overdue
Trade receivables	482,955	367,541	19,124	44,870	51,420

Overdue receivables regard uncollected and unpaid tolls, in addition to royalties due from service area operators and sales of other goods and services, such as agreements relating to authorisations to cross motorways and sales of proprietary services and goods.

The following table shows movements in the allowance for bad debts for trade receivables during the year, determined with reference to the management and measurement of receivables and historical data regarding losses on receivables, also taking into account guarantee deposits and other collateral given by customers.

€000	31 December 2020	Additions	Uses	31 December 2021
Allowance for bad debts	-43,563	-4,576	3,178	-44,961

The allowance for bad debts for trade receivables is in line with 31 December 2020. This reflects the fact that the need to make provisions for unpaid tolls and for disruption to the Company's management of the concession was partially offset by uses during the year, essentially due to the penalty due from Autogrill, totalling €3,168 thousand.

The Company continuously monitors trade receivables to produce specific estimates of the percentage of receivables subject to expected credit losses, based on all the information in their possession.

The Company estimates expected losses on trade receivables in the form of uncollected motorway tolls on the basis of historical data relating to stratified losses and collections registered following the issue of unpaid tolls notices.

In the case of trade receivables other than uncollected motorway tolls, portfolio assessment is continuously updated based on weighted customer ratings, calculated taking into account the following parameters:

- 1) analysis of historical collections and losses;
- 2) analysis of overdue amounts as a proportion of the total receivables being analysed;
- 3) application of a default rate based on the segmentation of customers in the portfolio by business sector.

The carrying amount of trade receivables approximates to fair value.

6.6 Cash and cash equivalents - €1,593,683 thousand (€1,601,663 thousand)

This item includes:

- a) cash, totalling €781,350 thousand (€1,083,229 thousand as at 31 December 2020), essentially relating to demand bank deposits;
- b) cash equivalents, totalling €150,104 thousand (€59 thousand as at 31 December 2020), which primarily regard bank deposits convertible within the short term;
- c) the balance receivable on current accounts with related parties, totalling €662,229 thousand (€518,375 thousand as at 31 December 2020) and regarding accounts with other Atlantia Group companies, reflecting the centralised treasury management service provided by the Company.

Details of the cash flows resulting in the decrease in cash and cash equivalents during 2019 are provided in note 8.1 “Notes to the statement of cash flows”, taking in to account the fact that the net cash and cash equivalents described therein include current account payables due to related parties, as described in note 6.13 “Financial liabilities”.

6.7 Current tax assets and liabilities

Current tax assets - €18,618 thousand (€53,367 thousand)

Current tax liabilities - €150,592 thousand (€-thousand)

Current tax assets and liabilities at the beginning and end of the period are detailed below.

€000	31 December 2021		31 December 2020	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	Current tax assets		Current tax liabilities	
IRES on taxable income	-	12,644	140,832	-
Claims for IRES refunds	18,596	25,001	-	-
Other IRES credits	22	22	-	-
IRES	18,618	37,667	140,832	-
IRAP	-	15,700	9,760	-
Total	18,618	53,367	150,592	-

The Company participates in the tax consolidation arrangement headed by Atlantia, with the balance for current IRES accounted for in amounts due to and from the consolidating entity.

Current tax liabilities amount to €150,592 thousand as at 31 December 2021 (a zero balance at the comparative date, essentially reflecting the different tax bases for the two years). The balance consists of:

- IRES of €129,779 thousand due from Atlantia (an asset of €4,482 thousand as at 31 December 2020), primarily due to IRES payable for the year (€133,349 thousand);
- the amount payable to the tax authority, totalling €11,053 thousand, in relation to the IRES surtax of 3.5% on the earnings of motorway, airport, port and railway operators payable for the three-year period 2019-2021 (€19,270 thousand), offset by payments on account recognized in the previous year (€8,217 thousand);
- IRAP of €9,760 thousand payable for the year (€25,460 thousand), offset by the payment of IRAP on account for previous years and the current year (€15,700 thousand).

Current tax assets of €18,596 thousand as at 31 December 2021 essentially consist of the amount due from Atlantia, totalling €18,596 thousand, as a result of a claim for refundable IRES, following the non-deductibility of IRAP on staff costs in the five-year period 2008-2011, in accordance with the provisions of Law 44/2012 and the tax authority’s ruling of 17 December 2012.

Finally, in February 2021, the Company received €6,243 thousand from Sintonia in relation to the above tax refund for 2007, when this company headed the tax consolidation arrangement.

6.8 Other current assets - €80,715 thousand (€127,952 thousand)

This item consists of receivables and other current assets that are not eligible for classification as trading or financial. The composition of this item is shown below.

€000	31 December 2021	31 December 2020
Receivables due from end users and insurance companies for damages	16,109	14,736
Receivable from public entities	1,281	2,077
Receivables from social security institutions	529	460
Payments on account and other receivables	65,427	113,266
Other current assets, gross	83,346	130,539
Allowance for bad debts	-2,631	-2,587
Other current assets, net	80,715	127,952

As at 31 December 2021, this item is down €47,237 thousand, primarily reflecting the decision to expense refundable VAT of €52,066 thousand relating to work on reconstruction of the San Giorgio road bridge, carried out in previous years, following the negative response from the Italian tax authority to the Company's claim for a refund. Further details are provided in note 5.2, "Events of 14 August 2018 relating to the collapse of a section of the Polcevera road bridge in Genoa and developments in the legal and regulatory framework".

The allowance for bad debts for other current assets entirely refers to estimated losses on amounts due from road users and insurance companies to cover damage to the motorway infrastructure managed by the Company.

This allowance is broadly measured on the basis of the accounting policy described in note 3, "Accounting standards and policies applied".

6.9 Investments held for sale or for distribution to shareholders or related to discontinued operations € - thousand - (€6,057 thousand)

The reduction of €6,057 thousand in this item reflects:

- a) reclassification of the 2% investment in Strada dei Parchi (€4,271 thousand);
- b) liquidation of the 29.77% investment in Pedemontana Veneta (€1,786 thousand).

6.10 Equity - €1,829,211 thousand (€1,095,296 thousand)

Issued capital is fully subscribed and paid-in and consists of 622,027,000 ordinary shares of a par value of €1 each, amounting to a total of €622,027 thousand. This figure has not undergone any changes compared with 31 December 2020.

The increase in this item compared with 31 December 2020, amounting to €733,915 thousand, is shown in detail in the statement of changes in equity and is entirely due to comprehensive income for the year.

Other comprehensive income reflects the reclassification to profit or loss for the year of a portion of the cash flow hedge reserve recognised as at 31 December 2020 (€16,921 thousand, after the related tax effect) relating to the Interest Rate Swaps and Forward-Starting Interest Rate Swaps entered into to hedge cash flow risk, which were classified as not qualifying for hedge accounting as at 31 December 2020. The cash flow hedge reserve was frozen and released as interest on the originally hedged underlying financial liabilities became payable.

Autostrade per l'Italia aims to manage its capital in order to create value for shareholders, ensure the Company remains a going concern, safeguard the interests of stakeholders and guarantee efficient access to external sources of funding to adequately support the growth of the Company's businesses and fulfil the commitments given in concession arrangements.

The table below shows an analysis of issued capital and equity reserves, showing their permitted uses and distributable amounts.

Description	Balance as at 31 December 2021 (€000)	Permitted uses (A, B, C, D)*	Available portion (€000)	Uses between 1 January 2018 and 31 December 2020 (art. 2427, 7 bis of Italian Civil Code)	
				To cover losses	For other reasons
Issued capital	622,027	B	-	-	-
Share premium reserve	216,070	A, B, C	216,070	-	-
Legal reserve	124,406	B	-	-	-
Cash flow hedge reserve	-75,020	-	-	-	-
Extraordinary reserve	441,269	A, B, C	441,269	-	-
Reserve for actuarial gains and losses on post-employment	-24,260	-	-24,260	-	-
Undistributable portion of IFRS transition reserve	272,016	B	-	-	-
Distributable portion of IFRS transition reserve	296,622	A, B, C	296,622	-	-
Reserve for first-time adoption of IFRIC 12	-962,198	-	-962,198	-	-
Reserve for first-time adoption of IFRS 9	25,528	A, B, C	25,528	-	-
Reserve for transactions under common control (1)	36,666	A, B, C	36,666	-	-
Retained earnings	174,208	A, B, C	174,208	-	-
Other reserves and retained earnings	259,851		-12,165	-	-
Reserves and retained earnings (2)	525,307		203,905		
Total	1,147,334		203,905	-	0
<i>of which:</i>					
<i>Non-distributable (3)</i>			42,315		
<i>Distributable</i>			161,590		

*** Key:**

A: capital increases

B: to cover losses

C: shareholder distributions

D: subject to other restrictions imposed by articles of association/shareholder resolutions

Note:

(1) This reserve was established following the transfer of investments in subsidiaries to Atlantia Group companies. These transactions, excluded from the scope of application of IFRS 3 as they are business combinations under common control.

(2) As a result of article 109, paragraph 4, letter b of the Consolidated Income Tax Act (abrogated by Law 244 of 24 December 2007 and replaced, without retroactive effect, by article 103, paragraph 3-bis), the sum of €584,790 thousand is taxable if distributed to shareholders, unless there are sufficient reserves. The new legislation has abolished all restrictions on the distribution of equity reserves imposed by tax legislation arising in connection with the amortisation of trademarks and goodwill. As a result, there should be no increase in the amount of dividends subject to additional taxation.

(3) This represents the undistributable portion to cover unamortised development costs, in accordance with art. 2426, paragraph 5 of the Italian Civil Code.

6.11 Provisions for construction services required by contract

(non-current) €- thousand - (€1,808,116 thousand)

(current) €- thousand - (€732,162 thousand)

The following table shows provisions for construction services required by contract at the beginning and end of the year and changes during 2021, showing the non-current and current portions.

€000	31 December 2020			CHANGES DURING THE YEAR	31 December 2021		
	Carrying amount	non-current portion	current portion	Impact of application of framework agreement as at 1 January 2021	Carrying amount	non-current portion	current portion
Upgrade of Florence - Bologna section	722,949	509,724	213,225	-722,949	-	-	-
Third and fourth lanes	5,511	5,511	-	-5,511	-	-	-
Other construction services	1,811,818	1,292,881	518,937	-1,811,818	-	-	-
Provisions for construction services required by contract	2,540,278	1,808,116	732,162	-2,540,278	-	-	-

The balance of provisions for construction services required by contract as at 1 January 2021 (€2,540,278 thousand) was closed and accounted for as a direct reduction in intangible assets deriving from concession rights for which no additional economic benefits are received, following ART's adoption of Determination 71/2019, as described earlier in note 6.2, "Intangible assets" and note 5.2, "Events of 14 August 2018 relating to the collapse of a section of the Polcevera road bridge in Genoa and developments in the legal and regulatory framework".

6.12 Provisions

(non-current) - €2,023,186 thousand (€1,080,684 thousand)

(current) - €1,036,602 thousand (€2,489,576 thousand)

The following table shows details of provisions by type, showing the non-current and current portions.

€000	31 December 2021			31 December 2020		
	Carrying amount	non-current portion	current portion	Carrying amount	non-current portion	current portion
Provisions for employee benefits	68,130	56,381	11,749	78,891	66,916	11,975
Provisions for repair and replacement of motorway infrastructure	1,003,665	607,810	395,855	1,743,038	1,013,768	729,270
Provisions for fines and penalties under Single Concession Arrangement	16,481	-	16,481	14,291	-	14,291
Provisions for tax risk	14,750	-	14,750	12,627	-	12,627
Other provisions for risks and charges	1,956,762	1,358,995	597,767	1,721,413	-	1,721,413
Other provisions	1,971,512	1,358,995	612,517	1,734,040	-	1,734,040
Total provisions	3,059,788	2,023,186	1,036,602	3,570,260	1,080,684	2,489,576

The following table shows provisions at the beginning and end of the period and changes in 2021.

€000	CHANGES DURING THE YEAR										31 December 2021
	31 December 2020										Carrying amount
	Carrying amount	Operating provisions	Finance-related provisions	Actuarial gains/(losses) recognised in comprehensive income	Reductions due to payment of benefits and advances	Transfers (to)/from other companies	Uses		Reclassifications and other changes	Impact of application of framework agreement as at 1 January 2021	Carrying amount
							Direct	Indirect			
Provisions for employee benefits	78,891	424	-14	5,312	-16,450	-33	-	-	-	-	68,130
Provisions for repair and replacement of motorway infrastructure	1,743,038	415,909	2,897	-	-	-	-	-473,762	76,817	-761,274	1,003,665
Provisions for fines and penalties under Single Concession Arrangement	14,291	2,190	-	-	-	-	-	-	-	-	16,481
Provisions for tax risk	12,627	5,455	-	-	-	-	-3,332	-	-	-	14,750
Other provisions for risks and charges	1,721,413	1,604	-	-	-	-	-400,817	-	-76,817	711,379	1,956,762
Other provisions	1,734,040	7,059	-	-	-	-	-404,149	-	-76,817	711,379	1,971,512
Total provisions	3,570,260	425,582	2,923	5,312	-16,450	-33	-404,149	-473,762	-	-49,895	3,059,788

PROVISIONS FOR EMPLOYEE BENEFITS

(non-current) - €56,381 thousand (€66,916 thousand)

(current) - €11,749 thousand (€11,975 thousand)

As at 31 December 2021, and likewise as at 31 December 2020, this item consists almost entirely of provisions for post-employment benefits to be paid to staff employed under Italian law.

The reduction of €10,761 thousand essentially reflects:

- a) uses of provisions for benefits and advances paid (€16,450 thousand);
- b) actuarial losses recognised in other comprehensive income (€5,312 thousand).

The actuarial model used to measure provisions for post-employment benefits is based on both demographic and economic assumptions.

The most important actuarial assumptions used to measure post-employment benefits at at 31 December 2021 are summarised below.

Financial assumptions	
Annual discount rate (1)	0.44%
Annual inflation rate	1.75%
Annual rate of increase in post-employment bene	2.81%
Annual rate of increase in real salaries	0.65%
Annual turnover rate	2.00%
Annual rate for advances paid	2.50%
Duration (years)	7

(1) The annual discount rate is used to determined the present value of the obligation and was, in turn, determined with reference to the average yield curve taken from the Iboxx Eurozone Corporate AA on the valuation date for durations of 7-10 years.

Demographic assumptions	
Mortality	Government General Accounting Office
Disability	INPS tables by age and sex
Retirement age	Mandatory state pension retirement age

The following table shows a sensitivity analysis of provisions for post-employment benefits for each actuarial assumption at the end of 2021, indicating the effects on the defined benefit obligation of reasonably possible changes in the actuarial assumptions used at that date.

€000	Sensitivity analysis as at 31 December 2021					
	Change in actuarial assumption					
	turnover rate		inflation rate		discount rate	
	+1%	-1%	+0.25%	-0.25%	+0.25%	-0.25%
Balance of post-employment benefits	67,766	68,524	68,796	67,473	67,070	69,219

PROVISIONS FOR THE REPAIR AND REPLACEMENT OF MOTORWAY INFRASTRUCTURE
(non-current) - €607,810 thousand (€1,013,768 thousand)
(current) - €395,855 thousand (€729,270 thousand)

The provisions are down €739,373 thousand compared with 31 December 2020, primarily due to:

- a) the reduction in provisions made in previous years for work yet to be carried out as part of the €1.2 billion Extraordinary Maintenance Plan (€761,274 thousand), resulting from application from 1 January 2021 of the content of the Framework Agreement entered into with the MIMS and described above in note 5.2, “Events of 14 August 2018 relating to the collapse of a section of the Polcevera road bridge in Genoa and developments in the legal and regulatory framework”;
- b) uses during the year of €386,250 thousand in relation to maintenance of the motorway network, including €199,317 thousand in non-recurring maintenance;
- c) operating provisions for the year, amounting to €415,909 thousand, in connection with an updated estimate of the cost of repairs to network infrastructure;
- d) the reclassification of €76,817 thousand from “Other provisions for risks and charges” to “Provisions for the repair and replacement of motorway infrastructure”, represented by provisions made in previous years to cover additional expenses relating to reconstruction of the San Giorgio road bridge.

Further details on the movements referred to in a) and d) are provided in note 5.2, “Events of 14 August 2018 relating to the collapse of a section of the Polcevera road bridge in Genoa and developments in the legal and regulatory framework”.

PROVISIONS FOR FINES AND PENALTIES UNDER THE SINGLE CONCESSION ARRANGEMENT
(current) - €16,481 thousand (€14,291 thousand)

The value of these provisions as at 31 December 2020 consists of:

- a) the total amount of €9,506 thousand (€9,106 thousand as at 31 December 2020) for penalties imposed (or that could be imposed based on the alleged breaches) for the years from 2009 to 2018 by the Grantor pursuant to Annex N of the Single Concession Arrangement relate to failure to meet the requirements of the Annual Audit Plan required under the Arrangement;
- b) the total amount of €6,975 thousand (€5,185 thousand as at 31 December 2020) for penalties or fines imposed in relation to snow events, disruption to traffic and inspections.

The Company is contesting a number of the above penalties before Lazio Regional Administrative Court and the related judgements are pending.

Further information on significant legal and regulatory aspects is provided in note 9.5 “Significant legal and regulatory aspects”.

OTHER PROVISIONS FOR RISKS AND CHARGES

(non-current) - €1,358,995 thousand (-€)

(current) - €612,517 thousand (€1,734,040 thousand)

These provisions relate to risks and charges deemed to be likely to occur at the end of the period. The item is up €237,472 thousand on the figure for 31 December 2019, primarily due to a combination of the following:

- a) an increase of €711,379 thousand representing the remaining portion of the unremunerated investment plan totalling €1.2 billion as at 1 January 2021, resulting from application from 1 January 2021 of the content of the Framework Agreement entered into with the MIMS and described above in note 5.2, "Events of 14 August 2018 relating to the collapse of a section of the Polcevera road bridge in Genoa and developments in the legal and regulatory framework";
- b) direct uses of €404,149 thousand, primarily relating to:
 - 1) provisions for the commitments included in the settlement agreement with the MIMS and the Government, relating to works forming part of the unremunerated investment plan (€299,421 thousand carried out in 2021) and toll discounts for road users, exemptions in the Genoa area and discounts to compensate for disruption caused by roadworks (€86,894 thousand);
 - 2) to pay compensation for a number of the families of victims directly impacted by the collapse of a section of the Polcevera road bridge, and to cover the cost of consultants' fees and legal expenses linked to actions undertaken to protect the Company's rights and those of its employees who are under investigation (totalling €13,203 thousand);
 - 3) the settlement of a number of tax demands regarding local taxes (€3,332 thousand);
- c) the above reclassification of €76,817 thousand from "Other provisions for risks and charges" to "Provisions for the repair and replacement of motorway infrastructure".

Further details are provided in note 5.2 "Events of 14 August 2018 relating to the collapse of a section of the Polcevera road bridge in Genoa and developments in the legal and regulatory framework".

Further details of developments in disputes pending as at 31 December 2021 are provided in note 9.5, "Significant legal and regulatory aspects".

6.13 Financial liabilities

(non-current) - €8,180,385 thousand (€7,679,256 thousand)

(current) - €2,538,393 thousand (€3,409,844 thousand)

MEDIUM/LONG-TERM FINANCIAL LIABILITIES

(non-current) - €8,180,385 thousand (€7,679,256 thousand)

(current) - €2,468,322 thousand (€3,345,896 thousand)

The following tables provide an analysis of medium/long-term financial liabilities, showing:

- a) an analysis of the balance by face value and maturity (current and non-current portion):

	31 December 2021			31 December 2020				
	Face value	Carrying amount	of which Current portion	Non-current portion	Face value	Carrying amount	of which Current portion	Non-current portion
Bond 2004-2022 (GBP) (1)	750,000	605,234	605,234	-	750,000	589,427	-	589,427
Bond 2004-2024	1,000,000	993,275	-	993,275	1,000,000	990,785	-	990,785
Bond 2009-2038 (JPY) (1)	149,176	194,079	-	194,079	149,176	200,559	-	200,559
Bond 2010-2025	500,000	498,133	-	498,133	500,000	497,680	-	497,680
Bond 2012-2032	35,000	35,000	-	35,000	35,000	35,000	-	35,000
Bond 2012-2032 (Zero Coupon Bond)	80,004	80,004	-	80,004	76,020	76,020	-	76,020
Bond 2013-2021	-	-	-	-	594,572	594,384	-	594,384
Bond 2013-2033	75,000	73,158	-	73,158	75,000	73,033	-	73,033
Bond 2014-2034	125,000	124,030	-	124,030	125,000	123,968	-	123,968
Bond 2014-2038	75,000	72,979	-	72,979	75,000	72,892	-	72,892
Bond 2015-2021	-	-	-	-	480,364	480,009	-	480,009
Bond 2015-2023	750,000	746,492	-	746,492	750,000	744,120	-	744,120
Bond 2015-2025	500,000	498,459	-	498,459	500,000	498,076	-	498,076
Bond 2015-2026	750,000	746,312	-	746,312	750,000	745,530	-	745,530
Bond 2016-2027	600,000	595,882	-	595,882	600,000	595,117	-	595,117
Bond 2017-2029	700,000	666,676	-	666,676	700,000	662,824	-	662,824
Bond 2020-2028	1,250,000	1,222,721	-	1,222,721	1,250,000	1,219,130	-	1,219,130
Bond 2021-2030	1,000,000	985,040	-	985,040	-	-	-	-
Bond issues (2)	8,339,180	8,137,474	605,234	7,532,240	8,410,132	8,198,554	1,074,393	7,124,161
European Investment Bank (EIB)	1,153,398	1,153,398	-	-	1,265,892	1,265,892	-	1,265,892
Cassa Depositi e Prestiti (3)	713,953	701,359	311,695	389,664	737,209	717,094	717,094	-
Bank borrowings (A)	1,867,351	1,854,757	1,465,093	389,664	2,003,101	1,982,986	1,982,986	-
ANAS (4)	173,712	173,712	44,316	129,396	173,712	173,712	19,371	154,341
Other borrowings (B)	173,712	173,712	44,316	129,396	173,712	173,712	19,371	154,341
Lease liabilities	28,930	28,930	4,555	24,375	10,555	10,555	2,627	7,928
	28,930	28,930	4,555	24,375	10,555	10,555	2,627	7,928
Medium/long-term borrowings (A+B+C) (2)	2,069,993	2,057,399	1,513,964	543,435	2,187,368	2,167,253	2,004,984	162,269
Derivatives liabilities (5)		287,747	183,056	104,691		487,130	94,304	392,826
Accrued expenses on medium/long-term financial liabilities (2)		166,068	166,068	-		172,215	172,215	-
Other financial liabilities		19	-	19		-	-	-
Other medium/long-term financial liabilities		166,087	166,068	19		172,215	172,215	-
Medium/long-term financial liabilities		10,648,707	2,468,322	8,180,385		11,025,152	3,345,896	7,679,256

(1) As at 31 December 2021, these borrowings are hedged against interest rate and currency risk with notional amounts and maturities matching those of the underlyings. These are included in "Derivative liabilities" and classified as non-hedge accounting following the issuer substitution of December 2016.

(2) These financial instruments are measured at amortised cost. The par values of the bonds denominated in sterling and yen are shown at the exchange rates of the Cross Currency Swaps hedging the bonds.

(3) As at 31 December 2021, certain of these bonds are hedged against interest rate risk with notional amounts and currencies matching those of the underlyings, reclassified as not qualifying for hedge accounting in 2019 in accordance with IFRS 9 and included in "Derivative liabilities".

(4) This item includes amounts payable to ANAS deriving from the repayment, directly by ANAS in relation to funding for the investment programme, of the bank borrowings linked to the government grants provided for in laws 662/1996, 135/1997 and 345/1997, funding infrastructure works on the "Florence North - Florence South" and "Ca Nova - Aglio" (Variante di Valico) sections. These borrowings are reduced as the Grantor specifically approves the release of the grants, in line with the matching financial assets deriving from government grants accrued in relation to the stage of completion of the related works.

(5) This item includes the derivatives referred to above in notes 1 and 3 and Forward-Starting Interest Rate Swaps entered into in July 2018 and February and March 2021.

b) type of interest rate, maturity and fair value:

€000	31 December 2021		31 December 2020		
	Maturity	Carrying amount (1)	Fair value (2)	Carrying amount (1)	Fair value (2)
Bond (issued 2004 - GBP)	2022	605,234	593,405	589,427	589,691
Bond (issued 2004)	2024	993,275	1,125,050	990,785	1,147,240
Bond (issued 2009 - JPY)	2038	194,079	186,867	200,559	177,252
Bond (issued 2010)	2025	498,133	564,760	497,680	563,650
Bond (issued 2012)	2032	35,000	46,097	35,000	41,091
Bond (issued 2012- Zero Coupon Bond)	2032	80,004	107,545	76,020	100,621
Bond (issued 2013)	2021	-	-	594,384	596,379
Bond (issued 2013)	2033	73,158	82,050	73,033	71,248
Bond (issued 2014)	2034	124,030	129,943	123,968	111,469
Bond (issued 2014)	2038	72,979	83,716	72,892	79,230
Bond (issued 2015)	2021	-	-	480,009	479,519
Bond (issued 2015)	2023	746,492	761,468	744,120	749,768
Bond (issued 2015)	2025	498,459	517,220	498,076	503,775
Bond (issued 2015)	2026	746,312	773,775	745,530	749,145
Bond (issued 2016)	2027	595,882	618,438	595,117	600,600
Bond (issued 2017)	2029	666,676	720,132	662,824	698,663
Bond (issued 2020)	2028	1,222,721	1,297,737	1,219,130	1,259,525
Bond (issued 2021)	2030	985,040	1,034,200	-	-
	listed fixed rate	8,137,474	8,642,403	8,198,554	8,518,866
Bond issues		8,137,474	8,642,403	8,198,554	8,518,866
European Investment Bank (EIB)	from 2021 to 2036	1,153,398	1,341,988	1,265,892	1,440,740
	fixed rate	1,153,398	1,341,988	1,265,892	1,440,740
Cassa Depositi e Prestiti	from 2021 to 2034	701,359	751,670	717,094	725,070
	floating rate	701,359	751,670	717,094	725,070
Bank borrowings (B)		1,854,757	2,093,658	1,982,986	2,165,810
ANAS		173,712	173,712	173,712	173,712
	Other borrowings (C)	173,712	173,712	173,712	173,712
Lease liabilities		28,930	28,930	10,555	10,555
	Lease liabilities (C)	28,930	28,930	10,555	10,555
Medium/long-term borrowings (A+B+C)		2,057,399	2,296,300	2,167,253	2,350,077
Derivative liabilities		287,747	287,747	487,130	487,130
Accrued expenses on medium/long-term financial liabilities		166,068	166,068	172,215	171,215
Other financial liabilities		19	19	-	-
Other medium/long-term financial liabilities		166,087	166,087	172,215	171,215
Medium/long-term financial liabilities		10,648,707	11,392,537	11,025,152	11,527,288

(1) The value of medium/long-term financial liabilities shown in the table includes both the non-current and current portions.

(2) The fair value shown is classified in level 2 of the fair value hierarchy, with the exception of lease liabilities, the fair value of which is classified in level 3 of the hierarchy.

Details of the criteria used to determine the fair values shown in the table are provided in note 3, "Accounting standards and policies applied";

c) a comparison of the face value of bond issues and medium/long-term borrowings and the related carrying amount, by issue currency, showing the corresponding average and effective interest rate:

Currency	31 December 2021				31 December 2020	
	Face value (€000)	Carrying amount (€000)	Average interest rate applied to 31 December 2021 (1)	Effective interest rate as at 31 December 2021	Face value (€000)	Carrying amount (€000)
Euro (EUR)	9,509,997	9,395,560	3.03%	2.96%	9,698,324	9,575,821
Sterling (GBP)	750,000	605,234	5.99%	2.20%	750,000	589,427
Yen (JPY)	149,176	194,079	5.30%	2.39%	149,176	200,559
Total	10,409,173	10,194,873	3.28%		10,597,500	10,365,807

(1) This amount includes the effect of interest rate and currency hedges as at 31 December 2021.

- d) movements during the period in the carrying amounts of outstanding bond issues and medium/long-term borrowings:

€000	Carrying amount as at 31 December 2020 (1)	New borrowings	Repayments	First-time adoption of IFRS 16	Carrying amount as at 31 December 2021 (1)
Bond issues	8,198,554	983,535	-1,074,936	30,321	8,137,474
Bank borrowings	1,982,986	-	-135,749	7,520	1,854,757
Other borrowings	173,712	-	-	-	173,712
Lease liabilities	10,555	25,139	-5,373	-1,391	28,930
Medium/long-term borrowings	2,167,253	25,139	-141,122	6,129	2,057,399
Total	10,365,807	1,008,674	-1,216,058	36,450	10,194,873

(1) The value of medium/long-term financial liabilities shown in the table includes both the non-current and current portions.

The Company uses derivative financial instruments to hedge certain current and highly likely future financial liabilities, including Interest Rate Swaps (IRS) and Cross Currency Swaps (CCIRS). The fair value of the hedging instruments as at 31 December 2021 is recognised in “Derivative liabilities” and “Derivative assets”.

More detailed information on financial risks and the manner in which they are managed, in addition to details of outstanding financial instruments held by the Company, is contained in note 8.2, “Financial risk management”.

BOND ISSUES

(non-current) - €7,532,240 thousand (€7,124,161 thousand)

(current) - €605,234 thousand (€1,074,393 thousand)

This item includes the following:

- bond issues between 2015 and 2021, totalling €4,715,090 thousand (€4,200,685 thousand as at 31 December 2020), placed with institutional investors;
- bonds issued to retail investors in 2015, totalling €746,492 thousand and maturing in 2023 (€744,120 thousand as at 31 December 2020);
- bonds recognised following the issuer substitution carried out in December 2016, totalling €2,675,892 thousand (€3,253,749 thousand as at 31 December 2020).

As at 31 December 2021, the balance is down €61,080 thousand compared with 31 December 2020, essentially reflects the combined effect of:

- a) repayment on 26 February 2021, of bonds with a par value of €594,572 thousand, guaranteed by Atlantia and paying coupon interest of 2.875%;
- b) repayment on 4 November 2021, of bonds with a par value of €480,364 thousand, and paying coupon interest of 1.125%;
- c) issue, in January 2021, of bonds with a par value of €1,000,000 thousand, paying coupon interest of 2% and maturing in 2030.

Limited to the private placement in Japanese yen (amounting to 20,000,000 thousand yen, equal to €194,079 thousand as at 31 December 2021), the terms of the issue require compliance with certain minimum thresholds contained in the following financial covenants (to be calculated each year following approval of the consolidated and separate financial statements, and based on the on the consolidated accounts):

- I. debt-service coverage ratio;
- II. ratio of consolidated operating cash flow to total net debt at the end of each financial year;
- III. Autostrade per l'Italia's equity.

Breach of the covenants would constitute a default event. The Company periodically monitors the covenants and as at 31 December 2021 they have all been complied with.

With regard to the "Change of Control" trigger event that emerged following completion of the sale of Atlantia SpA's entire stake in Autostrade per l'Italia to HRA and linked to a number of bonds issues held by institutional investors and guaranteed by Atlantia, the related Consent Solicitation process came to an end on 22 November 2021 with approval from bondholders for the following proposed modifications:

- 1) release of the guarantee provided by Atlantia;
- 2) modification of the change of control provisions relating to the bonds maturing in 2022, 2024 and 2025.

The approved changes will be effective on completion of the sale of Atlantia SpA's entire stake in Autostrade per l'Italia SpA.

MEDIUM/LONG-TERM BORROWINGS

(non-current) - €543,435 thousand (€162,269 thousand)

(current) - €1,513,964 thousand (€2,004,984 thousand)

The balance of this item, including both current and non-current portions as at 31 December 2021, primarily consists of bank borrowings, amounting to €1,854,757 thousand.

The balance for 2021 is down €109,854 thousand compared with 31 December 2020, essentially due to the repayment of bank borrowings totalling €140,163 thousand, under the related

agreements, partially offset by an increase of €18,375 thousand in lease liabilities due to new leases and hire contracts as at 31 December 2021.

It should be noted that, solely for the purposes of IAS 1, paragraph 69, as at 31 December 2021 a portion of the medium/long-term borrowings from the European Investment Bank (“EIB”) and Cassa Depositi e Prestiti (“CDP”), amounting to a total of €1,465,093 thousand, has been classified to the current portion of medium/long-term borrowings, following the downgrade of the Group’s rating below investment grade. Further information is provided above in note 2, “Basis of preparation of the separate financial statements”.

The fact that the downgrade of the Company’s rating to below investment grade in January 2020, gives the EIB and, in relation to its share of the debt, Cassa Depositi e Prestiti (“CDP”) the right to request additional protections. Were such protections not judged to be reasonably satisfactory, they could request early repayment of the existing debt. At the date of preparation of these financial statements, neither the EIB or CDP have requested the enforcement of any contractual rights and/or remedies, nor have they requested any early repayment.

With regard to the financing obtained from Cassa Depositi e Prestiti not included in the above borrowings, and not subject to early repayment in the event of a downgrade, in addition to compliance with the minimum ratio for “Operating Cash Flow available for Debt Service” and the “Debt-service coverage ratio” (DSCR), the Company is required to demonstrate, whilst the rating remains below investment grade, that it has remained within certain contractually agreed thresholds for a number of additional covenants (on a consolidated basis):

- a) debt-service coverage ratio;
- b) ratio of consolidated operating cash flow to total net debt at the end of each financial year.

Were these covenants to be breached by the Company, it would be necessary to provide appropriate independent bank guarantees.

With sole regard to the measurements to be carried out based on amounts in the consolidated financial statements as at and for the year ended as at 31 December 2020, in March 2021, the Company was granted covenant holidays regarding the above thresholds. This reflected the impact on cash flows of the restrictions on movement introduced by the authorities in response to the emergency caused by the spread of the Covid-19 pandemic. With regard to the measurements to be carried out based on amounts in the consolidated financial statements as at and for the year ended as at 31 December 2021, the above covenants have been complied with and, as a result, the loan of €400 million from Cassa Depositi e Prestiti has been reclassified to long-term.

With sole regard to the end of the annual reporting period, the loan agreements require compliance with a minimum threshold for “Operating cash flow available for Debt Service” and “Debt service coverage ratio” (DSCR). Breach of these covenants, at the relevant measurement dates, could constitute a default event and result in the lenders calling in the loans, requiring the early repayment of principal, interest and of further sums provided for in the agreements.

This covenant has been complied with at the latest measurement date of 31 December 2021.

In addition, the above covenants and the related measurements are monitored periodically by the Company, partly based also on future projections and, in the event of exposure to early repayment, the Company engages with the lender to agree on a remedy.

With regard to completion of the sale of Atlantia SpA's entire stake in Autostrade per l'Italia to HRA, the "Change of Control" constitutes a trigger event that could result in a request for early repayment of loans from Cassa Depositi e Prestiti and the European Investment Bank. In this respect, in July 2021, Cassa Depositi e Prestiti confirmed its consent for completion of the "Change of Control" of Autostrade per l'Italia.

Talks are underway with the European Investment Bank with a view to obtaining the following modifications:

- 1) release of the guarantee provided by Atlantia;
- 2) modification of the change of control provision.

Approval of the transaction by the Company's lenders is one of the conditions precedent in the share purchase agreement.

DERIVATIVE LIABILITIES

(non-current) - €104,691 thousand (€392,826 thousand)

(current) - €183,056 thousand (€94,304 thousand)

As at 31 December 2021, this item regards hedging and non-hedging derivatives, entered into with a number of banks to hedge the exposure to interest rate and currency risks of certain medium/long-term financial liabilities, including highly likely future financial liabilities to be assumed.

The overall reduction in this item compared with 31 December 2020, amounting to €199,383 thousand, is linked to a combination of the following:

- a) a reduction of €60,652 thousand in fair value losses on Cross Currency Swaps linked to foreign currency bonds (pounds sterling and Japanese yen), resulting from the change in fair value (€26,485 thousand) reflecting the combined effects of movements in the foreign-currency and euro interest rates, following the issuer substitution at the end of 2016, recognised in financial income, and foreign exchange gains (€34,167 thousand) linked primarily to the strengthening of sterling against the euro;
- b) a reduction of €44,427 thousand in fair value losses on the Interest Rate Swaps and Forward-Starting Interest Rate Swaps, essentially reflecting higher interest rates as at 31 December 2021 compared with 31 December 2020;
- c) settlement, in January 2021, of Forward-Starting Interest Rate Swaps amounting per €91,231 thousand, at the time of the bond issue.

Fair value losses on Forward-Starting Interest Rate Swaps as at 31 December 2021 amount to €21,448 thousand. These swaps have a total notional value of €350 million, a weighted average duration of six years and three months and a weighted average fixed rate of approximately

1.074%. Their purpose is to hedge highly likely future financial liabilities to be entered in order to meet funding requirements.

Finally, it should be noted that:

- a) following completion of the above bond issue in January 2022, a portion of the derivative outstanding as at 31 December 2021, with a notional value of €350,000 thousand, and weighted average duration of six years and three months and a weighted average fixed rate of approximately 1.074%, were settled. Fair value losses as at 31 December 2021, amounting to €21,448 thousand, have been reclassified to short-term financial liabilities;
- b) the two Cross Currency Swaps linked to the sterling bond issue maturing in June 2022, with a notional value of €750 million and a fair value as at 31 December 2021, and amounting to €161,608 thousand, have been reclassified to short-term financial liabilities.

As at 31 December 2021, all outstanding derivatives are classified as not qualifying for hedge accounting. Further details are provided in note 8.2, "Financial risk management".

OTHER MEDIUM/LONG-TERM FINANCIAL LIABILITIES

(non-current) - €19 thousand (-)

(current) - €166,068 thousand (€172,215 thousand)

The balance of this item, which is broadly in line with 31 December 2020, consists primarily of accrued interest payable on the following:

- a) bond issues (€115,920 thousand);
- b) bank borrowings (€16,049 thousand);
- c) differentials on outstanding derivatives (€32,927 thousand).

SHORT-TERM FINANCIAL LIABILITIES

€70,071 thousand (€63,948 thousand)

The composition of short-term financial liabilities is shown below.

€000	31 December 2021	31 December 2020
Bank overdrafts repayable on demand	-	-
Short-term borrowings	-	5,000
Intercompany current account payables due to related parties	40,071	26,943
Other current financial liabilities	30,000	32,005
Short-term financial liabilities	70,071	63,948

The increase in short-term financial liabilities of €6,123 thousand, compared with 31 December 2020, primarily reflects an increase in intercompany current account payables due to related parties.

More detailed information on financial risks and the manner in which they are managed, in addition to outstanding derivative financial instruments, is contained in note 8.2, "Financial risk management".

NET DEBT IN COMPLIANCE WITH ESMA RECOMMENDATION OF 20 MARCH 2013

An analysis of the various components of net debt is shown below with amounts payable to and receivable from related parties, as required by CONSOB Ruling DEM/6064293 of 28 July 2006 which, through Warning Notice 5/21, refers to the latest European Securities and Markets Authority ("ESMA") Recommendation of 4 March 2021. Current guidelines have revised the previous CESR Recommendation (including the references in the CONSOB Ruling DEM/6064293 of 28 July 2006 regarding net debt).

€000	31 December 2021	of which related party transactions	31 December 2020	of which related party transactions
Cash	-781,350		-1,083,229	
Cash equivalents (1)	-812,333	-662,229	-518,434	-518,375
Other current financial assets ⁽²⁾	-31,405		-19,762	
Liquidity (A)	-1,625,088		-1,621,425	
Current financial liabilities ⁽³⁾	70,071	70,071	63,948	58,948
Current portion of medium/long-term financial liabilities	2,468,322		3,345,896	
Current financial liabilities (B)	2,538,393		3,409,844	
Current net debt (C=A+B)	913,305		1,788,419	
Non-current financial liabilities ⁽⁴⁾	648,145		555,095	
Debt instruments ⁽⁵⁾	7,532,240		7,124,161	
Non-current financial liabilities (D)	8,180,385		7,679,256	
Net debt as defined by ESMA recommendation (E=C+D)	9,093,690		9,467,675	

RECONCILIATION OF NET DEBT AS DEFINED BY ESMA RECOMMENDATION AND NET DEBT

€000	31 December 2021	of which related party transactions	31 December 2020	di cui verso parti correlate
Net debt as defined by ESMA recommendation (E)	9,093,690		9,467,675	
Current financial assets ⁽⁴⁾ net of derivatives (F)	-324,077	-232,366	-46,616	-4,536
Non-current financial assets (G)	-332,552	-9,866	-562,072	-234,132
Net debt (H=E+F+G)	8,437,061		8,858,987	

- (1) This item includes cash equivalents and intercompany current account receivables from related parties, as reported in note 6.6 in the "Separate financial statements as at and for the year ended 31 December 2021".
- (2) These are derivative assets included in the "Other medium/long-term financial assets", as reported in note 6.4 in the "Separate financial statements as at and for the year ended 31 December 2021".
- (3) Includes the value of "Bank overdrafts repayable on demand", "Short-term borrowings" and "Other current financial liabilities", as reported in note 6.13 in the "Separate financial statements as at and for the year ended 31 December 2021".
- (4) Includes the value of "Medium/long-term borrowings", "Non-current derivative liabilities" and "Other non-current financial liabilities", as reported in note 6.13 in the "Separate financial statements as at and for the year ended 31 December 2021".
- (5) Includes the value of "Bond issues", as reported in note 6.13 in the "Separate financial statements as at and for the year ended 31 December 2021".
- (6) Includes the value of "Current financial assets", net of the fair value of derivative assets included in the "Current portion of other medium/long-term financial assets", as reported in note 6.4 in the "Separate financial statements as at and for the year ended 31 December 2021" and included in "Other current financial assets" in the above ESMA statement.

6.14 Net deferred tax liabilities - €314,624 thousand (€17,206)

The following tables show deferred tax liabilities, after offsetting against deferred tax assets.

€000	31 December 2021	31 December 2020
Deferred tax liabilities (IRES)	1,484,146	1,471,376
Deferred tax liabilities (IRAP)	258,937	243,227
Deferred tax liabilities	1,743,083	1,714,603
Deferred tax assets eligible for offset (IRES)	1,265,388	1,486,921
Deferred tax assets eligible for offset (IRAP)	163,071	210,476
Deferred tax assets eligible for offset	1,428,459	1,697,397
Net deferred tax liabilities	314,624	17,206

The nature of the temporary differences giving rise to deferred taxation and changes during the period are summarised in the following table.

€000	31 December 2020	CHANGES DURING THE YEAR				31 December 2021
		Provisions	Releases	Provisions (releases) in other comprehensive income	Change in prior year estimates and other changes	
Off-balance sheet amortisation of goodwill	1,709,433	15,710	-	-	-	1,725,143
Financial instruments on first-time adoption of IFRS 9	-	-	-	-	-	-
Derivative assets	1,914	-	-	11,590	-	13,504
Actuarial valuation of provisions for employee benefits through	3,235	1,180	-	-	-	4,415
Other temporary differences	21	-	-	-	-	21
Deferred tax liabilities	1,714,603	16,890	-	11,590	-	1,743,083
Restatement of total amount subject to IFRIC 12	348,819	-	-20,398	-	-21,901	306,520
Provisions	1,282,073	523,805	-708,813	-	-24,622	1,072,443
Derivative liabilities	43,313	-	-	-6,118	-	37,195
Actuarial gains and losses on provisions for employee benefits	4,932	-	-	1,275	-	6,207
Impairment of receivables and inventories	4,934	926	-691	-	346	5,515
Other temporary differences	894	74	-83	-	-306	579
Tax losses eligible to be carried forward	12,432	-	-13,336	-	904	-
Deferred tax assets eligible for offset	1,697,397	524,805	-743,321	-4,843	-45,579	1,428,459
Net deferred tax liabilities	17,206	-507,915	743,321	16,433	45,579	314,624

As shown above, the balance as at 31 December 2021 substantially includes the following:

- deferred tax liabilities, recognised since 2003, relating to the deduction, solely for tax purposes, of goodwill amortisation;
- the residual balance of deferred tax assets deriving from the restatement over 29 years, from 2010, of the total amount determined on first-time application of IFRIC 12, in accordance with art. 11, paragraph 3 of the Ministerial Decree of 8 June 2011 on the harmonisation of tax rules and international financial reporting standards;
- the undeducted portion of provisions, primarily for the repair and replacement of motorway infrastructure.

The balance of this item is up €297,418 thousand compared with at 31 December 2020, primarily as a result of:

- net releases of deferred tax assets, primarily reflecting uses of provisions for the repair and replacement of motorway infrastructure and uses of provisions for risks and charges, as described above (€185,008 thousand);

- b) the release of deferred tax assets (€24,428 thousand) due to the adjustment to deferred tax assets for IRES linked to the reversal of temporary differences, resulting from provisions, due to the reduction in the tax rate from 27.5% to 24%. Under art. 1, paragraphs 716-718 of Law 160/2019 (the 2020 Budget Law), the Government introduced an IRES surtax of 3.5% on the earnings of motorway, airport, port and railway operators for the years from 2019 and 2021;
- c) the recognition of deferred tax liabilities for IRAP on the above deduction of tax amortisation of the goodwill (€15,710 thousand);
- d) the release of deferred tax assets on tax loss carryforwards (€13,336 thousand).

6.15 Other non-current liabilities - €25,460 thousand (€23,184 thousand)

This item consists of payables and other non-current liabilities that are neither trading nor financial in nature. The composition of this item as at 31 December 2021 is shown below.

€000	31 December 2021	31 December 2020
Accrued expenses of a non-trading nature	21,808	23,184
Amounts payable to staff	2,758	-
Social security contributions payable	894	-
Other non-current liabilities	25,460	23,184

This item is broadly in line with the balance as at 31 December 2020.

6.16 Trading liabilities - €1,544,243 thousand (€1,292,504 thousand)

Trading liabilities primarily consist of:

€000	31 December 2021	31 December 2020
Payable to the operators of interconnecting motorways	659,547	528,357
Amounts payable to suppliers	805,643	709,879
Tolls in the process of settlement	78,839	54,194
Other trading liabilities	214	74
Trading liabilities	1,544,243	1,292,504

The increasing in trading liabilities amounts to €251,739 thousand. This is primarily due to:

- 1) an increase in in amounts payable to the operators of interconnecting motorways (€131,190 thousand) and in tolls in the process of settlement (€24,645 thousand), linked to traffic growth in 2021 compared with 2020;
- 1) increase in amounts payable to suppliers (€95,764 thousand), reflecting maintenance carried out in the comparative periods.

The carrying amount of trading liabilities approximates to fair value.

6.17 Other current liabilities - €218,750 thousand (€157,218 thousand)

This item consists of payables and other current liabilities that are neither trading nor financial in nature. An analysis of the balance as at 31 December 2021 is shown below.

€000	31 December 2021	31 December 2020
Concession fees payable	93,189	43,346
Amounts payable to staff	50,876	33,746
Social security contributions payable	17,792	17,049
Taxation other than income taxes	11,226	8,982
Amounts payable for expropriations	826	1,276
Guarantee deposits by road users who pay by direct debit	1,336	1,823
Other payables	43,505	50,996
Other current liabilities	218,750	157,218

The balance as at 31 December 2021 is up €61,532 thousand compared with 31 December 2020, primarily reflecting a combination of the following:

- a) an increase of €49,843 thousand in concession fees payable, primarily due to the increased amount payable to ANAS;
- b) an increase in amounts payable to staff (€17,130 thousand), primarily due to incentives payable to workers participating in the Company's extraordinary early retirement scheme in 2021.

7. Notes to the income statement

This section includes the notes to amounts in the income statement, with negative components of the income statement shown with a “-” sign in the headings and tables and amounts for 2020 shown in brackets.

Details of amounts in the income statement deriving from related party transactions are provided in note 9.3, “Related party transactions”.

7.1 Toll revenue - €3,203,057 thousand (€2,569,386 thousand)

Toll revenue is up €633,671 thousand compared with 2020, primarily due to a 23.1% increase in traffic on the network (up 20.9% after taking into account the effect of the traffic mix). Both comparative periods reflect the impact of the Covid-19 pandemic, whilst the positive performance of traffic in 2021, compared with 2020, is partly due to the relaxation during 2021 of the restrictions on movement introduced by Government authorities.

Toll revenue includes the surcharge payable to ANAS, totalling €340,618 thousand (€284,534 thousand in 2020), and accounted for under concession fees in “Other operating costs”.

As required by the CIPE Resolution of 20 December 1996, tables containing monthly traffic figures for the various motorway sections operated under concession have been annexed to these notes.

7.2 Revenue from construction services - €869,660 thousand (€162,432 thousand)

An analysis of this revenue is shown below.

€000	2021	2020	Increase/ (Decrease)
Revenue from construction services for which additional economic benefits are received	869,627	159,797	709,830
Revenue from construction services provided by sub-operators	33	2,635	-2,602
Revenue from construction services	869,660	162,432	707,228

The increase of €707,228 thousand in this item is the result of the previously mentioned adoption by ART of Determination 71/2019 on 19 June 2019, as described earlier in note 5.2, “Events of 14 August 2018 relating to the collapse of a section of the Polcevera road bridge in Genoa and developments in the legal and regulatory framework”.

In substance, therefore, the new mechanisms introduced by the Determination provide remuneration for all the construction and/or upgrade services through tolls. These include those for which until now the Company did not recognise additional economic benefits (in terms of remuneration of the services provided), and those that already benefit from remuneration.

As a result, given that all concession rights are of relevance for the purposes of remuneration of the services performed, revenue from construction services include all the work carried out on

assets held under concession. This revenue represents the fair value of the consideration due in return for the construction and upgrade services rendered in relation to infrastructure operated under concession during the year, as indicated in note 3, "Accounting standards and policies applied".

In 2020, the Company carried out additional construction services for which no additional benefits were received, amounting to €349,527 thousand, for which it made use of a portion of the specifically allocated "Provisions for construction services required by contract". Uses of these provisions are classified as a reduction in operating costs for the period, as explained in note 7.9, "Use of provisions for construction services required by contract".

Details of total investment in assets held under concession during the year are provided in note 6.2, "Intangible assets".

7.3 Other operating income - €202,779 thousand (€174,296 thousand)

An analysis of other operating income is provided below.

€000	2021	2020	Increase/ (Decrease)
Revenue from sub-concessions at service areas	104,680	82,335	22,345
Damages and compensation	15,693	15,562	131
Refunds	17,847	17,707	140
Service revenue	13,331	13,286	45
Maintenance revenue	13,645	10,938	2,707
Other revenue from motorway operation	15,853	14,839	1,014
Advertising revenue	1,774	1,886	-112
Revenue from the sale of technology devices and services	261	269	-8
Other income	19,695	17,474	2,221
Other operating income	202,779	174,296	28,483

Other operating income is up €28,483 thousand compared with 2020, mainly due to increased royalties from motorway service areas (€22,345 thousand), linked to the growth of traffic and the suspension in the comparative period of royalty payments in order to support oil and food service providers during the lockdown linked to the Covid-19 health emergency.

The breakdown of "Total revenue", based on satisfaction of the related performance obligations, is provided below in accordance with IFRS 15.

**Separate financial statements as at
and for the year ended
31 December 2021.**

€000	2021				2020			
	IFRS 15		Outside scope of IFRS 15	Total revenue	IFRS 15		Outside scope of IFRS 15	Total revenue
	At a point in time	Over time			At a point in time	Over time		
Net toll revenue	3,203,057	-	-	3,203,057	2,569,386	-	-	2,569,386
Revenue from construction services	-	869,660	-	869,660	-	162,432	-	162,432
Other operating income	37,741	-	165,038	202,779	47,925	-	126,371	174,296
Total revenue	3,240,798	869,660	165,038	4,275,496	2,617,311	162,432	126,371	2,906,114

Revenue outside the scope of IFRS 15 essentially regards revenue from the sub-concession of space at service areas, rebates and damages and compensation received.

7.4 Raw and consumable materials - -€69,387 thousand (-€66,149)

This item consists of purchases of materials and the change in inventories of raw and consumable materials.

€000	2021	2020	Increase/ (Decrease)
Electrical and electronic materials	-33,964	-18,958	-15,006
Lubricants and fuel	-9,458	-8,662	-796
Construction materials	-18,421	-11,548	-6,873
Other raw and consumable materials	-28,004	-30,436	2,432
Cost of materials	-89,847	-69,604	-20,243
Change in inventories of raw, ancillary and consumable materials and goods for resale	19,042	3,388	15,654
Capitalised cost of raw materials	1,418	67	1,351
Raw and consumable materials	-69,387	-66,149	-3,238

This item is broadly in line with the figure for the year ended 31 December 2021.

Compared with 2020, this item does not include the costs of works included in the unremunerated investment programme, which from 2021 are presented as a direct reduction in provisions for risks and charges, as described above.

7.5 Service costs - -€1,381,218 thousand (-€1,447,039 thousand)

This item includes construction, insurance, transport and professional services primarily relating to the maintenance and upgrade of motorways. An analysis of the balance is shown below.

€000	2021	2020	Increase/ (Decrease)
Construction and similar	-972,800	-1,087,806	115,006
Professional services	-230,204	-209,508	-20,696
Utilities	-36,949	-35,873	-1,076
Transport and similar	-25,265	-20,743	-4,522
Insurance	-19,364	-18,497	-867
Advertising	-8,210	-6,362	-1,848
Statutory Auditors' fees	-274	-289	15
Other services	-88,152	-67,961	-20,191
Service costs	-1,381,218	-1,447,039	65,821

The reduction in service costs, amounting to €65,821 thousand, essentially reflects:

- a reduction in "Construction and similar" (€115,006 thousand), reflecting the lower costs recognised in relation to the progress of work on demolition and reconstruction of the San Giorgio road bridge in Genoa (€67,255 thousand). These charges are covered in full by use of the provisions for the repair and replacement of motorway infrastructure made as at 31 December 2018 in order to rebuild the San Giorgio road bridge in Genoa;
- an increase in the cost of professional services (€20,696 thousand), essentially reflecting technical and engineering services linked to the greater volume of maintenance carried out under network maintenance programmes;
- an increase in other services (€20,191 thousand), reflecting an increase in the cost of security and surveillance for worksites across the motorway network.

Compared with 2020, "Service costs" do not include the costs of works included in the unremunerated investment programme, which from 2021 are presented as a direct reduction in provisions for risks and charges, as described above.

7.6 Staff costs --€451,420 thousand (-€394,276 thousand)

Staff costs break down as follows.

€000	2021	2020	Increase/ (Decrease)
Wages and salaries	-296,140	-269,821	-26,319
Social security contributions	-88,856	-80,068	-8,788
Payments to supplementary pension funds, INPS and for post-employment benefits	-17,742	-16,408	-1,334
Cost of share-based incentive plans	1,340	3,584	-2,244
Directors' remuneration	-1,518	-1,304	-214
Recovery of cost of seconded staff	6,288	5,709	579
Other staff costs	-56,180	-36,977	-19,203
Capitalised staff costs	1,388	1,009	379
Staff costs	-451,420	-394,276	-57,144

Staff costs are up €57,144 thousand compared with 2020, essentially due to:

- an increase in the average cost, primarily due to the increased cost of early retirement incentives linked to the extraordinary scheme introduced in 2021, the reduced costs

incurred in 2020 linked to activation of the ordinary wage guarantee fund - “CIGO” - and other effects linked to the Covid-19 pandemic, and the reduction in 2020 in the fair value of management incentive plans;

- b) an increase of 56 in the average workforce, primarily linked to the recruitment of staff for certain departments linked to the Transformation Plan, partially offset by the above extraordinary early retirement scheme and a slowdown in turnover, above all among toll collectors.

The following table shows the average number of employees (by category and including agency staff).

Workforce	2021	2020	Increase/ (Decrease)
Senior managers	103	93	10
Middle managers	253	266	-13
Administrative staff	2,242	2,050	192
Toll collectors	1,593	1,675	-82
Operational personnel	886	937	-51
Average workforce	5,077	5,021	56

Information on equity-settled and cash-settled share-based incentive plans for certain of the Company’s Directors and employees is provided in note 9.4, “Disclosures regarding share-based payments”.

7.7 Other operating costs —€490,263 thousand (-€397,237 thousand)

An analysis of other operating costs is shown below.

€000	2021	2020	Increase/ (Decrease)
Concession fees	-415,970	-344,795	-71,175
Lease expense	-3,236	-4,760	1,524
Compensation for damages and	-27,650	-11,947	-15,703
Grants and donations	-27,365	-24,069	-3,296
Direct and indirect taxes	-8,948	-7,281	-1,667
Other	-7,094	-4,385	-2,709
Other costs	-71,057	-47,682	-23,375
Other operating costs	-490,263	-397,237	-93,026

Other operating costs are up €93,026 thousand on the previous year, primarily due to:

- a) an increase in concession fees (€71,175 thousand) linked to the performance of traffic, toll revenue and sub-concession arrangements;
- b) an increase in damages and penalties (€15,703 thousand), primarily relating to reconstruction of the San Giorgio road bridge (€13,579 thousand), as described in note 5.2, “Events of 14 August 2018 relating to the collapse of a section of the Polcevera road bridge in Genoa and developments in the legal and regulatory framework”.

The item, "Concession fees" includes the surcharge payable to the Grantor and referred to in the above description of traffic growth. Law 102 of 3 August 2009, as amended, eliminated the toll surcharge pursuant to Law 296/2006, while increasing concession fees computed on the distance travelled by each vehicle on a motorway in the amount of 6 thousandths of a euro per kilometre for toll classes A and B and 18 thousandths of a euro per kilometre for classes 3, 4 and 5. The fees payable to the Grantor are recouped through a matching increase in the tolls charged to road users, thereby not having an impact on the Company's results.

7.8 Operating change in provisions - €48,604 thousand - (-€398,249)

This item reflects the impact on profit or loss of operating changes (new provisions and uses) in provisions, excluding those for employee benefits (classified in staff costs), made by the Company during the period in order to meet the legal and contractual obligations that it is presumed will require the use of financial resources in future years.

The balance of this item in 2021 essentially reflects:

- a) the operating change in provisions for the repair and replacement of motorway infrastructure (the net use of €57,853 thousand) to cover the costs relating to the completion of reconstruction of San Giorgio road bridge (€87,513 thousand);
- b) the operating change in provisions for risks and charges (provisions of €9,249 thousand), primarily linked to:
 - 1) an updated estimate of the cost of consultants' fees and legal expenses linked to actions undertaken to protect the Company's rights and those of its employees who are under investigation, and a review of the legal risks relating to existing litigation and for compensation payable to the victims and the injured, following the collapse of the Polcevera road bridge (€38,557 thousand), as described above;
 - 2) the expenses linked to local tax audits (€5,455 thousand);
 - 3) the discounting to present value as at 31 December 2021 of provisions made in previous years to cover the commitments included in the settlement agreement with the MIMS and the Government (€39,009 thousand).

7.9 Use of provisions for construction services required by contract € - thousand - (€349,527) thousand

The balance of provisions for construction services required by contract as at 1 January 2021 (€2,540,778 thousand) was closed following ART's adoption of the new tariff framework, and this sum accounted for as a direct reduction in intangible assets deriving from concession rights for which no additional economic benefits are received, as previously described in note 6.2, "Intangible assets".

7.10 Amortisation and depreciation - -€498,574 thousand (-€602,532 thousand)

The reduction of €103,958 thousand compared with 2020 essentially reflects:

- a) a reduction of €122,845 thousand in amortisation of intangible assets deriving from concession rights, essentially following closure of the balance of provisions for construction services required by contract as at 1 January 2021 (€2,540,278 thousand) accounted for as a direct reduction in intangible assets deriving from concession rights for which no additional economic benefits are received, following the previously mentioned adoption by ART of

Determination 71/2019 on 19 June 2019, as described earlier in note 6.2, "Intangible assets";

- b) an increase of €18,082 thousand in amortisation of intangible assets, primarily due to implementation of the initiatives included in the Transformation Plan, focusing on technological innovation relating to the management and safety of infrastructure and advanced digital mobility services.

In 2020, this item included the amortisation of concession rights deriving from investment in construction services for which no additional economic benefits were received, totalling €390,158 thousand.

7.11 (Impairment losses)/reversals of impairment losses on current and non-current assets - -€3,994 thousand (-€2,225 thousand)

The balance primarily reflects the impairment of trade receivables, amounts due from insurance companies and unpaid tolls relating to previous years, reflecting the risk of partial non-collection.

7.12 Financial income/(expenses) - -€289,397 thousand (-€475,441 thousand)

Financial income - €184,560 thousand (€89,920 thousand)

Financial expenses - -€473,950 thousand (-€565,328 thousand)

Foreign exchange gains/(losses) - -€7 thousand (-€33 thousand)

An analysis of financial income and expenses is shown below.

€000	2021	2020	Increase/ (Decrease)
Dividends received from investees	16,537	-	16,537
Income from discounting to present value	226	87	139
Income from derivative financial instruments	119,073	44,932	74,141
Income from measurement of financial instruments at amortised cost	26,157	25,702	455
Interest income	20,454	12,526	7,928
Financial income accounted for as an increase in financial assets	951	3,999	-3,048
Other	1,162	2,674	-1,512
Other financial income	168,023	89,920	78,103
Financial income (a)	184,560	89,920	94,640
Financial expenses from discounting of provisions for construction services required by contract and other provisions	-2,923	-15,135	12,212
Interest expense	-304,596	-292,714	-11,882
Losses on derivative financial instruments	-112,370	-215,892	103,522
Expenses from measurement of financial instruments at amortised cost	-20,880	-20,572	-308
Interest expense accounted for as an increase in financial liabilities	-3,983	-3,785	-198
Other	-29,198	-17,230	-11,968
Other financial expenses	-471,027	-550,193	79,166
Total financial expenses (b)	-473,950	-565,328	91,378
Foreign exchange gains/(losses) (c)	-7	-33	26
Financial income/(expenses) (a+b+c)	-289,397	-475,441	186,044

"Dividends received from investees" total €16,537 thousand and primarily relate to dividends received from the subsidiaries, Traforo Monte Bianco, Autostrade Tech, Autostrade Meridionali

and Giove Clear, whilst the figure for 2020 was zero as none of the Company's investees declared a dividend.

"Financial expenses from the discounting of provisions for construction services required by contract and other provisions" are computed on the basis of the value of the provisions and the discount rates used at 31 December of the year prior to the reporting period. The reduction of €12,211 thousand primarily reflects a decline in the discount rates applied to provisions for construction services required by contract in 2021 compared with 2020.

Finally, from 2021, financial expenses from the discounting of provisions for construction services required by contract are no longer recognised following implementation of the new tariff framework adopted by ART, as described above in note 6.2, "Intangible assets".

"Other financial expenses", after "Other financial income", amount to €303,011 thousand and are down €157,295 thousand compared with previous year (€460,306 thousand).

This is essentially due to a combination of the following:

- a) an increase in net financial income on derivatives, totalling €177,663 thousand, essentially due to a change in the fair value of derivative instruments (a gain in 2021 and a loss in the comparative period);
- b) an increase of €11,989 thousand in "Other financial expenses", primarily following the recognition of costs relating to the Consent Solicitation process (€7,773 thousand), as described above in note 6.13, "Financial liabilities".

7.13 Income tax (expense)/benefit - -€458,897 thousand (€128,933 thousand)

An analysis of income tax expense is shown below.

€000	2021	2020	Increase/ (Decrease)
IRES	-152,619	-	-152,619
IRAP	-25,460	-	-25,460
Current tax benefit of tax loss carryforwards	-	973	-973
Current tax expense	-178,079	973	-179,052
Differences on current tax expense for previous years	167	3,898	-3,731
Provisions	524,805	498,177	26,628
Releases	-743,321	-298,404	-444,917
Changes in prior year estimates	-45,579	202	-45,781
Deferred tax income	-264,095	199,975	-464,070
Provisions	-16,890	-75,913	59,023
Deferred tax expense	-16,890	-75,913	59,023
Deferred tax income/(expense)	-280,985	124,062	-405,047
Income tax (expense)/benefit	-458,897	128,933	-587,830

Income tax expense for 2021 amounts to €458,897 thousand, marking a difference of €587,830 thousand compared with the benefit reported for 2020 (€128,933 thousand). This is in line with the increase in pre-tax income. The tax benefit for 2020 reflected the tax loss recorded for the previous year.

The above change primarily reflects:

- increased releases of deferred tax assets, relating to uses of the provisions made in previous years to cover the costs resulting from the settlement agreement with the MIMS and the Government, totalling €317,152 thousand;
- current tax expense in 2021, amounting to €178,079 thousand.

The following table shows a reconciliation of the statutory rate of IRES with the effective charge in the two comparative periods.

€000	2021			2020		
	Taxable income	Tax expense		Taxable income	Tax expense	
		Tax	Tax rate		Tax	Tax rate
Profit/(Loss) before tax from continuing operations	1,140,774			-527,064		
IRES tax expense computed using statutory rate		313,713	27.50%		-144,943	27.50%
Temporary differences deductible in future years	1,894,696	521,041	45.67%	1,780,829	489,728	-92.92%
Provisions for the repair and replacement of motorway infrastructure	647,023	177,931		1,513,272	416,150	
Tax losses eligible to be carried forward	-	-		45,207	12,432	
Provisions for Settlement Agreement with the MIMS	1,200,000	330,000		190,000	52,250	
Other differences	47,673	13,110		32,350	8,896	
Temporary differences taxable in future years:	-4,918	-1,352	-0.12%	-248,737	-68,403	12.98%
Off-balance sheet deduction of goodwill	-	-		-248,737	-68,403	
Actuarial valuation of provisions for post-employment benefits through profit or loss	-4,918	-1,352		-	-	
Net reversal of prior year temporary differences	-2,468,846	-678,932	-59.52%	-1,004,609	-276,267	52.42%
Release of provisions for the repair and replacement of motorway infrastructure	-1,342,478	-369,182		-907,572	-249,582	
Release of provisions for Settlement Agreement with the MIMS	-992,061	-272,817		-	-	
Restatement of overall balance due to application of IFRIC12	-67,651	-18,604		-67,651	-18,604	
Tax losses eligible to be carried forward	-48,491	-13,335		-	-	
Other differences	-18,165	-4,994		-29,386	-8,081	
Permanent differences:	-6,730	-1,851	-0.16%	-3,958	-1,088	0.21%
Non-taxable dividends	-15,710	-4,320		-	-	
Other permanent differences	8,980	2,470		-3,958	-1,088	
Income assessable to IRES	554,977			-3,539		
IRES for the year		152,619	13.38%		-973	0.18%
IRAP for the year		25,460	2.23%		-	0.00%
Current income tax expense		178,079	15.61%		-973	0.18%

7.14 Earnings/(Loss) per share

The following statement shows a breakdown of the calculation of earnings per share for the two comparative periods. In the absence of options or convertible bonds issued by the Company, diluted earnings per share coincides with the figure for basic earnings per share.

	2021	2020
Weighted average of shares outstanding	622,027,000	622,027,000
Profit/(Loss) for the year (€000)	681,877	-398,131
Earnings/(Loss) per share (€)	1.10	-0.64
Profit/(Loss) from continuing operations (€000)	681,877	-398,131
Earnings/(Loss) per share from continuing operations (€)	1.10	-0.64
Profit/(Loss) from discontinued operations (€000)	-	-
Basic earnings/(loss) per share from discontinued operations (€)	-	-

8. Other financial information

8.1 Notes to the statement of cash flows

Cash flow in 2021, compared with 2020, is analysed below. The statement of cash flows is included in the “Financial statements”.

Cash flows during 2021 resulted in a decrease in cash and cash equivalents of €21,108 thousand, compared with an increase of €281,039 thousand in 2020.

Cash flows from operating activities amount to €1,299,277 thousand in 2021, up €993,107 thousand compared with the figure for 2020 (€306,170 thousand). Cash flow in 2021 reflects:

- a) operating cash flow of €907,068 thousand, up €455,295 thousand compared with 2020 (€451,773 thousand), primarily due to the increase in toll revenue;
- b) the change in net working capital and other changes, amounting to €392,209 thousand, reflecting the changes in trade receivables and payables referred to above.

The figure for 2021 reflects use of the provisions for risks and charges made to cover the commitments included in the settlement agreement with the MIMS and the Government, regarding works included in the investment plan not remunerated through tolls (€299,421 thousand in 2021).

Cash used in investing activities amounts to €1,042,356 thousand, essentially due to:

- a) investment in assets held under concession (€869,627 thousand);
- b) purchases of investments (€65,689 thousand), as described in note 6.3, “Investments”;
- c) investment in other intangible assets (€78,420 thousand), essentially linked to implementation of the Group’s Transformation Plan, focusing on technological innovation.

Cash used in investing activities amounted to €529,821 thousand in 2020 and essentially regarded investment in assets held under concession (€509,324 thousand).

Cash used in financing activities in 2021 amounts to €278,029 thousand. This primarily reflects the following:

- a) the repayment of bonds, amounting to €1,074,936 thousand, in February and November 2021;
- b) the repayment of medium/long-term borrowings, amounting to €135,749 thousand, essentially relating to contractually agreed repayments of loans from the European Investment Bank and Cassa Depositi e Prestiti;
- c) the issue of bonds amounting to €983,535 thousand in January 2021.

Further details are provided above in note 6.13, “Financial liabilities”.

Cash from financing activities in 2020 amounts to €504,690 thousand and primarily reflected the issue of bonds totalling €1,218,864 thousand, partially offset by repayments of bonds amounting

to €501,728 thousand and the repayment of loans from the European Investment Bank and Cassa Depositi e Prestiti, totalling €140,163 thousand.

8.2 Financial risk management

Financial risk management objectives and policies

In the normal course of its business and finances, the Company is exposed to:

- a) liquidity risk, linked primarily to the risk of a downgrade of the Company's credit rating by the rating agencies, thus limiting access to long-term funding for operating activities and repayment of the liabilities assumed;
- b) market risk, principally with respect to the effect of movements in interest and foreign exchange rates on financial liabilities assumed and financial assets acquired;
- c) credit risk, linked to both ordinary trading relations and the likelihood that a full or partial default by a financial counterparty with whom the Company has invested liquidity and/or entered into derivative contracts or derivative financial instruments;
- d) the risk of breaching financial covenants in certain loan agreements, thereby potentially triggering early repayment provisions.

Market risk

The strategy adopted for this type of risk aims to mitigate interest rate and currency risks and minimise borrowing costs.

Management of these risks is based on prudence and best market practices.

The main objectives are as follows:

- a) to protect the scenario forming the basis of the long-term plan from the effect of exposure to currency and interest rate risks, identifying the best combination of fixed and floating rates;
- b) to pursue a potential reduction of the Company's borrowing costs within the risk limits determined by the Board of Directors;
- c) to manage derivative financial instruments taking account of their potential impact on the results of operations and financial position in relation to their classification and presentation.

As at 31 December 2021, the Company's holdings of derivatives, described below, are either classified as cash flow hedges or do not qualify for the application of hedge accounting, in accordance with IFRS 9.

Amounts in currencies other than the euro are converted using the closing exchange rates published by the European Central Bank.

The residual average term to maturity of the Company's debt as at 31 December 2021 is approximately five years and four months. The average cost of medium to long-term debt for 2021 was 3.3%.

Monitoring is, moreover, intended to assess, on a continuing basis, counterparty creditworthiness and the degree of risk concentration.

Interest rate risk

This risk is linked to uncertainty regarding the performance of interest rates, and takes two forms:

- a) cash flow risk: linked to financial assets and liabilities with cash flows indexed to a market interest rate. In order to reduce the amount of floating rate debt, the Company has entered into interest rate swaps (IRSs), classified as at 31 December 2021 as cash flow hedges, provided that all the requirements of IFRS 9 have been met, or as not qualifying for hedge accounting;
- b) fair value risk: the risk of losses deriving from an unexpected change in the value fixed rate financial assets and liabilities following an unfavourable shift in the market yield curve. As at 31 December 2021, the Company is not a party to derivatives classified as fair value hedges.

The cash flow hedges entered into and the underlying financial liabilities have matching terms to maturity and notional amounts. If the notional amount of the derivative is greater than the notional amount of the underlying debt, the companies recognise the change in value relating to this difference in profit or loss.

Interest Rate Swaps hedging existing debt are classified as cash flow hedges provided that all the requirements of IFRS 9 have been met. If this is not the case, they are classified as not qualifying for hedge accounting. If, following the issue of a liability already hedged by Forward-Starting Interest Rate Swaps, the derivatives are settled and the requirements of IFRS 9 have been met, the cash flow hedge reserve recognised in equity is released when the interest flows from the originally hedged financial liability are effectively exchanged.

Outstanding Forward-Starting Interest Rate Swaps as at 31 December 2021 amount to a total notional amount of €3,350 million, including €3,000 million accounted for as cash flow hedges and €350 million not qualifying for hedge accounting.

With regard to the latter, which do not qualify for hedge accounting, it should be noted that, in the belief that future debt issues underlying these instruments were possible, in the case of other instruments, the cash flow hedge reserve was frozen in equity and the related gains or losses will be taken to profit or loss when the interest flows from the originally hedged financial liability crystallise.

In contrast, the Forward-Starting Interest Rate Swaps entered into in 2021, with a total notional value of €3,000 million, are instead treated as cash flow hedges with any changes recognised in equity. Gains or losses will be taken to profit or loss when the interest flows from the originally hedged financial liability crystallise.

As at 31 December 2021, as a result of the hedges entered into, 98% of interest bearing debt is fixed rate.

Currency risk

Currency risk can result in the following types of exposure:

- a) economic exposure incurred through purchases and sales denominated in currencies other than the individual companies' functional currency;
- b) translation exposure through equity investments in subsidiaries and associates whose financial statements are denominated in a currency other than the Group's functional currency;

- c) transaction exposure incurred by making deposits or obtaining loans in currencies other than the Company's functional currency.

Currency risk derives primarily from the presence of financial assets and liabilities denominated in currencies other than the Company's functional currency. With regard to the Cross Currency Swaps (CCIRs) linked to the bonds denominated in sterling (GBP) and yen (JPY), which were involved in the issuer substitution at the end of 2016, whilst, from an operational viewpoint, these derivatives hedge the bonds' exposure to currency risk, they do not meet all the requirements for classification as hedges under IFRS 9 and have been classified as non-hedge accounting.

8% of the Company's medium/long-term debt is denominated in currencies other than the euro (sterling and yen). Taking into account the above Cross Currency Swaps (CCIRs), the percentage of debt exposed to currency risk on translation into euros is, in any event, zero.

The following table summarises outstanding derivative financial instruments as at 31 December 2021 (compared with 31 December 2020), showing the corresponding market and notional values.

€000		31 December 2021		31 December 2020	
Type	Purpose of hedge	Fair value asset/(liability)	Notional amount	Fair value asset/(liability)	Notional amount
Cash flow hedges (1)					
Interest Rate Swaps Forward Starting	Interest rate risk	51,519	3,000,000		
Interest Rate Swaps	Interest rate risk				
		51,519	3,000,000	0	0
Non-hedge accounting derivatives (1)					
Cross Currency Swaps	Interest rate and currency risk	-201,492	899,176	-262,143	899,176
Interest Rate Swaps	Interest rate risk	-21,448	350,000	-93,543	737,209
Interest Rate Swaps Forward Starting	Interest rate risk	-64,807	513,953	-131,444	1,350,000
		-287,747	1,763,129	-487,130	2,986,385
	Total	-236,228	4,763,129	-487,130	2,986,385
	of which:				
	fair value asset	51,519		-	
	fair value liability	-287,747		-487,130	

(1) The fair value of derivatives excludes the related accruals at the measurement date.

Sensitivity analysis

Sensitivity analysis describes the impact that the interest rate and currency movements to which the Company is exposed would have had on the income statement for 2021 and on equity as at 31 December 2021.

The interest rate sensitivity analysis is based on the exposure of derivative and non-derivative financial instruments at the end of the reporting period, assuming, in terms of the impact on the income statement, a 1% (100 bps) shift in the interest rate curve at the beginning of the year.

Based on the above analysis:

- a) in terms of interest rate risk, an unexpected and unfavourable 1% shift in market interest rates would have resulted in a negative impact on the income statement, totalling €63,498 thousand, before the related taxation, essentially attributable to the derivatives reclassified as no longer qualifying for hedge accounting, and on other comprehensive income of €244,691 thousand, essentially attributable to cash flow hedges;

- b) in terms of currency risk, an unexpected and unfavourable 10% shift in the exchange rate would have resulted in a negative impact on the income statement, totalling €10,067 thousand, thousand, linked to the movement in fair value losses on Cross Currency Swaps in sterling and yen, which, as noted previously, are accounted for using non-hedge accounting.

Liquidity risk

Liquidity risk relates to the possibility that cash resources may be insufficient to fund the payment of liabilities as they fall due.

This risk primarily regards the risk of a downgrade of the credit rating by the rating agencies, affecting the Company's ability to access the financial markets on favourable terms and to ensure access to long-term funding to meet its investment needs.

Credit ratings may be downgraded by the agencies following events that have a material impact on the financial condition or that entail a major change in its risk profile, or a change in the methods used by the agencies. As a result, the Company's borrowing costs could rise and it would find it more difficult to access the financial markets.

In addition to movements in the credit ratings, the key factors contributing to the Company's liquidity risk are, on the one hand, the generation/use of cash from and for operating and investing activities and, on the other, its debt obligations and cash outflows.

To mitigate such risks, the Company monitors the financial indicators that contribute to the rating agencies' rating decisions, and engages with the agencies, monitoring any changes in the methods used that could have an impact on the credit score.

With regard to liquidity risk and in general to certain financial liabilities, the Company is exposed to the risk of breaching financial covenants in certain loan agreements, thereby potentially triggering early repayment provisions. In this regard, the above covenants and the related measurements are periodically monitored, partly based also on future projections and, in the event of exposure to early repayment, the Company engages with the lender to agree on a remedy.

As at 31 December 2021, the Company has lines of credit amounting to €2,050 million, with a weighted average residual term to maturity of approximately four years and a weighted average residual drawdown period of approximately one year and eight months.

With regard to these lines of credit, it should be noted that:

- a) talks are continuing with the aim of assessing whether or not the conditions precedent that would permit the disbursement of funds under the revolving credit facility granted to Autostrade per l'Italia by Cassa Depositi e Prestiti (totalling €600 million) have been met;
- b) in 2021, the Group obtained a Sustainability-linked Revolving Credit Facility, amounting to up to €750 million and maturing after five years.

Details of drawn and undrawn committed lines of credit are shown below.

Separate financial statements as at
and for the year ended
31 December 2021.

€000			31 December 2021		
Line of credit	Drawdown period expires	Final maturity	Available	Drawn	Undrawn
Medium/long-term committed from Cassa Depositi e Prestiti	31 Dec 2021	13 Dec 2027	1,100,000	400,000	700,000
Revolving line of credit from Cassa Depositi e Prestiti	2 Oct 2022	31 Dec 2022	600,000	-	600,000
ESG-linked revolving credit facility	27 Oct 2026	27 April 2026	750,000	-	750,000
		Lines of credit	2,450,000	400,000	2,050,000

The following tables show the distribution of maturities for medium/long-term financial liabilities outstanding as at 31 December 2021 and 31 December 2020.

The amounts in the above tables include interest payments and exclude the impact of any offset agreements.

The time distribution of terms to maturity is based on the residual contract term or on the earliest date on which repayment of the liability may be required, unless a better estimate is available.

The distribution for transactions with amortisation schedules is based on the date on which each instalment falls due.

€000	Carrying amount	Total contractual flows	31 December 2021			
			Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Non-derivative financial liabilities (1)						
Bond 2004-2022 (GBP)	605,234	-632,230	-632,230	-	-	-
Bond 2004-2024	993,275	-1,176,089	-58,750	-58,750	-1,058,589	-
Bond 2009-2038 (UPY)	194,079	-224,578	-4,188	-4,188	-12,563	-203,639
Bond 2010-2025	498,133	-587,500	-21,875	-21,875	-543,750	-
Bond 2012-2032	35,000	-53,480	-1,680	-1,680	-5,040	-45,080
Bond 2012-2032 (Zero Coupon Bond)	80,004	-135,000	-	-	-	-135,000
Bond 2013-2033	73,158	-108,752	-2,813	-2,813	-8,438	-94,688
Bond 2014-2034	124,030	-177,650	-4,050	-4,050	-12,150	-157,400
Bond 2014-2038	72,979	-121,219	-2,719	-2,719	-8,156	-107,625
Bond 2015-2023 retail	746,492	-774,376	-12,188	-762,188	-	-
Bond 2015-2025	498,459	-537,500	-9,375	-9,375	-518,750	-
Bond 2015-2026	746,312	-815,625	-13,125	-13,125	-789,375	-
Bond 2016-2027	595,882	-663,000	-10,500	-10,500	-31,500	-610,500
Bond 2017-2029	666,676	-805,000	-13,125	-13,125	-39,375	-739,375
Bond 2020-2028	1,222,721	-1,390,000	-20,000	-20,000	-60,000	-1,290,000
Bond 2021-2030	985,040	-1,180,000	-20,000	-20,000	-60,000	-1,080,000
Bond issues	8,137,474	-9,381,999	-826,618	-944,388	-3,147,686	-4,463,307
Bank borrowings						
European Investment Bank (EIB)	1,153,399	-1,484,249	-150,249	-120,411	-348,453	-865,136
Cassa Depositi e Prestiti	701,358	-786,017	-28,629	-33,095	-101,776	-622,517
Total bank borrowings (A)	1,854,757	-2,270,266	-178,878	-153,506	-450,229	-1,487,653
Other borrowings						
ANAS	173,712	-	-	-	-	-
Total other borrowings (B)	173,712	-	-	-	-	-
Lease liabilities						
Lease liabilities	28,930	-28,930	-4,555	-3,069	-9,205	-12,101
Total lease liabilities (C)	28,930	-28,930	-4,555	-3,069	-9,205	-12,101
Medium/long-term borrowings (A+B+C)	2,057,399	-2,299,196	-183,433	-156,575	-459,434	-1,499,754
Derivatives liabilities (2)						
Interest Rate Swaps and Interest Rate Swaps Forward Starting (4)	86,255	-123,754	-20,848	-19,460	-42,968	-40,478
Cross Currency Swaps (3)	201,492	-224,287	-167,212	-3,806	-11,485	-41,784
Total derivative liabilities	287,747	-348,041	-188,060	-23,266	-54,453	-82,262

(1) Future cash flows relating to interest on floating rate loans have been projected on the basis of the latest established rate and applied and held constant to final maturity.

(2) As at 31 December 2021, expected contractual flows are linked to the originally hedged outstanding and highly likely future financial liabilities, entered into to meet future financing requirements. Future cash flows relating to differentials on interest rate swaps (IRS) have been projected on the basis of the latest interest rate fixed and held constant to the maturity of the contract.

(3) Expected future cash flows from differentials on cross currency swaps have been projected on the basis of the exchange rate fixed at the measurement date.

€000	31 December 2020					
	Carrying amount	Total contractual flows	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Non-derivative financial liabilities (1)						
Bond 2004-2022 (GBP)	589,427	-625,675	-34,760	-590,915	-	-
Bond 2004-2024	990,785	-1,234,840	-58,750	-58,750	-1,117,340	-
Bond 2009-2038 (JPY)	200,559	-235,802	-4,317	-4,317	-12,950	-214,218
Bond 2010-2025	497,680	-609,375	-21,875	-21,875	-565,625	-
Bond 2012-2019	-	-	-	-	-	-
Bond 2012-2020	-	-	-	-	-	-
Bond 2012-2032	35,000	-55,160	-1,680	-1,680	-5,040	-46,760
Bond 2012-2032 (Zero Coupon Bond)	76,020	-135,000	-	-	-	-135,000
Bond 2013-2021	594,384	-611,666	-611,666	-	-	-
Bond 2013-2033	73,033	-111,564	-2,813	-2,813	-8,438	-97,500
Bond 2014-2034	123,968	-181,700	-4,050	-4,050	-12,150	-161,450
Bond 2014-2038	72,892	-123,938	-2,719	-2,719	-8,156	-110,344
Bond 2015-2021	480,009	-485,768	-485,768	-	-	-
Bond 2015-2023 retail	744,120	-786,564	-12,188	-12,188	-762,188	-
Bond 2015-2025	498,076	-546,875	-9,375	-9,375	-528,125	-
Bond 2015-2026	745,530	-828,750	-13,125	-13,125	-39,375	-763,125
Bond 2016-2027	595,117	-673,500	-10,500	-10,500	-31,500	-621,000
Bond 2017-2029	662,824	-818,125	-13,125	-13,125	-39,375	-752,500
Bond 2020-2028	1,219,130	-1,410,000	-20,000	-20,000	-60,000	-1,310,000
Bond issues	8,198,554	-9,474,302	-1,306,711	-765,432	-3,190,262	-4,211,897
Bank borrowings						
European Investment Bank (EIB)	1,265,892	-1,647,397	-163,148	-150,249	-354,843	-979,157
Cassa Depositi e Prestiti e SACE	717,094	-817,385	-29,253	-28,832	-99,404	-659,896
Total bank borrowings (A)	1,982,986	-2,464,782	-192,401	-179,081	-454,247	-1,639,053
Other borrowings						
ANAS	173,712	-	-	-	-	-
Total other borrowings (B)	173,712	-	-	-	-	-
Lease liabilities						
Lease liabilities	10,555	-12,124	-2,886	-1,889	-2,408	-4,941
Total lease liabilities (C)	10,555	-12,124	-2,886	-1,889	-2,408	-4,941
Medium/long-term borrowings (A+B+C)	2,167,253	-2,476,906	-195,287	-180,970	-456,655	-1,643,994
Derivatives liabilities (2)						
Interest Rate Swaps and Interest Rate Swaps Forward Starting (4)	224,987	-252,008	-120,059	-21,964	-53,047	-56,938
Cross Currency Swaps (3)	262,143	-273,205	-14,509	-208,398	-11,077	-39,221
Total derivative liabilities	487,130	-525,213	-134,568	-230,363	-64,124	-96,159

(1) Future cash flows relating to interest on floating rate loans have been projected on the basis of the latest established rate and applied and held constant to final maturity.

(2) As at 31 December 2020, expected contractual flows are linked to the originally hedged outstanding and highly likely future financial liabilities, entered into to meet future financing requirements. Future cash flows relating to differentials on interest rate swaps (IRSs) have been projected on the basis of the latest interest rate fixed and held constant to the maturity of the contract.

(3) Expected future cash flows from differentials on cross currency swaps have been projected on the basis of the exchange rate fixed at the measurement date.

(4) The expected future cash flows from interest rate swaps forward starting subject to unwinding together with the January 2021 issue have been classified in the "within 12 months" section.

The following schedule shows the distribution of the expected cash flows associated with cash flow hedges, and the years in which these flows will be recognised in profit or loss.

€000	31 December 2021						31 December 2020					
	Carrying amount	Expected flows (1)	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years	Carrying amount	Expected flows (1)	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Interest rate swaps												
Derivative assets	51,519	51,519	-648	-2,578	6,875	47,870	-	-	-	-	-	-
Derivative liabilities												
Total cash flow hedges	51,519											
Accrued expenses on cash flow hedges												
Accrued income on cash flow hedges												
Total cash flow hedge derivative assets/liabilities	51,519	51,519	-648	-2,578	6,875	47,870						
		Expected flows (1)	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years		Expected flows (1)	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Interest rate swaps												
Losses on cash flow hedges		-1,694	-1,177	-517								
Income from cash flow hedges		53,213			5,959	47,254						
Total income (losses) from cash flow		51,519	-1,177	-517	5,959	47,254						

(1) Expected cash flows from swap differentials are calculated on the basis of market curves at the measurement date.

With regard to Autostrade per l'Italia's financial position, as already described in detail in note 2, "Basis of preparation of the consolidated financial statements", the improvement in operating

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cash flow and the financial transactions carried out in 2021 and 2022 (the recent bond issues in January 2021 and January 2022 and the agreement of a revolving credit facility amounting to €750 million) have enabled the Company to build up solid cash reserves, thereby significantly mitigating liquidity risk in the short to medium term.

The above bond issues, together with cash flow from continuing operations, should enable the Company to meet its reasonably expected operating and capital expenditure requirements in 2022 and 2023.

Credit risk

Credit risk is the exposure of the Company to potential losses as a result of a default in a counterparty's obligations.

The risk can arise both from factors that are strictly technical and commercial or administrative and legal in nature (disputes regarding the nature or quantity of services, on the interpretation of contractual provisions, supporting invoices, etc.). It may also rise from factors that are financial in nature, such as the credit standing of a counterparty, when in relation to contracts or financial instruments entered into with banks and other financial institutions, the debtor is not able to meet all or a part of their obligations to the Company.

Trade receivables essentially arise in connection with the provision of services and relate to activities linked to the core business.

These types of receivables include:

- a) uncollected motorway tolls;
- b) concession fees and royalties receivable in connection with service areas;
- c) receivables relating to agreements permitting motorway crossings or the location of equipment;
- d) receivables relating to the sale of goods and services;
- e) receivables related to property rentals.

Trade receivables, on the other hand, do not include receivables arising in connection with the invoicing of tolls in arrears, following the execution of a novation agreement for this particular type of receivable with the subsidiary of Atlantia, Telepass.

Credit risk deriving from various forms of investment of liquidity and/or outstanding derivative financial instruments can also be considered marginal in that the counterparties involved are major financial institutions, in accordance with the Group's Financial Policy.

Provisions for impairment losses on individually material items, on the other hand, are established when there is objective evidence that the Company will not be able to collect all or any of the amount due. The amount of the provisions takes account of estimated future cash flows and the date of collection, any future recovery costs and expenses, and the value of guarantees. General provisions, based on the available historical and statistical data, are established for items for which specific provisions have not been made.

Details of the allowance for bad debts for trade receivables are provided in note 6.6, "Trading assets", whilst information on other financial assets is provided in note 6.4, "Financial assets".

9. Other information

9.1 Guarantees

The Company has issued both personal and collateral guarantees. As at 31 December 2020, the Company reports the following material items:

- a) sureties issued on behalf of certain subsidiaries and associates that operate motorway infrastructure, amounting to €17,412 thousand;
- b) the joint and several guarantees issued with Autostrada Tirrenica in favour of the Grantor (€14,003 thousand) following the latter's release of a surety;
- c) the surety bond provided to INPS (€19.5 million) to implement the *Contratto di Espansione*, a form of early retirement for workers who have yet to reach retirement age, in 2021 based on the provisions of art. 41 of Legislative Decree 148 of 14 September 2015, guaranteeing fulfilment of the Company's pension contribution commitments throughout the duration of the early retirement plan;
- d) the pledge to credit institutions, as security for loans issued, of the shares in Bologna & Fiera Parking (€999 thousand), of the 2% interest in Strada dei Parchi (€1,355 thousand) and of the direct (0.25%) interest in Tangenziale Esterna (€1,163 thousand). Shares representing the indirect investment in Tangenziale Esterna (13.29%), held through the vehicle entity, Tangenziali Esterne di Milano, have also been pledged as security to banks.

With regard to Autostrade Meridionali, in December 2021, at the subsidiary's request, the Company renewed the guarantee in favour of Intesa Sanpaolo-Banco di Napoli (ISP), issued in December 2015, through to the end of 2024. This guarantee, amounting to up to €300 million, relates to the loan of the same amount agreed with the bank in December 2016, amounting up to €300 million. This guarantee relates to the facility of the same amount granted by the bank in December 2015, of which €245 million has been used as at 31 December 2021. The facility was extended on 29 July 2020, with the guarantee of €245 million in place until 31 December 2024.

9.2 Reserves

As at 31 December 2021, the Company has recognised contract reserves quantified by contractors in relation to:

- a) investing activities, totalling €1,143 million (€768 million as at 31 December 2020). Based on past experience, only a small percentage of the reserves will actually have to be paid to contractors and, in this case, will be accounted for as an increase in intangible assets deriving from concession rights;
- c) non-investing activities, amounting to approximately €38 million, the estimated future cost of which is covered by existing provisions in the financial statements.

9.3 Related party transactions

This section describes the Company's principal transactions with related parties, identified as such according to the criteria in the procedure for related party transactions adopted by the parent, Atlantia, in application of art. 2391-*bis* of the Italian Civil Code, the Regulations adopted by the *Commissione Nazionale per le Società e la Borsa* (the CONSOB) in Resolution 17221 of 12 March 2010, as amended. The Procedure, published in the section, "Articles of Association, codes and procedures", on Atlantia's website at www.atlantia.it, establishes the criteria to be used in identifying related parties, in distinguishing between transactions of greater and lesser

significance and in applying the rules governing the above transactions of greater and lesser significance, and in fulfilling the related reporting requirements.

The following tables show amounts of a trading or financial nature in the income statement and statement of financial position generated by related party transactions, including those with the Company's Directors, Statutory Auditors and key management personnel.

COD	Principal trading and non-financial transactions with related parties																		
	Assets				Liabilities				Income				Expenses						
	Trading and other assets		Trading and other liabilities		Trading and other income		Trading and other expenses		Trading and other income		Trading and other expenses		Trading and other income		Trading and other expenses				
	Trade receivables	Current tax assets	Other current assets	Total	Other non-current liabilities	Trade payables	Current tax liabilities	Other current liabilities	Total	Revenue from contracts with customers	Other operating income (2)	Total	Raw and WIP inventories	Services costs	Staff costs (2)	Lease expenses	Other operating costs	Total	
	31 December 2021																		
Abitalia	2,559	18,638	394	21,961	45	129,779	59	129,883	1,928	1,908	1,908	3,936	952	-781	76	112	859	859	
All Montedison	1,046	-	-	1,046	-	-	-	-	1,908	1,908	1,908	3,936	219	1,908	70	-	2,026	2,026	
Autosole	1,175	-	-	1,175	-	-	-	-	1,908	1,908	1,908	3,936	219	1,908	70	-	2,026	2,026	
Autosole Mediocredito	13,741	-	-	13,741	-	-	-	-	7,033	7,033	7,033	18,576	60	60	-	-	28,338	28,338	
Estadifere Società di Servizi	4,176	-	-	4,176	12	22,852	12	22,864	4,594	4,594	4,594	18,576	10,691	10,691	-1,009	-	20,322	20,322	
Grove Clear	769	-	-	769	2,396	3,877	2,396	3,877	2,396	2,396	2,396	6,666	8,483	8,483	-1,053	-	7,420	7,420	
Raccordo Autostradale Valle d'Aosta	271	-	-	271	5,473	5,743	5,473	5,743	255	255	255	666	-	-	-	-	-	-	
Società Italiana per Azioni per il Trifoglio del Monte Bianco	746	-	-	746	23	10,652	23	10,675	396	396	396	984	-	-	-	-	-	-	
Thingemable di Napoli	813	-	-	813	9,294	10,107	9,294	10,107	352	352	352	927	26	26	-	-	76	76	
Parmentis	9,738	-	-	9,738	21,055	30,793	21,055	30,793	716	716	716	11	397,289	397,289	-892	-	396,397	396,397	
Autosole per l'Italia	2,528	-	-	2,528	6,341	8,869	6,341	8,869	245	245	245	4	31,239	31,239	-832	-	30,407	30,407	
Other subsidiaries (1)	-	-	-	-	5	-	-	-	8	8	8	-	40	60	-	-	200	200	
Total of subsidiaries (1)	58,213	-	-	58,213	1,455	319,415	1,455	319,415	17,530	17,530	17,530	18,846	421,084	421,084	-5,009	-	416,075	416,075	
Spa Engineering	12,892	-	-	12,892	33,764	46,656	33,764	46,656	183	183	183	6,354	24	24	-	-	143	143	
Other associates (1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total associates (1)	12,892	-	-	12,892	33,764	46,656	33,764	46,656	183	183	183	6,354	24	24	-	-	143	143	
Abertis Infrastrutture S.p.A.	579	-	-	579	1,666	2,245	1,666	2,245	1,331	1,331	1,331	140	-	-	-	-	340	340	
All Concedes	2,769	-	-	2,769	4,033	6,802	4,033	6,802	6,119	6,119	6,119	1,976	-	-	-	-	302	302	
Autosole	46,061	-	-	46,061	-	-	-	-	-	-	-	-	-	-	-	-	609	609	
Gruppo Aeroporti di Roma	1,721	-	-	1,721	1,119	8,440	1,119	8,440	1,424	1,424	1,424	150	9,799	9,799	-68	-	9,731	9,731	
Telepass Pay	13	-	-	13	781	794	781	794	781	781	781	3,620	35	35	-	-	3,655	3,655	
Other affiliates (1)	516	-	-	516	242	360	242	360	229	229	229	232	-	-	-	-	96	96	
ASRI pension fund	46,246	-	-	46,246	71,594	117,840	71,594	117,840	46,103	46,103	46,103	159	15,767	15,767	-731	-	16,000	16,000	
CAPRI pension fund	-	-	-	-	5,644	5,644	5,644	5,644	1,029	1,029	1,029	-	-	-	-	-	13,238	13,238	
Total pension funds	-	-	-	-	2,410	11,288	2,410	11,288	1,029	1,029	1,029	-	-	-	-	-	13,238	13,238	
Key management personnel (4)	-	-	-	-	2,400	11,278	2,400	11,278	1,029	1,029	1,029	-	-	-	-	-	13,238	13,238	
Total key management personnel	-	-	-	-	2,400	11,278	2,400	11,278	1,029	1,029	1,029	-	-	-	-	-	13,238	13,238	
TOTAL	130,050	18,638	396	139,084	423,363	139,779	423,363	139,779	423,363	65,724	65,724	65,724	18,996	444,181	18,216	138	413,332	413,332	
	31 December 2020																		
Abitalia	2,013	23,100	394	25,907	465	143,893	5,881	149,884	2,340	2,340	2,340	445	224	-450	44	-	182	182	
Autosole	2,013	23,100	394	25,907	465	143,893	5,881	149,884	2,340	2,340	2,340	445	224	-450	44	-	182	182	
All Montedison	1,722	-	-	1,722	462	9,422	462	9,422	2,008	2,008	2,008	194	-	-	-	-	12	12	
Autosole Mediocredito	7,241	-	-	7,241	22,607	29,848	22,607	29,848	6,407	6,407	6,407	37	1,940	1,940	79	-	1,799	1,799	
Estadifere Società di Servizi	4,272	-	-	4,272	3,728	8,000	3,728	8,000	4,886	4,886	4,886	5,456	12,227	12,227	-805	-	24	24	
Grove Clear	692	-	-	692	3,358	4,050	3,358	4,050	159	159	159	832	8,352	8,352	-939	-	7,413	7,413	
Raccordo Autostradale Valle d'Aosta	234	-	-	234	4,925	5,159	4,925	5,159	291	291	291	291	-	-	-	-	-	-	
Società Italiana per Azioni per il Trifoglio del Monte Bianco	859	-	-	859	6	344	6	344	344	344	344	6	-	-	-	-	4	4	
Thingemable di Napoli	717	-	-	717	6,961	7,678	6,961	7,678	372	372	372	58	-	-	-	-	-	-	
Società Autostrada Tirrenica	720	-	-	720	5,489	6,209	5,489	6,209	434	434	434	29	29	-	-	-	58	58	
Illice Oniplo Autostrade per l'Italia	-	-	-	-	3,550	3,550	3,550	3,550	3	3	3	-	3,256	3,256	294	-	3,550	3,550	
Altre imprese controllate (1)	-	-	-	-	60,102	60,102	60,102	60,102	16,438	16,438	16,438	-	46,188	46,188	-6,100	-	98	98	
Total of subsidiaries (1)	17,466	-	-	17,466	143,893	143,893	143,893	143,893	475	475	475	308,036	417	308,036	417	34	1	307,664	
Parmentis	10,468	-	-	10,468	44,191	54,659	44,191	54,659	442	442	442	442	44,400	44,400	2,381	-	46,911	46,911	
Spa Engineering	13,673	-	-	13,673	18,975	24,648	18,975	24,648	917	917	917	39	39	39	-	-	25	25	
Altre imprese collegate (1)	-	-	-	-	24,141	31,694	24,141	31,694	5,581	5,581	5,581	14	14	14	-	-	34	34	
Total associates (1)	24,141	-	-	24,141	48,917	66,338	48,917	66,338	1,093	1,093	1,093	262	262	262	-	-	56	56	
Abertis Infrastrutture S.p.A.	179	-	-	179	4,931	5,110	4,931	5,110	3,029	3,029	3,029	1	5,226	5,226	-110	-	5,335	5,335	
Autosole Italia	11,848	-	-	11,848	1,636	12,484	1,636	12,484	4,158	4,158	4,158	236	8,905	8,905	-312	-	9,075	9,075	
Autosole Mediocredito	4,391	-	-	4,391	1,068	5,459	1,068	5,459	172	172	172	14	1,860	1,860	-21	-	1,839	1,839	
Gruppo Aeroporti di Roma	1,379	-	-	1,379	6	2,286	6	2,286	14	14	14	-	278	278	-	-	20	20	
Telepass Pay	30	-	-	30	354	384	354	384	445	445	445	-	16,533	16,533	-847	-	15,686	15,686	
Altre imprese collegate (1)	740	-	-	740	69,325	70,065	69,325	70,065	36,111	36,111	36,111	257	16,533	16,533	-847	-	15,686	15,686	
Total affiliates (1)	21,217	-	-	21,217	5,210	52,100	5,210	52,100	13,865	13,865	13,865	13,865	2,288	2,288	-	-	16,153	16,153	
ASRI pension fund	-	-	-	-	1,267	1,267	1,267	1,267	67	67	67	-	-	-	-	-	16,153	16,153	
CAPRI pension fund	-	-	-	-	67	67	67	67	67	67	67	-	-	-	-	-	16,153	16,153	
Total pension funds	-	-	-	-	1,334	1,334	1,334	1,334	134	134	134	-	-	-	-	-	16,153	16,153	
Key management personnel (4)	-	-	-	-	728	728	728	728	728	728	728	-	11,338	11,338	-	-	11,338	11,338	
Total key management personnel	-	-	-	-	728	728	728	728	728	728	728	-	11,338	11,338	-	-	11,338	11,338	
TOTAL	64,837	29,504	396	94,737	416,020	416,020	416,020	416,020	54,826	54,826	54,826	54,826	57,421	415,430	11,498	162	401	413,084	

(1) This item includes balances for companies where the relevant amount is of material.

(2) "Staff costs" include cost recoveries.

(3) On 23 February 2022 the registration of the resolution of the Shareholders' Meeting of former Autosole per l'Italia S.p.A. was finalized relating to the change of the company name.

(4) "Key management personnel" means the Company's Directors, Statutory Auditors and other key management personnel.

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0000	Principal financial transactions with related parties																
	Assets					Liabilities					Income		Expenses				
	Financial assets					Financial liabilities					Financial income		Financial expenses				
	Other non-current financial assets	Current financial assets deriving from government grants	Intercompany current account receivables	Current portion of medium/long-term financial assets	Other current financial assets	Total	Medium/long-term borrowings	Intercompany current account payables	Current portion of medium/long-term financial liabilities	Other current financial liabilities	Other non-current financial liabilities	Total	Other financial income (1)	Total	Other financial expenses (1)	Total	
	31 December 2021																
	31 December 2020																
Atlantia							2,336		777				3,113			4,570	4,570
AD Moving							2,336		777				3,113			4,570	4,570
Autostade Meridionali								2,308					2,308			262	262
Movyon (4)						914		15,452		30,000	19		45,471	1,162	1	1	
EsseDieSe Società di Servizi								4,466					4,466				
Glove Clear								316					316				
Raccordo Autostradale Valle d'Aosta								1,868					1,868				
Società Italiana per Azioni per il Triforco del Monte Bianco								2,115					2,115				
Tangenziale di Napoli								10,161					10,161	55	55		
Società Autostrada Tirrenica						231,000		2,077					13,693	13,693			
Paivmental						115,110							606	606			
Tecne Gruppo Autostrade per l'Italia	9,802					1,035		191					109	109			
Free To X	64					331		11,222					19	19			
Other subsidiaries (3)						395											
Total subsidiaries (2)	9,866					398,256		40,071		30,000	19		70,090	15,645	15,645	262	262
Spesa Engineering						1,350											
Total associates						1,350											
Autogrill Italia		511				511											
Telepass		511				546,205										8,732	8,732
TOTAL	9,866	511	662,229	232,346	1,350	996,322	2,336	40,071	777	30,000	19	73,203	15,645	15,645	13,564	13,564	
	31 December 2020																
Atlantia							2,173						2,933			8,973	8,973
Sintoma							2,173						2,933	703	703	8,973	8,973
AD Moving								1,957					1,957			485	485
Autostade Meridionali								1,854					1,854				
Movyon SPA (4)								1,139		32,005			33,859	2,676	2,676		
EsseDieSe Società di Servizi								5,361					5,361				
Glove Clear						271											
Raccordo Autostradale Valle d'Aosta								10,377					10,377			4	4
Società Italiana per Azioni per il Triforco del Monte Bianco								4,553					4,553			6	6
Tangenziale di Napoli						6,835							632	632			
Società Autostrada Tirrenica	234,132					234,132		1,291					13,278	13,278			
Tecne Gruppo Autostrade per l'Italia						411							411				
Paivmental						241,238		26,543					58,948	16,586	16,586	495	495
Spesa Engineering						130,784							478	478			
Total associates						1,350							478	478			
Autogrill Italia		511				511											
Telepass		511				385,021										7,221	7,221
TOTAL	234,132	511	518,375	4,536	1,350	758,004	2,173	26,543	760	32,005	19	61,881	17,767	17,767	16,689	16,689	

(1) The table does not include dividends from investees or reversals of impairment losses on financial assets and investments.

(2) The total also includes indirect subsidiaries.

(3) This item includes balances for companies where the relevant amount is not material.

(4) The resolution passed by the shareholders of the (former) Autostrade Tech SpA, changing the company's name, was registered on 23 February 2022.

As in 2020, no atypical or unusual transactions, having a material impact on the Company's income statement and statement of financial position, were entered into with related parties in 2021.

There were no non-recurring events and/or transactions in 2021.

The principal transactions entered into with related parties are described below.

Transactions with parents

With regard to transactions relating to tax, described in detail in note 6.7, "Current tax assets and liabilities", as at 31 December 2021, the Company has recognised net liabilities of €111,161 thousand due to Atlantia, resulting from the tax consolidation arrangement headed by the latter.

Finally, it should be noted that, in February 2021, the Company received €6,243 thousand of the above amount due from Sintonia.

Relations with other Autostrade per l'Italia Group companies

Autostrade per l'Italia provides services to a number of subsidiaries and associates. The criteria used to determine the related fees take account of the estimated commitment of resources, for each company, broken down by area of activity.

In 2021, these contracts primarily regarded the following services:

- a) administrative, accounting and tax services;
- b) organisation, management and development of personnel;
- c) corporate and legal affairs, including the conduct of legal actions;
- d) the purchase of goods and services;
- e) risk management in the mapping of areas of risk, including the analyses required by Legislative Decree 231/01.

Autostrade per l'Italia also provides treasury, financial, insurance and the related risk management services to its subsidiaries and associates.

Under specific agreements with the Company's Italian motorway subsidiaries and associates, the Company also provides services relating to the recording of traffic data and the settlement of amounts due to and from the operators of interconnecting motorways.

Other material transactions involving the purchase of goods and services from subsidiaries, associates include the following:

- a) activities involved in motorway construction and maintenance contracts, awarded to:
 - 1) Tecne Gruppo Autostrade per l'Italia SpA, which took the place of Spea Engineering from 1 December 2020 following the conclusion of a lease contract for the business unit consisting of Spea Engineering's design and project management activities;
 - 2) Pavimental for the construction of infrastructure, under the related contracts and for maintenance and road surfacing;
- b) the services provided by Autostrade Tech following the spin-off to this company of the business unit responsible for the research, development, production, marketing and operation of technology equipment, systems and services;

- c) the provision of accounting, credit recovery, human resources, general and real estate services by EsseDiEsse;
- d) the lease of advertising space along the motorway network to AD Moving.

As described earlier in note 6.4, “Financial assets”, as at 31 December 2021, the Company has provided medium/long-term loans totalling €231,000 thousand to Autostrade Tirrenica, maturing in March 2022.

In February 2022, the original maturity date for this loan was extended from 31 March 2022 to 30 September 2023.

Relations with associates

With regard to trading relations involving the supply of goods and services by other Atlantia Group companies, the most important regard relations with Telepass, primarily regarding the fact that Telepass collects tolls on Autostrade per l’Italia’s behalf through its Viacard and Telepass payment systems.

In addition, the Company engages in transactions of a trading nature with Autogrill, with which it shares its ultimate parent, Edizione Srl.

As at 31 December 2021, Autogrill holds:

- a) 91 food service concessions for service areas along the Company’s motorway network, including 4 operated in temporary consortia with other companies;
- b) 9 oil service concessions, including 1 in temporary consortia with other companies.

In 2021, the Company earned net revenue arising from its relationship with Autogrill of €40,534 thousand, including €37,668 thousand in royalties relating to the management of service areas. This income is generated by contracts entered into over various years, of which a large part was awarded as a result of transparent and non-discriminatory competitive tenders.

Transactions of a financial nature include a current account with Telepass. The conditions on this account are all at arm’s length.

Finally, as trading relations with a number of Italian operators in the Abertis group, the value of the trade payables shown in the table, amounting to €59,217 thousand, is primarily linked to the fact that these operators are responsible for motorways that interconnect with those operated by the Company and refers to toll revenue due to the operators.

9.4 Disclosures regarding share-based payments

In previous years, with the aim of incentivising and fostering the loyalty of directors and/or employees holding key positions and responsibilities within Atlantia Group companies, a number of share incentive plans based on Atlantia’s shares have been introduced in previous years. The plans entail payment in the form of shares or cash and are linked to the achievement of predetermined corporate objectives.

The beneficiaries of the above plans include a number of employees of Autostrade per l'Italia or personnel seconded to the Company, or of subsidiaries.

There were no changes, during 2021, in the previously adopted share-based incentive plans as at 31 December 2020.

Details of each plan are contained in specific information circulars prepared pursuant to art. 84-bis of CONSOB Regulation 11971/1999, as amended, and in Atlantia's Remuneration Report prepared pursuant to art. 123-ter of the Consolidated Finance Act. These documents, to which reference should be made, are published in the "Remuneration" section of Atlantia's website at www.atlantia.it.

The following table shows the main aspects of existing cash-settled incentive plans, including the options and units awarded to employees of the Company and changes during 2021 (in terms of new awards and the exercise, conversion or lapse of rights). The table also shows the fair value (at the grant date) of each option or unit awarded, as determined by a specially appointed expert, using the Monte Carlo model and other assumptions.

In accordance with IFRS 2, as a result of existing incentive plans, the Group recognised a fair value gain of €1,340 thousand in 2021 in the form of a reduction in staff costs. This resulted from the change in the fair value of options or units granted and vesting through to 31 December 2021. At this date, Autostrade per l'Italia has not recognised any liabilities in the consolidated financial statements in respect of outstanding options or units, as the Group does not expect the performance hurdles established in the terms of conditions of the plans, triggering the payment of cash bonuses to beneficiaries, to be met. This also applies to the cycles that, as at 31 December 2021, have yet to vest.

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	Number of options/units awarded	Vesting date	Exercise/Grant date	Exercise price (€)	Fair value of each option or unit at grant date (€)	Expected expiration at grant date (years)	Risk free interest rate used	Expected volatility (based on historic mean)	Expected dividends at grant date
2014 PHANTOM SHARE OPTION PLAN									
Options outstanding as at 1 January 2020									
- 9 May 2014 grant	1,244,647	9 May 2017	9 May 2020	N/A (*)	2.88	3.0 - 6.0	1.10%	28.9%	5.47%
- 8 May 2015 grant	1,258,364	8 May 2018	8 May 2021	N/A (*)	2.59	3.0 - 6.0	1.01%	25.8%	5.32%
- 10 June 2016 grant	1,438,790	10 June 2019	10 June 2022	N/A (*)	1.89	3.0 - 6.0	0.61%	25.3%	4.94%
- transfers/secondments	-440,563								
- options exercised	-1,783,273								
- options lapsed	-574,338								
Total	1,143,627								
Changes in options in 2021									
- options lapsed	-321,223								
Options outstanding as at 31 December 2021	822,403								
2017 PHANTOM SHARE OPTION PLAN									
Options outstanding as at 1 January 2020									
- 12 May 2017 grant	808,611	15 June 2020	1 July 2023	N/A (*)	2.37	3.13 - 6.13	1.31%	25.6%	4.40%
- 3 August 2018 grant	679,671	15 June 2021	1 July 2024	N/A (*)	2.91	5.91	2.35%	21.9%	4.12%
- 7 June 2019 grant	507,958	15 June 2022	1 July 2025	N/A (*)	2.98	6.06	1.72%	24.3%	4.10%
- transfers/secondments	-83,721								
- options lapsed	-1,024,209								
Total	888,310								
Changes in options in 2021									
- options lapsed	-398,034								
Options outstanding as at 31 December 2021	490,276								
2017 PHANTOM SHARE GRANT PLAN									
Units outstanding as at 1 January 2020									
- 12 May 2017 grant	71,909	15 June 2020	1 July 2023	N/A (*)	23.18	3.13 - 6.13	1.31%	25.6%	4.40%
- 3 August 2018 grant	67,133	15 June 2021	1 July 2024	N/A (*)	24.5	5.91	2.35%	21.9%	4.12%
- 7 June 2019	52,024	15 June 2022	1 July 2025	N/A (*)	22.57	6.06	1.72%	24.3%	4.10%
- transfers/secondments	-8,729								
- options lapsed	-88,103								
Total	94,234								
Changes in units in 2021									
- options lapsed	-44,020								
Units outstanding as at 2021	50,214								

(*) Given that these are cash bonus plans, involving payment of a gross amount in cash, the 2014 Phantom Share Option Plan and the 2017 Phantom Share Option Plan do not require an exercise price. However, the Terms and Conditions of the plans indicate an "Exercise price" (equal to the arithmetic mean of Atlantia's share price in a determinate period) as the basis on which to calculate the gross amount to be paid to beneficiaries.

2014 Phantom Share Option Plan

The Annual General Meeting of Atlantia's shareholders approved this plan on 16 April 2014.

The exercise period for the second cycle of this plan expired on 8 May 2021. In addition, 321,223 options lapsed during the period, as the exercise period for the second cycle had expired in accordance with the related terms and conditions. The number of options outstanding as at 31 December 2021 is 822,403.

2017 Phantom Share Option Plan

The Annual General Meeting of Atlantia's shareholders approved this plan on 21 April 2017.

The vesting period for the second cycle of this plan expired on 15 June 2021. In addition, 398,034 options lapsed in 2021, as the hurdle for the second cycle of the plan had not been met. The number of options outstanding as at 31 December 2021 is 490,276.

2017 Phantom Share Grant Plan

The Annual General Meeting of Atlantia's shareholders approved this plan on 21 April 2017.

The vesting period for the second cycle of this plan expired on 15 June 2021. In addition, 44,020 units lapsed in 2021, as the hurdle for the second cycle of the plan had not been met. The number of units outstanding as at 31 December 2021 is 50,214.

The prices of Atlantia's ordinary shares in the various periods covered by the above plans are shown below:

- a) price as at 31 December 2021: €17.45;
- b) the weighted average price for 2021: €15.82;

9.5 Significant legal and regulatory aspects

This section describes the main disputes outstanding and key regulatory aspects of importance to the Company's operators through to the date of approval of these consolidated financial statements.

Collapse of a section of the Polcevera road bridge in Genoa

A section of the Polcevera road bridge on the A10 Genoa-Ventimiglia collapsed on 14 August 2018, causing the deaths of 43 people. The causes of this tragic incident have yet to be identified at the date of approval of this Annual Report for the year ended 31 December 2021. The most significant legal and regulatory implications arising from this incident are described below.

Talks with the Government regarding the dispute over alleged serious breaches

With regard to ongoing talks between ASPI and the Ministry of Sustainable Infrastructure and Mobility (the *Ministero delle Infrastrutture e della Mobilità Sostenibili*, or "MIMS") aimed at resolving the dispute initiated on 16 August 2018 over the Ministry's allegations of serious breaches of the Concession Arrangement following the collapse of a section of the Polcevera road bridge, after numerous exchanges of correspondence, the parties have reached agreement on a settlement of the dispute and on a new Addendum and annexes, including the updated Financial Plan.

On 15 July 2021, Autostrade per l'Italia submitted a draft of the III Addendum to the Single Concession Arrangement, together with the Financial Plan and the other annexes, to the Grantor. On 21 July 2021, the Grantor informed the Company that the documentation received had been sent to the Attorney General's Office in order to obtain its opinion on the proposal for an agreed settlement of the dispute over alleged serious breaches.

Following this, further talks were held with representatives of the Government and local authorities in the Liguria region (the Regional Authority, Genoa City Council and the Port Authority). As a result of these talks, the focus of the measures provided for in the settlement agreement of 2020 was shifted more towards the Liguria area, reallocating the funds in order to better serve the public interest.

In a note dated 14 October 2021, the Grantor announced that *"in view of the significant degree of public interest in the proposal, and having received approval from the political authorities, the text of the Agreement of 23 September 2020 has been revised to reflect the reallocation of the sum in question, as indicated by the above company"*. On the same date, the settlement agreement was signed by the MIMS and ASPI, bringing to a close the dispute over alleged serious breaches of its concession arrangement.

Implementation of the agreement requires completion of the following steps:

- (i) filing of the decree approving the Agreement with the Court of Auditors;

(ii) approval of the Addendum to the Single Concession Arrangement of 2007 - including all the annexes, above all the Financial Plan - and filing of the related decree issued by the MIMS and the Ministry of the Economy and Finance with the Italian Court of Auditors;

(iii) completion of the change of control of ASPI in accordance with the related share purchase agreement between Atlantia SpA and HRA.

Subsequently, on 5 November 2021, ASPI announced that it had submitted the updated Addendum, Financial Plan and related annexes, as revised according to the Grantor's requests, to the Grantor.

On 19 December 2021, the MIMS informed ASPI of the ART's determinations regarding the III Addendum and the related annexes, specifying that ART *"has provided observations on the draft III Addendum, the annexes, including the Financial Plan and the method for setting rates of return"* and has requested the Company *"to reflect the suggestions put forward and provide all the necessary clarifications"*.

On 20 December 2021, ASPI replied to the note from the MIMS of 19 December, communicating its response to the observations made by ART on the Addendum and the related annexes and providing the requested clarifications.

Following this, on 22 December 2021, the Interministerial Committee for Economic Planning and Sustainable Development (CIPESS), having received the documentation in order to complete its examination, expressed a favourable opinion on the III Addendum to ASPI's Single Concession Arrangement and the related Financial Plan for the period 2020-2024.

In a letter dated 20 January 2022, the MIMS, having received the CIPESS determination of 22 December 2021 from the Cabinet Office (Department for Economic Policy Planning and Coordination), informed ASPI that the CIPESS determination *"is in the process of being submitted to the Court of Auditors for a review of compliance with the law"* and requested the Company to *"provide a formal undertaking to amend the points in the Concession Arrangement referred to in the CIPESS Determination in question"*.

On 4 February 2022, ASPI submitted the draft III Addendum to the Single Concession Arrangement of 2007 and annex C, amended in accordance with the above CIPESS Determination, to the Grantor.

With respect to the different matter of the change of control of ASPI and the related clearance, on 15 June 2021, Atlantia SpA informed ASPI that it had agreed to sell its entire 88.06% stake in Autostrade per l'Italia SpA to Holding Reti Autostradali SpA (the corporate vehicle owned by the consortium consisting of CDP Equity SpA, The Blackstone Group International Partners LLP and Macquarie European Infrastructure Fund 6 SCSp, which had submitted a binding offer for the stake). Atlantia also informed the Company that completion of the sale is subject to a series of conditions precedent.

In particular, Atlantia SpA notified ASPI that the sale is, among other things, subject to the Grantor's issue of *"the clearance for the sale required in relation to the concessions held by ASPI and other ASPI Group companies"*.

In a letter dated 4 August 2021, ASPI sent the Grantor a formal request for clearance, pursuant to art. 10-bis, paragraphs 6 and 8 of the Single Concession Arrangement, regarding the change of control resulting from the signature by Atlantia SpA and Holding Reti Autostradali of the share purchase agreement for the sale of Atlantia's entire stake in ASPI. On 17 November 2021, the Grantor issued the Decree approving the *"change of control involving the transfer of the 88.06% interest from Atlantia SpA to Holding Reti Autostradali SpA"*. As later specified in a note from the

Grantor dated 31 January 2022, the Decree makes approval of the transaction subject to the following conditions:

- prior acquisition by the representative of Holding Reti Autostradali SpA of a formal commitment regarding certain aspects regarding, among other things: (i) confirmation of the obligations deriving from the Single Concession Arrangement of 2007 and the future obligations contained in the III Addendum currently under approval, with reference to implementation of the investment programme and ordinary maintenance plan; (ii) compliance with the condition set out in art. 10-*bis*, paragraph 6(a) of the Arrangement, providing for an increase in equity of at least €10 million for each percentage point interest in the operator's issued capital; (iii) continued compliance with the requirement to ensure financial strength, as established in annex O to the Concession Arrangement in force and with the relevant changes in the III Addendum;
- completion of the approval process for the III Addendum to the Concession Arrangement and the Settlement Agreement bringing to a close the dispute over alleged serious breaches brought by the Grantor on 16 August 2018.

Extraordinary tunnel inspections – Ministerial Circular no. 6736/61A1 of 19 July 1967 – Launch of a procedure for serious breach pursuant to art. 8 of the Single Concession Arrangement

On 22 July 2020, the Grantor announced the launch of a procedure for a serious breach under art. 8 of the Single Concession Arrangement, regarding the checks carried out by Autostrade per l'Italia on tunnels around the network it operates, with particular regard to those in the Liguria region. Following the counterarguments presented by the Company and two specific hearings at the offices of the Grantor, on 21 April 2021, the latter announced that the Company had failed to respect the expected timetable for work on 4 tunnels and imposed a fine of ad €100,000.00 on Autostrade per l'Italia. ASPI filed an appeal against this decision before Lazio Regional Administrative Court on 21 June 2021.

Investigation of the collapse of a section of the Polcevera road bridge by the Public Prosecutor's Office in Genoa

The above-mentioned collapse of a section of the Polcevera road bridge on the A10 Genoa–Ventimiglia motorway, on 14 August 2018, has resulted in criminal action being brought before the Court of Genoa against executives and other people employed at the company's Rome headquarters and the relevant area office in Genoa. As part of the same procedure, Autostrade per l'Italia is also under investigation pursuant to Legislative Decree 231/2001, relating to "Culpable homicide or grievous or very grievous bodily harm resulting from breaches of occupational health and safety regulations". The Company is also under investigation for false statements in a digital public document, in relation to the preparation of reports, in digital form, on surveillance of the Polcevera road bridge by the relevant technical units at SPEA.

At the hearing of 24 November 2021, the judge appointed to preside at the preliminary hearing ruled that:

- the civil claims brought against Autostrade per l'Italia and Spea Engineering were inadmissible as the companies have been charged with breaches of Legislative Decree 231/2001;
- excluded all the claims brought by unions and most of the associations;
- excluded all the claims brought by "bystanders/spectators" and the police;
- excluded all the claims brought by any remaining categories of claimant.

As regards civil liability, on the other hand, approximately 270 civil claims have been filed against ASPI, SPEA, MIMS and ANAS. The Cabinet Office and the MIMS have only filed civil claims against SPEA, whilst Genoa City Council has brought civil claims against ASPI, SPEA, MIMS and ANAS.

The civil claims against ANAS derive from the fact that four of the persons facing criminal charges were, at the time of the alleged crimes, employed by this organisation.

The preliminary hearing was adjourned until 15 December 2021 when the defendants in the civil case appeared in court.

With regard to the request from certain defendants for the presiding judge to be removed from the case (having, as part of a related proceeding, expressed views on the events that have given rise to the charges), a hearing was held at the Appeal Court in Genoa to discuss the case on 3 November 2021. The application was rejected by the court. This ruling was then appealed before the Supreme Court.

At the above hearing on 15 December 2021, lawyers representing the defendants in the civil case, ASPI, SPEA, MIMS and ANAS, requested that these entities should be excluded from the trial due to the fact that they did not take part in the pre-trial hearing as civil defendants, citing in addition the late receipt of certain legal process.

At the end of the hearing, the presiding judge:

- upheld the requests for exclusion made by counsel for ANAS and MIMS;
- rejected the requests from counsel for ASPI and SPEA, as the two companies, unlike ANAS and the MIMS “did take part in the two pre-trial hearings, exercising their rights as defendants by nominating their own expert witnesses, at no time declaring that they were participating only in the role of companies under investigation for breaches of Decree 231”;
- amended the court schedule due to the late notification of writs of summons to the civil defendants, adjourning the hearing until 28 December 2021 for the Public Prosecutors to present their case.

At the next hearing on 28 December 2021, lawyers representing a number of the defendants requested a stay of the proceedings whilst awaiting a ruling on the removal of the presiding judge from the Supreme Court, which was expected to hear the case on 21 January 2022.

On 21 January 2022, the Supreme Court rejected the appeal filed by the lawyers of certain defendants against the ruling handed down by Appeal Court in Genoa.

Discussion of the case then began on 28 January 2022, starting with the Public Prosecutor’s presentation their case. The Public Prosecutors completed their presentation at the hearing on 16 February 2022, with a request for the indictment of 59 natural persons in addition to ASPI and SPEA as entities charged with breaches of Legislative Decree 231/2001.

Counsel for the defence then began presenting their evidence and this is expected to continue through to mid-March.

Declaratory action before the Lazio Regional Administrative Court regarding the validity and effectiveness of articles 8, 9 and 9-bis of the Single Concession Arrangement

ASPI has brought a declaratory action before Lazio Regional Administrative Court regarding the validity and applicability of articles 8, 9 and 9-bis of the Single Concession Arrangement that governs Autostrade per l'Italia's concession, following non-application of art. 35 of the above Decree, and after referring matters of interpretation of European law and incidental matters of constitutional legitimacy. Following a joint request from the parties for an adjournment of the hearing to be held on 12 January 2022, the President of the Court removed the case from the roll,

stating that, if and when there is an interest at a later date in receiving a decision on the appeal, it will be ASPI's responsibility to file a reasoned request for to withdraw the removal and obtain a new date for the court to hear the case.

Legal challenges against the actions taken by the Special Commissioner pursuant to Law Decree 109/2018

With reference to Autostrade per l'Italia's legal challenges of the Special Commissioner's measures before the Liguria Regional Administrative Court, following the court's acceptance of a joint request from the parties for an adjournment of the hearing to discuss the case, scheduled for 15 December 2021, this was adjourned until 2 December 2022.

With regard to the appeals brought by the Cabinet Office, the MIMS and the Special Commissioner before the Council of State on 5 January 2020, challenging the Liguria Regional Administrative Court's ruling on the preliminary questions proposed by the authorities as part of the related judgements at first instance, following the requests for a hearing from the Attorney General, the Council has scheduled the related hearings for 16 June 2022.

Transport Regulator – quantification of COVID-19 financial aid following losses incurred as a result of the health emergency caused by Covid-19

Following a specific request from AISCAT, the Ministry of Sustainable Infrastructure and Mobility has requested the Transport Regulator to devise a clear, consistent scheme to be applied to all motorway operators to quantify how much financial aid is due to each operator to mitigate losses incurred as a result of the health emergency caused by Covid-19.

ART highlighted the need for operators, at the time of each periodic update of their financial plans, to formally account for the progressive impact for the entire period of the state of emergency (which is expected to come to an end on 31 March 2022), based on the quantification method provided by ART.

In this sense, ASPI has included aid receivable for the lockdown period from March to June 2020 in the Financial Plan currently awaiting approval. In addition, the amount of the aid to cover the effects of the pandemic through to 31 December 2021, determined using the criteria set out in the notes accompanying the regulator's scheme, will be computed in the first half of 2022 and subject to certification by an audit firm, will be recovered via use of a specific component for additional expenses at the time of periodic revision of the Financial Plan.

The progressive impact relating to the expiry of the state of emergency, and any further impact resulting from a prolongation of the emergency, will be quantified and settled in accordance with the procedure drawn up on the basis of the indications provided in the above notes from ART dated 4 May and 15 July 2021.

Dispute with the Transport Regulator – Tariff frameworks

Regarding the appeal filed by Autostrade per l'Italia against Determinations 16/2019 and 71/2019 from the Transport Regulator (ART) relating to the new tariff framework, following a hearing on 5 October 2021, the Regional Administrative Court ordered ASPI and ART to submit documentation to clarify the different amount of Ferrovial's tax rate, which ART reported as 10.12% and ASPI as 23%, and scheduled a new hearing to discuss the case on 8 March 2022. ASPI submitted the required documents.

Legal action regarding the settlement of claims relating to the contract for the construction of the link between the Genoa airport junction on the A10 motorway, Aurelia state highway 1, Cristoforo Colombo airport and state highway 35

In the legal action regarding the settlement of claims brought by Astaldi (formerly CILT) in the mid-1990s relating to works along the Polcevera river - awarded to Autostrade under a construction-only concession - the Supreme Court, in a ruling issued on 17 January 2017, upheld ASPI and Atlantia's grounds for appeal (and the Astaldi's grounds for filing a cross-appeal), thereby annulling the Court of Appeal's ruling and the expert consultant's report that had been the basis for the ruling against ASPI. The case was referred back to the Court of Appeal.

The proceedings resumed by Astaldi before the Court of Appeal of Rome, in execution of the aforementioned ruling by the Supreme Court, were settled in favour of ASPI and Atlantia, with a ruling of 6 October 2021, which revised down the amount due to Astaldi under these claims to €17,945,381.63 (a significantly lower amount than the €47,122,343.44 determined by the previous Court of Appeal ruling in 2011, which was subsequently annulled by the Supreme Court). The Court also recognised the right of ASPI and Atlantia to be fully indemnified by ANAS for all amounts due (and already paid) to Astaldi.

On 21 December 2021, ANAS appealed the above ruling of the Court of Appeal dated 6 October 2021, requesting that it be overturned. On 14 January 2022, Astaldi filed a cross-appeal, requesting annulment of the ruling handed down by the Court of Appeal. ASPI and Atlantia appeared before the court and submitted a counter-appeal and a related cross-appeal on 31 January 2022.

Given that - in execution of the judgements of first and second instance, which as mentioned above were annulled by the Supreme Court - ASPI had previously paid Astaldi €47,122,343.44, following the latter judgment, on 17 October 2017, the Company filed an injunction to recover the amounts paid. This injunction was opposed by Astaldi and the related proceedings are currently pending before the Court of Appeal of Rome, with a judgement scheduled for 15 July 2022.

Autostrade per l'Italia's toll increases for 2019

With regard to the toll increase for 2019 of 0.81%, as authorised by the MIMS and the MEF and voluntarily deferred for the whole of 2019, Autostrade per l'Italia has repeatedly volunteered to extend the deferral, the latest extension postponing application of the increase through to 30 June 2022.

Toll increases for 2021

With regard to the toll increase for 2021, on 15 October 2020, Autostrade per l'Italia sent the Grantor a letter setting out two alternative requests for toll increases: (i) one, relating to the *"unlikely event that, as part of the overall agreed settlement of the dispute, the addendum being drawn up with the appended revised Financial Plan has not become effective by 31 December"*, to be determined on the basis of the toll increase formula provided for in the Single Concession Arrangement and amounting to 0.47%; and (ii) another one based on the new framework for toll increases (in line with the Financial Plan as updated at the date of submission of the request), amounting to 1.75%, which could be examined and approved by the Grantor were the Financial Plan to be approved in the meantime.

Art. 13 of Law Decree 183 of 31 December 2020 (the so-called *Milleproroghe* Decree) in force at the time provided that, for operators whose financial plans have expired:

- any adjustment to motorway tolls for 2020 and 2021 was to be deferred until the process of updating the operators' financial plans, to be drawn up in compliance with the Transport Regulator's determinations;
- the deadline for finalisation of the above financial plans was to be extended to 31 July 2021, in place of the previous deadline of 31 July 2020 established in the *Milleproroghe* Decree of December 2019.

In implementation of this legislation, the Grantor, in a letter dated 31 December 2020, informed Autostrade per l'Italia that the toll increase applicable from 1 January 2021 was equal to zero.

As the Company did last year to challenge the rejection of the toll increase for 2020, Autostrade per l'Italia challenged the Grantor's decision before the Regional Administrative Court.

Toll increases for 2022

In a letter dated 15 October 2021, ASPI submitted a proposal for a toll increase to the Ministry of Sustainable Infrastructure and Mobility with effect from 1 January 2022, including the amount requested for 2021. In accordance with ART Resolution 71 of 2019 - with respect to which the objections raised by ASPI remain in place until the agreed Addendum is effective - this proposal provided for a toll increase of 3.12%, corresponding to the sum of: (i) a 1.40% increase for 2022; (ii) the unrecognised 1.70% increase for 2021; and (iii) the so-called "*2022 compound increase effect*" - equal to 0.02% - due to the failure to apply the 2021 increase. The Ministry, as well as assessing the request for an increase, also set the level of the discount to be applied to motorway users, thereby determining the actual toll increase. In this regard, the Company will use part of the provisions set aside in previous years to cover the discount granted to motorway users.

Article 13, paragraph 3 of Law Decree 162 of 30 December 2019, as last amended by article 2, paragraph 1 of Law Decree 121 of 10 September 2021, converted, with amendments, by Law 156 of 9 November 2021, states that: "*for motorway operators whose five-year regulatory period has expired, the deadline for increasing motorway tolls for 2020 and 2021, as well as the tolls for all the years included in the new regulatory period, shall be postponed until the procedure for updating the Financial Plans drawn up in accordance with the resolutions adopted by the Transport Regulator has been completed*".

On 31 December 2021, the Ministry of Sustainable Infrastructure and Mobility announced that "*the tolls applied on the motorways operated by companies whose concession arrangements are being updated/revised are also confirmed for 2022. Any increase will be applied exclusively to the newly drawn up contracts, which will implement the tariff framework laid down by the Transport Regulator*".

Legal action regarding the failure to grant ASPI toll increases for 2020

Regarding the legal challenge lodged by ASPI relating to the failure to grant toll increases for 2020, following the parties' joint request to postpone the hearing, scheduled for 12 January 2022, the President of the Court removed the case from the roll, stating that, if and when there is an interest at a later date in receiving a decision on the appeal, it will be ASPI's responsibility to file a reasoned request for to withdraw the removal and obtain a new date for the court to hear the case.

Agreement to upgrade the Bologna bypass and ring road

With regard to the agreement to upgrade the Bologna bypass and ring road signed on 15 April 2016 by Autostrade per l'Italia, the Ministry of Infrastructure and Transport, the Emilia-Romagna Regional Authority, the Metropolitan Council for Bologna and Bologna City Council, after an initial Services Conference held in June 2020, a new Services Conference meeting was held on 29 July 2021, which gave rise to new requirements for the project.

ASPI carried out a technical analysis of these requirements, which was sent to the Grantor. The Grantor agreed with this technical analysis, and subsequently convened the third meeting of the Services Conference for 18 January 2022. At the meeting of 18 January 2022, further requirements emerged which will be assessed in agreement with the Grantor and incorporated in the detailed design, unless the Grantor decides otherwise. At the end of the Conference, having assessed the outcomes and taken into account the favourable opinions expressed or recorded at the meeting, the chairman declared the proceedings to be closed.

Moreover, after further requests to supplement the project presented by Bologna City Council and deemed by the Ministry of Sustainable Infrastructure and Mobility to be "feasible in phase 2", at the same meeting of the Services Conference, Bologna City Council requested that a second trilateral agreement be signed between the Ministry of Sustainable Infrastructure and Mobility, ASPI and Bologna City Council, before commencement of the works, in addition to and independent of the existing agreements between the Ministry, ASPI and the other bodies, aimed at regulating eligibility, timing and methods regarding the design and implementation of the "Phase 2" works. This request was supported by the Ministry of Sustainable Infrastructure and Mobility and ASPI, which confirmed its willingness to sign this additional agreement regarding assessment of possible design solutions and the implementation of future projects, and the related financing, in accordance with the Grantor's determinations.

Legal action regarding investigation of the illegitimacy of the Grantor's failure to respond to the proposal to update Autostrade per l'Italia's Financial Plan for the regulatory period 2018-2022

Regarding the appeal lodged by the MIMS relating to rectification of Regional Administrative Court Ruling 13789/2019, which partially upheld ASPI's action to have the illegitimacy of the Grantor's failure to respond to the proposed update of the Financial Plan for the regulatory period 2018-2022 investigated, in ruling 5585 of 27 July 2021, the Council of State corrected the grounds of the appealed judgment and rejected the Grantor's appeal, thereby confirming the obligation of the MIMS to have the Financial Plan updated and approved, and to adopt the final determination of the proceedings, whilst providing any grounds for refusal.

Proceeding initiated by the Antitrust Authority

In its final ruling of 26 March 2021, the Antitrust Authority deemed that ASPI's conduct with regard to the traffic disruption caused by the presence of a large number of construction sites relating to modernisation of the network constituted an unfair commercial practice in breach of consumer protection legislation and imposed a fine of €5 million. The Authority also requested evidence of initiatives that will be implemented to eliminate the alleged unfairness.

The ruling contains a number of aspects that are objectionable from a factual and legal standpoint.

ASPI fully cooperated with the investigation by producing useful evidence for a fair assessment of the alleged conduct, and by providing copious data, documents and information regarding driving conditions on the sections of motorway concerned, as well as the initiatives undertaken by the Company to mitigate the moderate inconvenience experienced by road users.

As regards the factual aspects, the ruling does not take into account the many pieces of evidence ASPI produced, regarding, among other things, the appropriateness of the maintenance initiatives carried out by the Company, the average journey times on the motorway sections affected by the maintenance works, the information the Company provided to road users to reduce inconvenience to a minimum, as well as with regard to the extraordinary toll discounts and exemptions adopted to compensate for situations of exceptional, but limited, disruption to traffic.

As regards the legal aspects, the ruling applies consumer protection regulations in a manner that is inconsistent with the relevant European and national regulatory framework, given that the ruling in no way demonstrates - as required by European and national regulations - the extent to which ASPI's conduct could have misled consumers.

While ASPI has complied with the requirements of the Authority's resolution, it has instructed its lawyers to assess the document with a view to presenting a legal challenge.

In an appeal lodged before the Lazio Regional Administrative Court on 25 May 2021, ASPI requested annulment - subject to the adoption of appropriate precautionary measures - of the Authority's ruling.

After a hearing on 23 June 2021, by a decree of 24 June 2021, the court upheld the request for injunctive relief only insofar as it related to publication of the announcement of the fine. However, not deeming there to be grounds for extreme seriousness and urgency, the court failed to grant relief cancelling the ruling on unfair commercial practices.

In this regard, it should be noted that, whilst it is in ASPI's interest to obtain certainty with regard to an issue that remains unresolved as far as the Antitrust Authority is concerned, in relation to the Authority's request for compliance, the Company is unable to take decisive action on its own, but only with the necessary agreement of the MIMS and the Transport Regulator, given that it regards the criteria for determining tolls.

The court has adjourned the case until 23 February 2022 when it will hold a hearing on the merits.

Due to the partial upholding of the suspension pronounced by the Regional Administrative Court, on 20 July 2021 the Authority initiated proceedings against ASPI for IP/346 non-compliance with the request to take appropriate measures to eliminate the unfair commercial practice.

In response to the Antitrust Authority's requests for information, ASPI presented a cashback initiative, launched on 15 September 2021, to reimburse delays caused by construction sites. The Authority requested periodic updates on the state of progress of the initiative, which is still in the trial phase.

After a hearing on 14 December 2021, the Antitrust Authority extended the deadline for the conclusion of the IP/346 proceedings to 15 March 2022, in order to be able to assess the data provided on the performance of the cashback service.

Given the extension of the deadline, at a hearing on 23 February 2022, whilst presenting its defence arguments, ASPI - in agreement with the Attorney General - requested postponement

of the discussion until after the conclusion of the pending non-compliance proceedings. The postponement was granted by Lazio Regional Administrative Court.

Accident on the Acqualonga viaduct on the A16 Naples-Canosa motorway on 28 July 2013

The trial before a single judge at the Court of Avellino has been completed, with a judgement at first instance regarding the accident that occurred on 28 July 2013 on the Acqualonga Viaduct, involving a coach travelling on the A16 Naples-Canosa motorway. The accused included a total of twelve managers and former managers and employees of the Autostrade per l'Italia, who were charged with being accessories to culpable multiple manslaughter and criminal negligence.

At the appeal hearing on 30 September 2021, the Court of Appeal reserved judgement on the requests regarding the preliminary investigation made by the defendants' lawyers and the appellants' civil representative, except for the request to re-examine the expert appointed by the Judge of first instance, which was postponed to a subsequent hearing on 9 December 2021.

At the above hearing, the defendants' lawyers and ASPI's civil representative, in accordance with the specific grounds set out in their respective appeals, requested the panel of judges to grant a direct discussion between the expert and the technical consultants appointed by the defence or, alternatively, a re-examination of the latter.

The Court of Appeal rejected these requests, whilst authorising examination of the expert only after questions had been previously formulated by the lawyers, who then decided not to proceed as, in their opinion, such a re-examination would have no effect at this stage and should be requested later at a subsequent instance.

Also at the hearing of 9 December 2021, documentary evidence was produced by lawyers for certain defendants, with specific regard to certain projects prepared for implementation of the 2008 Redevelopment Plan.

At the end of the hearing on 3 February 2022, the Court upheld:

- the above-mentioned request for documentary evidence made by the lawyers of some of ASPI's defendants;
- the examination of a witness, as specifically requested by the lawyer of a defendant who owned a bus rental company.

The hearing was adjourned until 17 March 2022, when the above witness was examined, discussion of the case was resumed and the presentation of their cases by the Attorney General, counsel for the civil parties and the defendants took place.

Investigation by the Public Prosecutor's Office in Avellino regarding the anchorages for the New Jersey safety barriers installed on road bridges on A16, A14 and A1

By a decree notified to the persons under investigation on 16 August 2021, the preliminary investigating magistrate at the Court of Avellino ordered the dismissal of the proceedings filed for the alleged offence of culpable disaster, against the then Head of the "Road Surfaces and Safety Barriers" unit and the various area office managers who, since 2013, have held the roles of Heads of the Cassino, Fiano and Pescara area offices, and ordered revocation of the seizure of the New Jersey safety barriers installed on road bridges on the A14, A16 and A1 viaducts.

Specifically, in agreement with the arguments put forward in the request for dismissal by the Public Prosecutor's Office, the preliminary investigating magistrate established that:

- ASPI shared with the Grantor the timing and methods for implementing the Plan to replace the so-called "Blue Catalogue" barriers;
- no certain scientific conclusions have been reached, even after the expert appraisal requested by the Public Prosecutor's Office, with regard to how dangerous the safety barriers in question were;
- no infringements of technical and legal regulations were found during the investigation;
- since the event that occurred on the Acqualonga viaduct on 28 July 2013, the Company's technical units have been seeking to identify technical solutions to modernise the barriers installed along the motorway network.

Finally, the preliminary investigating magistrate, reiterating the arguments put forward in the request for dismissal by the Public Prosecutor's Office, concluded that: "since 2013, it is clearly evident that the conduct of the operator and its management, which certainly included the persons currently under investigation, was aimed at finding solutions to the need - which had become even more pressing since the disastrous event that occurred on the Acqualonga viaduct - to modernise the barriers".

Investigation by the Public Prosecutor's Office in Genoa regarding the installation of integrated safety and noise barriers on the A12

The investigation derives from two accidents that occurred on 6 November 2016 and 17 January 2017 due to the collapse of "Integautos" integrated safety and noise barriers positioned respectively on the Rio Rezza and Rio Castagna bridges on the A12, involves investigation of former managers and managers and employees with technical expertise working for Autostrade per l'Italia, in relation to the offences of public procurement fraud, endangerment of transport safety attempted fraud against the State.

The investigation is ongoing.

Investigation by the Public Prosecutor's Office in Genoa of alleged false statements regarding several of the network's bridges

As part of this investigation into a series of allegations regarding false statements made by a public officer in an official document, a former manager, a company employee and executive of Autostrade per l'Italia. According to the prosecution, certain reports prepared by the technicians responsible for testing, monitoring and design were improperly drafted in order to make the maintenance conditions of the road bridges appear better than they actually were.

The investigation is ongoing.

Investigation by the Public Prosecutor's Office in Vasto of the alleged inclusion of false data in the technical documentation relating to the Giustina viaduct (A14)

This criminal investigation is linked to the previous one and follows the provision of evidence gathered by the Public Prosecutor's Office in Genoa to the Public Prosecutor's Office in Vasto, which has jurisdiction.

On 26 June 2020, the Public Prosecutor asked the preliminary investigating magistrate at the Court of Vasto for an extension of the deadline for completing the preliminary investigation to 3 February 2021. The people under investigation are the former Head of Operational Maintenance

and Investment, the former Director of local office VIII and Autostrade per l'Italia's then Sole Project Manager, who are accused of making false statements by a public officer in a public office. On 27 August 2021, the date set for the end of the investigation was extended until 3 March 2022.

Criminal trial before the Court of Rome relating to the award of contracts

The trial regarded charges of acts in breach of official duties and abuse of office brought against the Sole Project Manager and the Project Manager for Operating Investments in relation to work on construction of the Florence North, San Giovanni Valdarno and Rosignano toll stations and the Capannori flyover. Both the accused are employees of Autostrade per l'Italia and have been the subject of disciplinary action.

At the hearing held on 14 July 2021, the court declared that the statute of limitations had expired for the offences with which ASPI's two employees were charged.

Criminal proceedings brought relating to the event that took place in the Bertè tunnel on the A26 motorway on 30 December 2019

Following the event that took place in the Bertè tunnel on 30 December 2019, the Head of the Genoa I Area Office I was notified that they were under investigation by the Public Prosecutor's Office in Genoa for the offence of dereliction of duty.

The preliminary investigating magistrate in Genoa issued an order extending the deadline for completion of the preliminary investigation to 22 July 2021. The order indicates that, in addition to the Head of the relevant area office, who is now also being investigated for the offences of public procurement fraud, endangerment of transport safety and the negligent removal or omission of occupational safety protections, a further 5 former managers and 3 employees in technical roles at Autostrade per l'Italia are under investigation, solely with regard to the above offence of public procurement fraud.

On 6 September 2021, preliminary investigating magistrate in Genoa, at the request of the Public Prosecutor, ordered a further extension of the deadline for completion of the preliminary investigation until 22 January 2022.

Compared with the initial charge, reference to failure to comply with the law governing public supply contracts has been removed and replaced with fraud in public supplies.

Lawyers for the defendants have not indicated that there have been any further requests for an extension of the deadline for completion of the preliminary investigation.

Alleged breaches of environmental laws relating to construction of the Variante di Valico

The criminal case brought before the Court of Florence regarded alleged violations of environmental laws relating to the reuse of soil and rocks resulting from excavation work during construction of the *Variante di Valico* (offences provided for and punished in accordance with art. 260, "organised trafficking in waste", in relation to art. 186, paragraph 5 "use of soil and rocks from excavation work as by-products and not as waste" in the Consolidated Law on the Environment no. 152/06; art. 256, paragraph 1(a) and (b) "unauthorised management of waste" and paragraph three, "fly tipping" of the Consolidated Law). The trial at first instance has come to an end with the full acquittal of Autostrade per l'Italia's Joint General Manager for Network Development and Project Manager, as the court ruled that "there was no case to answer".

The Public Prosecutor's office in Florence has filed a *per saltum* appeal against the judgement with the Supreme Court.

the Supreme Court upheld the *per saltum* appeal, thereby annulling the acquittal ruling, and referred the case back to the Court of Appeal of Florence for a new trial.

A date for the hearing before the competent Appeal Court is awaited.

Investigation by the Public Prosecutor's Office in Genoa regarding dismantled noise barriers on the urban section of the A7 and A10

Following the investigation launched by the Public Prosecutor's Office in Genoa in December 2019, regarding the alleged danger represented by "Integautos" integrated safety and noise barriers, ASPI's relevant area office I proceeded to remove portions of the noise barriers on a number of sections of motorway in Liguria, including the A7 and the A10.

Whilst awaiting approval of the designs for upgraded barriers, the dismantled panels, which were intended to reduce the traffic noise reaching neighbouring houses, have yet to be replaced.

This has led to a further, separate investigation following complaints from local residents. This investigation involves the then Head of Operations at Autostrade per l'Italia Spa's area office I, who is accused of causing a disturbance of the peace and the throwing of dangerous articles.

The investigation is ongoing.

Investigation by the Public Prosecutor's Office in Genoa regarding an alleged lack of maintenance of the Valle Ragone road bridge

On 31 May 2021, Genoa Area Office I was notified of a seizure order in connection with a new criminal investigation launched by the local Public Prosecutor's Office.

Specifically, the police, acting on behalf of the Public Prosecutor's Office, requested all the technical and non-technical documentation on the "Valle Ragone" road bridge in order to check the safety of the infrastructure in question.

This was followed on 6 July of this year by a notice of investigation served on the then Head of Genoa Area Office I, the Head of Network Operations and the then Head of Maintenance Engineering for the offences of dereliction of duty and endangerment of transport safety.

The investigation is ongoing.

Investigation by the Public Prosecutor's Office in Prato of a fatal accident to a worker employed by Pavimental

On 27 August 2014, a worker employed by Pavimental SpA – the company contracted by Autostrade per l'Italia to carry out work on a section of carriageway on the A1 – was involved in a fatal accident whilst at work. In response, the Public Prosecutor's Office in Prato has brought criminal charges against, among other people, Autostrade per l'Italia's Sole Project Manager, who is charged with reckless homicide due to the violation of occupational health and safety regulations.

The hearing of 27 January 2022 heard testimony from a number of witnesses for the prosecution.

This process will continue at the hearing scheduled for 17 May 2022.

Investigation by the Public Prosecutor's Office in Ancona following the collapse of the motorway bridge on the SP10 crossing the A14 Bologna-Taranto motorway

On 9 March 2017, the collapse of a bridge on the SP10, as it crosses the A14 motorway at km 235+794, caused the deaths of the driver and a passenger in a car and injuries to three workers employed by a sub-contractor of Pavimental SpA, to which Autostrade per l'Italia had previously awarded the contract for the widening to three lanes of the Rimini North–Porto Sant'Elpidio section of the A14 Bologna-Bari-Taranto motorway. Criminal proceedings have been brought regarding the offences provided for and punished by Articles 113, 434, paragraph 2, and 449 of the criminal code ("accessory to culpable collapse"), 113 and 589, last paragraph, of the Italian Criminal Code ("accessory to multiple negligent homicide"), 113 and 589-bis, paragraph 1, and the last paragraph of the criminal code, ("accessory to vehicular homicide"). In addition, Autostrade per l'Italia is under investigation pursuant to art. 25-septies of Legislative Decree 231/2001 ("culpable homicide or grievous or very grievous bodily harm resulting from breaches of occupational health and safety regulations").

The hearings of 21 September 2021, 2 and 26 November 2021 and 21 January 2022 did not take place and the last of these was adjourned until 1 March 2022 for a number of preliminary matters to be dealt with and discussion of the case.

At the hearing held on 1 March, the court combined the criminal case with the case regarding breaches of health and safety regulations and rejected a number of preliminary matters raised by lawyers for the defence. The hearing was then adjourned until 7 June 2022 for: (i) an examination of matters relating to civil claims; (ii) opening statements; and (iii) the admission of evidence.

Investigation by the Public Prosecutor's Office of the Court of Florence into the alleged inclusion of false data in technical documentation relating to certain viaducts under the responsibility of the IV area office

The criminal proceedings in question, which are still at the preliminary investigation stage, stemmed from the proceedings already pending before the Court of Genoa relating to alleged false data regarding other viaducts on the network (namely the Paolillo viaduct on the Naples-Canosa motorway, the Moro viaduct in Pescara, the Pecetti, Sei Luci and Gargassa viaducts in Liguria, and the Sarno viaduct on the A30 motorway), after the documents were sent to the Prosecutor's Office of Florence. The then Head of Maintenance and Investment Operations is under investigation with regard to this matter.

Investigation by the Public Prosecutor's Office at the Court of Benevento regarding a call for tenders relating to lot 7 for motorway sections of the Cassino VI area office

On 9 December 2021, the *Guardia di Finanza* (Finance Police) visited ASPI's headquarters to serve a search and seizure order, issued by the Public Prosecutor's Office at the Court of Benevento, as part of criminal proceedings relating to alleged irregularities in a call for tenders issued by ASPI regarding lot 7 for the DT6 motorway sections in Cassino.

Specifically, this is a 24-month framework agreement relating to maintenance works on the motorway road surfaces, interchanges and car parks in the area, worth a total of €76,500,000.00.

Perusal of the documents available to the Company reveals that two operators were admitted to the bidding stage during the above-mentioned tender: Consorzio Argo Scarl, whose bid was judged

to be the most economically advantageous by the selection committee, and a temporary consortium which was subsequently awarded the contract.

In the relevant proceedings, ASPI's Contract Manager, who was in charge of the tender procedure for lot 7, the Chairman of SAT and ASPI'S Head of Procurement, among others, are under investigation.

ASPI's Contract Manager and the Chairman of SAT were charged with the offences of bribery and obstruction of a public tender, as together with the managers of the companies in the temporary consortium, they allegedly awarded the contract in return for the future payment of "*a sum equal to 0.5% of the total amount of the project, namely €360,000 to the Chairman of SAT, as well as a further €100,000 to ASPI's Contract Manager and another unidentified official from ASPI*".

Regarding this point, it should be noted that perusal of the currently available documents does not reveal any objective evidence of the alleged offences, except for an initial bank transfer of €64,128.00, made by one of the managers of the temporary consortium to the account of the Chairman of SAT "*relating to the issue of an invoice for objectively non-existent operations (namely, referring to limited legal assistance provided by the person under investigation to one of the companies involved)*".

On the basis of these alleged unlawful agreements, the sole project manager technical unit of the works under the responsibility of the Company's Contract Manager, in order to favour the final award of the contract to the temporary consortium, allegedly drew up two reports, in the first of which "*the Consorzio Argo bid, already judged as being the most economically advantageous by the selection committee, was deemed to be irregular pursuant to art. 97 of Decree 50/2016, and in the second the temporary consortium's bid was deemed not to be irregular*".

As a result of their alleged conduct, the Chairman of SAT and ASPI's Contract Manager were placed under house arrest by the local preliminary investigating magistrate.

In this regard, ASPI - which has been identified by the Public Prosecutor's Office as an injured party with regard to some of the alleged offences - via its own lawyer specifically appointed to protect the Company's interests, obtained a copy of the pre-trial detention order issued with respect to the Chairman of SAT Chairman and ASPI's Contract Manager.

After examination of the documentation, both persons under investigation were suspended from their respective posts.

ASPI's Head of Procurement is under investigation as an accomplice, exclusively regarding the offence of obstruction of a public tender.

Subsequently, on 29 December 2021, the Naples Court of Review, upholding the appeal filed by lawyers acting for the defendants, annulled the house arrest order and ordered the immediate release of the persons under investigation, if their detention was not based on other grounds.

Specifically, the ruling in question, the grounds for which were subsequently filed on 27 January 2022, first excluded the jurisdiction of the Court of Benevento in favour of the jurisdiction of the Court of Rome. Moreover, with reference to the need for pre-trial detention, the Court considered that the risk of tampering with evidence no longer existed, whereas regarding the risk of repetition of the offences, the Court deemed that it still theoretically existed (due to the plaintiffs' interest in other contracts, and given the relations between the Chairman of SAT and the businesses concerned), although not a matter of urgency, given: (i) the resignations of the Chairman of SAT and ASPI'S Contract Manager; and (ii) ASPI'S "suspension" of the contract awarded to the temporary consortium, regarding which the criminal proceedings under examination have been filed.

Proceedings brought by the Autostrade per l'Italia Group against CRAFT and Alessandro Patanè

Autostrade per l'Italia and Autostrade Tech impleaded by ANAS SpA in the case brought by Alessandro Patanè before the Court of Rome

This regards legal action brought by Mr Patanè against ANAS and the Ministry of Internal Affairs for improper use of the SICVe (Vergilius) system and the related software. ANAS appeared to implead Autostrade per l'Italia and Movyon (formerly Autostrade Tech) in order to be relieved of liability and held harmless. The Ministry of Internal Affairs, on the other hand, failed to appear.

At the hearing on 15 September 2021, the court upheld the requests from ANAS and ASPI and halted the case whilst awaiting the outcome of both the action brought by Mr Patanè pending before the Appeal Court of Rome regarding ownership of the software, and the action brought by CRAFT pending before the Supreme Court for infringement of the plaintiff's patent.

Proceeding before the Court of Appeal in Rome – ASPI and Autostrade Tech against Alessandro Patanè

The appeal against judgement 120/2019, filed by ASPI and Movyon at the Court of Appeal in Rome, was adjourned until 15 June 2021 when Mr Patanè filed a further action for fraud (having already filed another action at first instance) in relation to documents filed by the companies.

The court ruled that the action was inadmissible and adjourned the hearing until 10 May 2022 for a clarification of the pleadings.

Proceeding before the Court of Appeal in Rome – ASPI against CRAFT

CRAFT has appealed judgement 2658/2021 handed down by the Appeal Court in Rome before the Supreme Court, following remission of the case to the court by the Supreme Court in judgement 21405/2019. ASPI is preparing to appear before the court and a date for the hearing is awaited.

The Appeal Court also ordered CRAFT to reimburse ASPI for all the legal expenses incurred at all the previous instances. CRAFT and ASPI have agreed on an instalment plan for the amounts to be recovered.

Tax disputes regarding ground tax, ground rent and property tax (TOSAP, COSAP and CUP)

In recent years, city councils and provincial authorities notified Autostrade per l'Italia of numerous demands for the payment of considerable sums in the form of ground tax (*Tassa per l'Occupazione di Spazi ed Aree Pubbliche* or TOSAP) and ground rent (*Canone per l'Occupazione di Spazi ed Aree Pubbliche* or COSAP) – now called the Single Property Tax (*Canone Unico Patrimoniale* or CUP) with effect from the 2021 tax year. The levies are allegedly payable in return for the occupation of public land owned by the relevant councils and provincial authorities by motorway infrastructure (road bridges, viaducts and underpasses, etc.). Assessment proceedings by the local authorities were further intensified following a number of judgements handed down by the Supreme Court, which found against the Company. The matter also involved certain subsidiaries operating under concession, in particular Autostrade Meridionali pA and Tangenziale di Napoli SpA, and these actions were duly challenged before the Administrative Court, as not having any basis in fact or in law.

The Supreme Court has recently returned to this matter, issuing judgement 16395/2021, and then with orders 365-378-508-509/2022, brought against operators, stating that: (i) the occupation of land without a local authority concession must be considered “unlawful”, regardless of whether or not the land has been occupied in order to build infrastructure of interest to the state, and (ii)

COSAP is payable by the entity receiving an economic benefit from use of the asset occupying municipally or provincially owned land, regardless of whether or not the public land has been rendered inaccessible for collective use.

Given the importance of this issue for all motorway operators, AISCAT has entered into talks with the Ministry of Sustainable Infrastructure and Mobility, in order to clarify that occupation of the land cannot be considered "abusive" as the right to build and operate motorway infrastructure is granted by the State via the award of a specific concession and by virtue of the law.

Procedures for the award of contracts by ASPI to external contractors and to Group companies following Constitutional Court Ruling 218/2021

Constitutional Court Ruling 218/2021 declared the constitutional illegitimacy of art. 177 of Legislative Decree 50/2016, and of art. 1, paragraph 1 of Law 11/2016 (the "*Delegated law implementing EU directives regarding public procurement*").

In particular, according to the Constitutional Court, the requirement that holders of existing concessions, which have not been awarded under a project financing model or via public tender, must award 80% (60% for motorway operator) of the contracts via a public tender process constitutes "*an unreasonable and disproportionate measure with respect to the purpose of the legislation, albeit legitimate, and is therefore detrimental to economic freedom*".

Without prejudice to the foregoing, the consequences of the above ruling with regard to the manner in which ASPI awards contracts to Group companies are set out below.

It should be noted that, with the declaration of unconstitutionality contained in the above art. 177, operators, including motorway operators, are no longer legally obliged to outsource. Therefore, they may freely decide how to perform the services provided for in their concession arrangements, either through the award of contracts to external contractors, or by insourcing services, either directly or via subsidiaries.

In view of the above events, the provisions for risks and charges made represent the best estimate, based on the information currently available, of the risk of negative outcomes and of the potential expenses to be incurred in relation to the above litigation.

9.6 Law 124 of 4 August 2017 – Annual markets and competition law

Article 1, paragraphs 125 to 129, of Law 124 of 4 August 2017 has introduced a number of measures designed to ensure the transparency of the government grants system.

In the Company's case, the legislation translates into the obligation to disclose in the notes to its financial statements (paragraph 126) the grants received from:

- a) the government bodies and entities referred to in article 2-*bis* of Legislative Decree 33 of 14 March 2013;
- b) companies directly or indirectly controlled, in law or in fact, by government bodies, including companies listed on regulated markets and their investees;
- c) publicly owned companies, including those that issue listed shares and other entities.

The legislation provides for significant penalties for failure to comply with the disclosure requirement, involving repayment of the grants received (paragraph 125).

Based on the assessment conducted, in the view of the Company, the only type of grant received that qualifies for application of the disclosure requirements is represented by the government grants used to finance investment in the motorway network.

No grants were collected/released in 2021 to fund investment in assets held under concession.

9.7 Events after 31 December 2021

Services Conference approves detailed design for Bologna Bypass

On 18 January 2022, the Services Conference approved the design for the Bologna Bypass, amounting to approximately €1.7 billion. Final approval of the detailed design is expected by the end of 2022, with the expropriation process, the movement of existing services interfering with construction and preparation of the various sites also due to begin during the year.

Bond issue

On 18 January 2022, Autostrade per l'Italia placed bonds worth €1,000m under its Euro Medium Term Notes (EMTN) programme in two tranches of €500m. The tranches have terms of 6 and 10 years. The proceeds from the issue will provide the Company with the financial resources needed to fully support our major investment and maintenance programmes, in addition to being used to fund development of the network digitalisation plan and for general corporate purposes.

Establishment of Elgea

A new company named Elgea SpA was established on 24 January 2022. The company, a wholly owned subsidiary of Autostrade per l'Italia, will produce renewable energy on behalf of the Group.

10. Proposal to appropriate profit for the year to be put to Autostrade per l'Italia SpA's Annual General Meeting for approval

Dear Shareholders,

With regard to the proposed distribution of profit for the year, the Board of Directors, having taken into account:

- g) the provisions in paragraph 44.1 in the Articles of Association, which state that: *"[...] the remaining net profit shall be distributed to shareholders in proportion to their shareholdings, to the maximum extent permitted by law, provided that such distribution is consistent with the requirements of the Single Concession Arrangement, and the covenants in the loan agreements to which the Company is party"*;
- h) the provisions in paragraph 25.2 (d) in the Articles of Association, which state that: *"decisions on the following matters may be validly taken, both in first and second call, provided that the votes in favour making up the majority required by law also include the votes of non-controlling shareholders who individually hold, at the date of the relevant General Meeting, at least five per cent (5%) of the Company's issued capital (except for the situations provided for in article 33.6 below): [...] (d) the distribution of dividends notwithstanding the dividend policy, as established in article 44 below [...]"*;
- i) the provisions in paragraphs 33.3(f) and 47.2 of the Articles of Association, which state that the Board of Directors may validly approve proposals for the General Meeting of shareholders concerning one of the matters listed in paragraph 25.2 with the majority required by law, provided that such majority includes the favourable votes of the Directors nominated by the non-controlling shareholders;
- j) the need to ensure that the distribution of profit for the year to shareholders to the maximum permitted extent is consistent with the requirements of the Single Concession Arrangement and the covenants in the loan agreements to which the Company is party;
- k) the fact that the legal reserve has reached the level provided for in the Italian Civil Code, and is thus equal to one-fifth of the issued capital;
- l) the fact that, despite the above, whilst awaiting finalisation of the settlement agreement, it would be advisable to top up the equity reserves taxable on distribution, which were reduced last year following the loss for 2020;

proposes that the Annual General Meeting:

- c) approve the financial statements as at and for the year ended 31 December 2021, which report profit for the year of €681,876,751.87;
- d) having received the accompanying documents, take profit for the year of €681,876,751.87 to retained earnings.

The above proposal must also be approved by the Annual General Meeting in accordance with the majorities provided for in art. 25.2 of the Articles of Association.

For the Board of Directors

The Chairman

11. Annexes to the financial statements

Annex 1 - Disclosures pursuant to art.149-duodecies of the CONSOB Regulation for Issuers 11971/1999.

Annex 2 - Traffic figures (pursuant to the CIPE Resolution of 20 December 1996).

Annex 3 - Table of investment required by art. 2 of the Single Concession Arrangement of 2007.

Annex 4 - Subsidiaries, associates and joint ventures accounted for using the equity method (article 3, point 1.1 of the 2007 Single Concession Arrangement).

The above annexes are unaudited.

Annex 1

Disclosures pursuant to art. 149-duodecies of the CONSOB Regulation for Issuers 11971/1999

Autostrade per l'Italia SpA

(€000)

Type of service	Provider of service	Note	Fees
Audit	Parent Company's auditor		199
Other services	Parent Company's auditor	(1)	62
Total			261

(1) Comfort letters for loans and assistance in preparing the Sustainability Report.

Annex 2

Traffic figures (pursuant to the CIPE Resolution of 20 December 1996)

The figures for toll paid kilometres travelled shown in the following tables relate to traffic during the year paying the additional toll, calculated on the number of kilometres travelled by each vehicle using the motorway infrastructure, to be paid to ANAS pursuant to Law 102/2009, as amended, which abolished the previous surcharge introduced by art. 15 of Law 531/1982, as amended by Law 407/1990. These figures, therefore, in addition to not including non-paying traffic, also exclude traffic that failed to pay the required toll and that was only recorded when the toll was subsequently paid. The following are categories of non-paying traffic: traffic exempted by agreement or for operational reasons (company vehicles, motorway police, ACI, which provides breakdown services, emergency vehicles and employees travelling to work); estimates traffic during toll collectors' strikes; and other non-paying traffic (users who fail to pay the required toll, the exemption for traffic in the Genoa area, etc.).

The kilometres travelled on Autostrade per l'Italia's network, as reported in the sub-section "Traffic", in section 2.7, "Group operating review" in the report on operations, regard all traffic using the network, including traffic for which the relevant toll was not paid, recognised at the time effective use of the motorway is recorded.

AUTOSTRADE PER L'ITALIA - WHOLE NETWORK

YEAR: 2021

Month	TOLL PAYING TRAFFIC BY MONTH (in thousands of kilometres travelled)														Overall
	Toll class														
	A		B		3		4		5		Total				
Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground		
January	1,221,580	221,369	204,788	37,423	38,378	6,575	37,138	7,164	342,181	76,190	1,844,065	348,721	2,192,786		
February	1,453,390	254,983	232,108	41,898	43,260	7,345	40,256	7,671	372,985	83,163	2,141,999	395,060	2,537,059		
March	1,291,660	242,436	259,782	47,432	50,390	8,570	46,361	8,925	431,328	95,975	2,079,521	403,338	2,482,859		
April	1,469,758	261,278	249,264	45,588	46,652	8,102	42,520	8,201	388,703	87,772	2,196,897	410,941	2,607,838		
May	2,196,714	415,043	289,973	55,215	50,963	9,192	43,544	8,366	396,628	88,377	2,977,822	576,193	3,554,015		
June	2,551,012	505,955	312,176	61,570	54,373	10,105	44,544	8,659	406,868	90,455	3,368,973	676,744	4,045,717		
July	3,156,967	643,388	340,716	68,250	61,232	11,764	44,986	8,618	415,418	91,734	4,019,319	823,754	4,843,073		
August	3,566,469	749,740	292,025	62,515	52,237	11,297	31,952	6,283	313,609	74,231	4,256,292	904,066	5,160,358		
September	2,759,046	554,729	335,813	67,318	59,531	11,650	44,029	8,483	412,127	93,374	3,610,546	735,554	4,346,100		
October	2,495,175	474,663	324,566	63,371	55,645	10,046	44,021	8,367	407,490	89,511	3,326,897	645,958	3,972,855		
November	2,122,040	387,869	294,980	54,990	52,242	9,331	43,829	8,397	411,658	91,265	2,924,749	551,652	3,476,401		
December	2,233,108	418,212	278,140	52,084	49,020	8,611	41,338	7,862	376,097	82,790	2,977,703	569,559	3,547,262		
YEAR	26,516,919	5,129,665	3,414,331	657,654	613,923	112,388	504,518	96,996	4,675,092	1,044,837	35,724,783	7,041,540	42,766,323		

MOTORWAY: MILAN - NAPLES
SECTION: A1 MILAN-BOLOGNA

YEAR: 2021

Month	TOLL PAYING TRAFFIC BY MONTH (in thousands of kilometres travelled)														Overall
	Toll class														
	A		B		3		4		5		Total				
Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground		
January	154,850	-	29,811	-	6,565	-	8,121	-	64,984	-	264,331	-	264,331		
February	192,763	-	34,305	-	7,470	-	8,609	-	71,651	-	314,798	-	314,798		
March	171,447	-	38,500	-	8,795	-	9,948	-	82,987	-	311,677	-	311,677		
April	199,155	-	37,057	-	8,124	-	9,157	-	75,457	-	328,950	-	328,950		
May	314,240	-	43,797	-	8,771	-	9,446	-	76,512	-	452,766	-	452,766		
June	377,108	-	47,040	-	9,189	-	9,488	-	77,314	-	520,139	-	520,139		
July	470,757	-	50,770	-	10,566	-	9,578	-	78,969	-	620,640	-	620,640		
August	512,206	-	42,876	-	8,841	-	6,904	-	58,175	-	629,002	-	629,002		
September	406,504	-	52,162	-	10,332	-	9,456	-	77,842	-	556,296	-	556,296		
October	365,039	-	50,177	-	9,647	-	9,495	-	77,709	-	512,067	-	512,067		
November	305,586	-	44,793	-	8,981	-	9,670	-	78,214	-	447,244	-	447,244		
December	306,571	-	41,401	-	8,352	-	9,146	-	71,967	-	437,437	-	437,437		
YEAR	3,776,226	-	512,689	-	105,633	-	109,018	-	891,781	-	5,395,347	-	5,395,347		

MOTORWAY: MILAN - NAPLES
SECTION: A1 BOLOGNA-FLORENCE

YEAR: 2021

Month	TOLL PAYING TRAFFIC BY MONTH (in thousands of kilometres travelled)														Overall
	Toll class														
	A		B		3		4		5		Total				
Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground		
January	55	48,301	8	9,099	1	1,993	1	3,102	6	24,479	71	86,974	87,045		
February	57	53,726	9	10,333	1	2,291	1	3,294	6	26,594	74	96,238	96,312		
March	57	50,557	10	11,768	1	2,689	1	3,803	7	31,169	76	99,986	100,062		
April	56	58,336	9	11,351	1	2,496	1	3,443	6	27,782	73	103,408	103,481		
May	83	96,234	11	14,117	1	2,812	1	3,563	6	28,497	102	145,223	145,325		
June	83	112,325	11	15,848	1	3,048	1	3,665	7	29,172	103	164,058	164,161		
July	88	143,764	11	17,052	1	3,423	1	3,624	7	28,902	108	196,765	196,873		
August	77	172,246	9	15,427	1	3,033	1	2,573	5	21,535	93	214,814	214,907		
September	86	127,501	11	17,805	1	3,573	1	3,652	6	28,446	105	180,977	181,082		
October	90	115,088	12	17,083	1	3,237	1	3,620	6	28,893	110	167,921	168,031		
November	86	92,769	12	14,442	1	2,934	1	3,611	7	29,458	107	143,214	143,321		
December	82	100,421	10	13,346	1	2,765	1	3,432	7	27,121	101	147,085	147,186		
YEAR	900	1,171,268	123	167,671	12	34,294	12	41,382	76	332,048	1,123	1,746,663	1,747,786		

MOTORWAY: MILAN - NAPLES
SECTION: A1 FLORENCE-ROME

YEAR: 2021

Month	TOLL PAYING TRAFFIC BY MONTH (in thousands of kilometres travelled)														Overall
	Toll class														
	A		B		3		4		5		Total				
Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground		
January	163,150	-	25,650	-	4,498	-	7,578	-	57,248	-	258,124	-	258,124		
February	174,717	-	28,563	-	5,119	-	8,014	-	61,078	-	277,491	-	277,491		
March	169,939	-	32,495	-	5,916	-	9,058	-	70,373	-	287,781	-	287,781		
April	189,813	-	31,009	-	5,438	-	8,202	-	67,721	-	297,183	-	297,183		
May	282,070	-	36,224	-	6,064	-	8,475	-	64,831	-	397,664	-	397,664		
June	308,315	-	38,387	-	6,466	-	8,674	-	65,601	-	427,443	-	427,443		
July	373,488	-	41,249	-	7,181	-	8,578	-	64,941	-	495,437	-	495,437		
August	479,618	-	36,269	-	6,440	-	6,115	-	49,040	-	577,482	-	577,482		
September	339,299	-	41,122	-	7,212	-	8,525	-	63,662	-	459,820	-	459,820		
October	317,757	-	41,618	-	7,137	-	8,525	-	65,121	-	440,158	-	440,158		
November	269,298	-	38,177	-	6,775	-	8,366	-	66,845	-	389,451	-	389,451		
December	306,972	-	36,547	-	6,665	-	8,217	-	62,421	-	420,822	-	420,822		
YEAR	3,374,436	-	427,310	-	74,911	-	98,327	-	753,882	-	4,728,866	-	4,728,866		

MOTORWAY: MILAN - NAPLES
SECTION: A1 FIANO-SAN CESAREO

YEAR: 2021

Month	TOLL PAYING TRAFFIC BY MONTH (in thousands of kilometres travelled)														Overall
	Toll class														
	A		B		3		4		5		Total				
Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground		
January	9,872	8,886	1,903	1,464	431	266	581	302	5,547	2,689	18,334	13,607	31,941		
February	10,635	10,304	2,134	1,638	481	291	607	316	5,903	2,890	19,760	15,439	35,199		
March	10,099	9,349	2,378	1,795	555	333	683	353	6,779	3,294	20,494	15,124	35,618		
April	12,009	10,961	2,316	1,758	502	306	636	333	6,113	2,990	21,576	16,348	37,924		
May	17,663	15,615	2,696	1,991	542	336	662	346	6,311	3,074	27,874	21,362	49,236		
June	20,863	17,551	2,900	2,109	587	364	696	364	6,492	3,168	31,538	23,556	55,094		
July	27,021	20,924	3,186	2,296	663	408	703	369	6,505	3,184	38,078	27,181	65,259		
August	39,340	25,144	2,849	1,943	583	360	495	256	4,835	2,354	48,102	30,057	78,159		
September	23,541	18,510	3,126	2,273	646	397	694	354	6,356	3,091	34,403	24,625	59,028		
October	20,842	17,260	3,235	2,346	550	392	708	365	6,433	3,124	31,868	23,487	55,355		
November	16,841	14,805	2,960	2,217	626	380	704	365	6,567	3,216	27,698	20,983	48,681		
December	20,159	16,369	2,829	2,090	622	378	688	361	6,247	3,055	30,545	22,253	52,798		
YEAR	228,9														

Separate financial statements as at
and for the year ended
31 December 2021.

MOTORWAY: MILAN - NAPLES
SECTION: A1 ROME-NAPLES

YEAR: 2021

Month	TOLL PAYING TRAFFIC BY MONTH (in thousands of kilometres travelled)												Total		
	Toll class														
	A		B		3		4		5				Low ground	High ground	Overall
	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground			
January	181,736	-	24,862	-	4,211	-	4,190	-	37,795	-	252,797	-	-	252,797	-
February	201,971	-	27,148	-	4,590	-	4,400	-	40,362	-	278,471	-	-	278,471	-
March	184,183	-	29,758	-	5,275	-	5,048	-	46,186	-	270,450	-	-	270,450	-
April	212,381	-	28,620	-	4,830	-	4,612	-	41,317	-	291,760	-	-	291,760	-
May	299,510	-	32,459	-	5,259	-	4,758	-	42,907	-	384,893	-	-	384,893	-
June	331,764	-	34,652	-	5,588	-	4,829	-	44,104	-	420,937	-	-	420,937	-
July	393,477	-	38,052	-	6,386	-	4,898	-	45,216	-	488,029	-	-	488,029	-
August	461,463	-	32,463	-	5,634	-	2,424	-	36,284	-	539,268	-	-	539,268	-
September	354,398	-	37,109	-	6,173	-	4,739	-	45,049	-	447,468	-	-	447,468	-
October	335,128	-	37,770	-	6,079	-	4,824	-	43,814	-	427,615	-	-	427,615	-
November	286,531	-	34,815	-	5,707	-	4,758	-	44,163	-	375,974	-	-	375,974	-
December	319,033	-	33,571	-	5,606	-	4,561	-	42,040	-	404,811	-	-	404,811	-
YEAR	3,561,575	-	391,279	-	65,341	-	55,041	-	509,237	-	4,582,473	-	-	4,582,473	-

MOTORWAY: TURIN - TRIESTE
SECTION: A4 MILAN-BRESCIA

YEAR: 2021

Month	TOLL PAYING TRAFFIC BY MONTH (in thousands of kilometres travelled)												Total		
	Toll class														
	A		B		3		4		5				Low ground	High ground	Overall
	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground			
January	120,275	-	25,647	-	4,143	-	2,290	-	27,282	-	179,637	-	-	179,637	-
February	155,929	-	29,266	-	4,707	-	2,621	-	29,990	-	222,513	-	-	222,513	-
March	131,013	-	32,926	-	5,610	-	3,021	-	34,924	-	207,494	-	-	207,494	-
April	146,709	-	31,067	-	5,113	-	2,820	-	31,920	-	217,629	-	-	217,629	-
May	206,483	-	34,070	-	5,310	-	2,858	-	32,045	-	280,766	-	-	280,766	-
June	224,287	-	35,488	-	5,550	-	2,899	-	32,905	-	301,129	-	-	301,129	-
July	255,040	-	37,786	-	6,121	-	2,959	-	33,151	-	335,057	-	-	335,057	-
August	233,647	-	28,133	-	4,494	-	1,973	-	22,713	-	290,960	-	-	290,960	-
September	239,600	-	36,995	-	5,951	-	2,940	-	33,228	-	318,714	-	-	318,714	-
October	243,800	-	36,851	-	5,573	-	2,929	-	32,370	-	321,523	-	-	321,523	-
November	216,087	-	34,748	-	5,221	-	2,897	-	32,776	-	291,729	-	-	291,729	-
December	213,868	-	32,439	-	4,682	-	2,603	-	28,677	-	282,269	-	-	282,269	-
YEAR	2,386,738	-	395,416	-	62,475	-	32,810	-	371,981	-	3,249,420	-	-	3,249,420	-

MOTORWAY: MILAN - SERRAVALLE - GENOVA
SECTION: A7 SERRAVALLE-GENOVA

YEAR: 2021

Month	TOLL PAYING TRAFFIC BY MONTH (in thousands of kilometres travelled)												Total		
	Toll class														
	A		B		3		4		5				Low ground	High ground	Overall
	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground			
January	-	17,932	-	2,845	-	517	-	407	-	5,147	-	26,848	-	26,848	-
February	-	20,038	-	3,106	-	576	-	441	-	5,534	-	29,695	-	29,695	-
March	-	19,629	-	3,481	-	675	-	497	-	6,118	-	30,400	-	30,400	-
April	-	22,469	-	3,491	-	670	-	491	-	6,096	-	33,217	-	33,217	-
May	-	35,003	-	3,842	-	666	-	503	-	6,012	-	46,026	-	46,026	-
June	-	40,384	-	4,183	-	716	-	519	-	6,277	-	52,079	-	52,079	-
July	-	46,393	-	4,572	-	775	-	536	-	6,475	-	58,751	-	58,751	-
August	-	44,612	-	3,865	-	663	-	374	-	5,138	-	54,652	-	54,652	-
September	-	41,125	-	4,443	-	756	-	510	-	6,215	-	53,049	-	53,049	-
October	-	37,512	-	4,320	-	688	-	478	-	5,971	-	48,969	-	48,969	-
November	-	31,848	-	3,857	-	651	-	497	-	6,222	-	43,075	-	43,075	-
December	-	31,562	-	3,594	-	605	-	463	-	5,602	-	41,826	-	41,826	-
YEAR	-	388,507	-	45,599	-	7,958	-	5,716	-	70,807	-	518,587	-	518,587	-

MOTORWAY: MILAN - LAKES
SECTION: A8/A9 MILAN-LAKES

YEAR: 2021

Month	TOLL PAYING TRAFFIC BY MONTH (in thousands of kilometres travelled)												Total		
	Toll class														
	A		B		3		4		5				Low ground	High ground	Overall
	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground			
January	85,969	4,226	11,310	430	1,478	48	959	452	7,196	452	106,912	5,213	112,125	-	112,125
February	112,555	5,800	12,882	510	1,680	60	1,071	65	8,231	536	136,419	6,971	143,390	-	143,390
March	95,175	4,653	15,137	565	1,957	70	1,264	82	9,728	634	123,261	6,004	129,265	-	129,265
April	105,821	5,411	14,259	551	1,809	66	1,163	71	8,782	564	131,834	6,663	138,497	-	138,497
May	145,327	8,309	15,919	720	1,975	92	1,166	72	8,682	549	173,069	9,742	182,811	-	182,811
June	152,847	8,822	16,883	814	2,117	114	1,196	77	8,953	566	181,996	10,393	192,389	-	192,389
July	171,654	10,271	18,240	869	2,557	173	1,247	78	9,167	566	202,865	11,957	214,822	-	214,822
August	141,137	9,868	13,489	813	2,067	208	878	61	6,378	399	163,949	11,349	175,298	-	175,298
September	162,590	9,282	18,345	965	2,450	175	1,223	79	8,979	542	193,587	11,043	204,630	-	204,630
October	167,455	9,018	18,177	907	2,187	125	1,265	82	8,896	548	197,980	10,580	208,660	-	208,660
November	150,561	7,650	16,129	662	1,930	77	1,221	73	8,961	563	178,802	9,025	187,827	-	187,827
December	144,337	7,718	15,002	591	1,668	66	1,089	65	7,893	499	169,989	8,939	178,928	-	178,928
YEAR	1,635,428	91,028	185,772	8,397	23,875	1,274	13,742	862	101,846	6,418	1,960,663	107,979	2,068,642	-	2,068,642

MOTORWAY: A08/A26
SECTION: A8/A26 GALLARATE-GATTICO SPUR

Month	TOLL PAYING TRAFFIC BY MONTH (in thousands of kilometres travelled)												Total		
	Toll class														
	A		B		3		4		5				Low ground	High ground	Overall
	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground			
January	11,889	3,931	1,940	708	276	103	113	44	1,175	489	15,393	5,275	20,668	-	20,668
February	16,019	5,045	2,249	829	326	122	127	51	1,348	560	20,069	6,607	26,676	-	26,676
March	13,475	4,419	2,524	933	380	145	151	61	1,587	677	18,117	6,235	24,352	-	24,352
April	15,339	5,032	2,448	906	356	136	143	59	1,424	617	19,710	6,750	26,460	-	26,460
May	24,856	8,980	2,792	1,073	391	150	158	63	1,464	631	29,661	10,897	40,558	-	40,558
June	27,192	10,043	2,946	1,157	414	160	160	65	1,541	611	32,253	12,096	44,349	-	44,349
July	29,110	11,320	3,032	1,201	444	172	160	65	1,561	686	34,307	13,444	47,751	-	47,751
August	26,842	11,381	2,139	877	322	127	99	42	1,048	459	30,450	12,886	43,336	-	43,336
September	26,587	10,185	2,838	1,109	424	168	153	64	1,546	676	31,548	12,202	43,750	-	43,750
October	26,592	10,116	2,835	1,116	393	153	152	62	1,474	647	31,446	12,094	43,540	-	43,540
November	22,529	8,307	2,641	1,029	357	139	145	61	1,479	643	27,151	10,179	37,330	-	37,330
December	21,929	8,288	2,408	937	318	122	119	51	1,274	552	26,048	9,950	35,998	-	35,998
YEAR	262,359	97,047	30,792	11,875	4,401	1,697	1,680	688	16,921	7,308	316,153	118,615	434,768	-	434,768

MOTORWAY: GENOVA-VENTIMIGLIA
SECTION: A10 GENOVA-SAVONA

YEAR: 2021

TOLL PAYING TRAFFIC BY MONTH (in thousands of kilometres travelled)														
Month	Toll class												Total	
	A		B		3		4		5		5		Overall	
	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground		
January	-	25,393	-	3,581	-	464	-	428	-	6,315	-	36,181	36,181	
February	-	29,086	-	4,054	-	513	-	464	-	6,945	-	41,062	41,062	
March	-	31,748	-	4,764	-	597	-	560	-	7,963	-	45,632	45,632	
April	-	29,634	-	4,512	-	569	-	520	-	7,506	-	42,741	42,741	
May	-	43,709	-	5,295	-	599	-	524	-	7,357	-	57,484	57,484	
June	-	52,642	-	5,601	-	656	-	553	-	7,417	-	66,869	66,869	
July	-	63,922	-	6,125	-	758	-	519	-	7,458	-	78,782	78,782	
August	-	69,141	-	5,545	-	726	-	383	-	5,899	-	81,694	81,694	
September	-	54,328	-	5,852	-	725	-	516	-	7,474	-	68,895	68,895	
October	-	47,494	-	5,716	-	664	-	507	-	7,456	-	61,837	61,837	
November	-	39,779	-	5,066	-	607	-	528	-	7,581	-	53,561	53,561	
December	-	42,485	-	4,942	-	584	-	472	-	6,803	-	55,286	55,286	
YEAR	-	529,361	-	61,053	-	7,462	-	5,974	-	86,174	-	690,024	690,024	

MOTORWAY: A11 FLORENCE - PISA NORTH
SECTION: A11 FLORENCE-COAST

YEAR: 2021

TOLL PAYING TRAFFIC BY MONTH (in thousands of kilometres travelled)														
Month	Toll class												Total	
	A		B		3		4		5		5		Overall	
	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground		
January	63,942	40	8,523	7	1,083	1	634	1	6,595	5	80,777	54	80,831	
February	63,223	43	9,380	7	1,211	1	707	1	7,241	5	81,762	57	81,819	
March	58,808	42	10,678	9	1,383	1	788	1	8,421	6	80,078	59	80,137	
April	62,875	42	10,099	8	1,297	1	740	1	7,598	6	82,609	58	82,667	
May	96,664	66	11,726	9	1,400	1	766	1	7,673	6	118,229	83	118,312	
June	110,978	64	12,469	9	1,496	1	803	1	7,951	6	133,697	81	133,778	
July	125,842	68	13,038	10	1,575	1	797	1	7,912	6	146,164	86	146,250	
August	122,751	57	10,397	7	1,260	1	534	1	6,117	5	141,059	71	141,130	
September	110,578	67	12,632	10	1,596	1	783	1	7,861	6	133,450	85	133,535	
October	104,474	74	12,390	10	1,499	2	762	1	7,776	7	126,901	94	126,995	
November	90,493	67	11,366	10	1,380	1	746	1	7,858	6	111,843	85	111,928	
December	89,407	65	10,787	9	1,325	1	695	1	7,157	5	109,371	81	109,452	
YEAR	1,100,035	695	133,485	105	16,505	13	8,755	12	90,160	69	1,348,940	894	1,349,834	

MOTORWAY: GENOVA-LIVORNO-CIVITAVEC.-ROME
SECTION: A12 GENOVA-SESTRI

YEAR: 2021

TOLL PAYING TRAFFIC BY MONTH (in thousands of kilometres travelled)														
Month	Toll class												Total	
	A		B		3		4		5		5		Overall	
	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground		
January	-	29,475	-	4,268	-	464	-	356	-	3,239	-	37,802	37,802	
February	-	31,278	-	4,529	-	510	-	402	-	3,631	-	40,350	40,350	
March	-	34,769	-	5,240	-	591	-	473	-	4,220	-	45,293	45,293	
April	-	32,949	-	4,965	-	560	-	424	-	3,872	-	42,770	42,770	
May	-	48,599	-	5,817	-	598	-	425	-	3,783	-	59,222	59,222	
June	-	56,618	-	6,342	-	638	-	439	-	3,889	-	67,926	67,926	
July	-	67,957	-	6,997	-	725	-	435	-	3,936	-	80,550	80,550	
August	-	73,896	-	6,357	-	675	-	298	-	3,120	-	84,346	84,346	
September	-	60,425	-	6,657	-	706	-	438	-	3,979	-	72,205	72,205	
October	-	53,940	-	6,337	-	643	-	427	-	4,007	-	65,354	65,354	
November	-	46,511	-	5,676	-	582	-	429	-	4,105	-	57,303	57,303	
December	-	47,240	-	5,432	-	544	-	396	-	3,645	-	57,257	57,257	
YEAR	-	583,657	-	68,617	-	7,236	-	4,942	-	45,426	-	709,878	709,878	

MOTORWAY: GENOVA-LIVORNO-CIVITAVEC.-ROME
SECTION: A12 ROME-CIVITAVEC.CHIA

YEAR: 2021

TOLL PAYING TRAFFIC BY MONTH (in thousands of kilometres travelled)														
Month	Toll class												Total	
	A		B		3		4		5		5		Overall	
	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground		
January	22,062	-	2,435	-	382	-	283	-	2,338	-	42,641	-	42,641	
February	29,700	-	2,826	-	414	-	329	-	2,515	-	41,794	-	41,794	
March	27,284	-	3,074	-	474	-	368	-	2,753	-	20,257	-	20,257	
April	29,229	-	3,076	-	446	-	323	-	2,632	-	9,790	-	9,790	
May	44,746	-	3,753	-	508	-	357	-	2,654	-	26,715	-	26,715	
June	53,405	-	4,045	-	529	-	355	-	2,708	-	54,096	-	54,096	
July	65,395	-	4,423	-	570	-	376	-	2,929	-	68,635	-	68,635	
August	65,549	-	4,002	-	538	-	270	-	2,989	-	69,885	-	69,885	
September	50,517	-	4,071	-	527	-	319	-	3,057	-	52,507	-	52,507	
October	43,546	-	3,960	-	513	-	324	-	2,813	-	43,929	-	43,929	
November	37,015	-	3,471	-	470	-	336	-	2,778	-	34,874	-	34,874	
December	38,473	-	3,251	-	458	-	271	-	2,540	-	31,618	-	31,618	
YEAR	507,921	-	42,387	-	5,829	-	3,911	-	32,706	-	592,754	-	592,754	

MOTORWAY: BOLOGNA - PADUA
SECTION: A13 BOLOGNA-PADUA

YEAR: 2021

TOLL PAYING TRAFFIC BY MONTH (in thousands of kilometres travelled)														
Month	Toll class												Total	
	A		B		3		4		5		5		Overall	
	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground		
January	53,861	-	11,321	-	2,318	-	1,912	-	19,746	-	89,158	-	89,158	
February	69,739	-	13,392	-	2,729	-	2,180	-	22,588	-	110,628	-	110,628	
March	63,357	-	13,090	-	3,160	-	2,539	-	26,346	-	110,492	-	110,492	
April	68,916	-	14,226	-	2,881	-	2,296	-	23,464	-	111,783	-	111,783	
May	103,042	-	16,241	-	3,053	-	2,295	-	23,508	-	148,139	-	148,139	
June	115,562	-	17,518	-	3,213	-	2,391	-	24,472	-	163,156	-	163,156	
July	137,758	-	18,640	-	3,525	-	2,364	-	24,917	-	187,204	-	187,204	
August	147,417	-	16,152	-	2,813	-	1,768	-	19,192	-	187,342	-	187,342	
September	131,445	-	18,894	-	3,480	-	2,364	-	25,014	-	181,197	-	181,197	
October	124,088	-	18,463	-	3,279	-	2,315	-	24,249	-	172,394	-	172,394	
November	103,214	-	16,474	-	3,082	-	2,292	-	24,696	-	149,758	-	149,758	
December	101,892	-	15,277	-	2,860	-	2,108	-	22,182	-	144,319	-	144,319	
YEAR	1,220,291	-	191,688	-	36,393	-	26,824	-	280,374	-	1,755,570	-	1,755,570	

Separate financial statements as at
and for the year ended
31 December 2021.

MOTORWAY: BOLOGNA - TARANTO
SECTION: A14 RAVENNA SPUR

YEAR: 2021

Month	Toll class										Total		
	A		B		3		4		5		Low ground	High ground	Overall
	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground			
January	5,109	-	773	-	185	-	86	-	2,047	-	10,560	-	8,160
February	7,411	-	935	-	166	-	96	-	2,338	-	10,946	-	10,246
March	5,345	-	974	-	196	-	109	-	2,683	-	9,307	-	9,307
April	6,817	-	980	-	188	-	116	-	2,427	-	10,528	-	10,528
May	12,543	-	1,229	-	200	-	116	-	2,425	-	16,513	-	16,513
June	15,888	-	1,282	-	202	-	116	-	2,512	-	20,000	-	20,000
July	17,243	-	1,327	-	215	-	116	-	2,444	-	21,345	-	21,345
August	17,131	-	1,165	-	176	-	85	-	1,711	-	20,268	-	20,268
September	13,592	-	1,338	-	212	-	118	-	2,429	-	17,689	-	17,689
October	10,832	-	1,191	-	193	-	113	-	2,427	-	14,756	-	14,756
November	9,147	-	1,109	-	183	-	115	-	2,499	-	13,053	-	13,053
December	8,881	-	1,004	-	170	-	102	-	2,239	-	12,396	-	12,396
YEAR	129,939	-	13,307	-	2,246	-	1,288	-	28,181	-	174,961	-	174,961

MOTORWAY: BOLOGNA - TARANTO
SECTION: A14 BOLOGNA-ANCONA

YEAR: 2021

Month	Toll class										Total		
	A		B		3		4		5		Low ground	High ground	Overall
	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground			
January	142,945	-	25,600	-	5,918	-	4,702	-	52,441	-	231,606	-	231,606
February	180,857	-	29,853	-	6,743	-	5,263	-	57,470	-	280,186	-	280,186
March	148,548	-	32,818	-	7,836	-	6,170	-	66,714	-	262,086	-	262,086
April	183,987	-	32,675	-	7,373	-	5,713	-	60,633	-	290,381	-	290,381
May	300,384	-	40,024	-	8,127	-	5,794	-	61,671	-	416,000	-	416,000
June	382,556	-	44,169	-	8,879	-	6,044	-	63,819	-	505,467	-	505,467
July	496,675	-	48,671	-	9,845	-	6,212	-	68,162	-	627,565	-	627,565
August	563,040	-	44,007	-	8,299	-	4,360	-	48,504	-	668,210	-	668,210
September	401,424	-	47,663	-	9,447	-	6,016	-	65,500	-	530,050	-	530,050
October	327,573	-	43,381	-	8,553	-	5,956	-	64,570	-	450,033	-	450,033
November	270,142	-	38,676	-	8,113	-	5,883	-	64,920	-	387,734	-	387,734
December	282,820	-	36,048	-	7,357	-	5,462	-	57,502	-	389,189	-	389,189
YEAR	3,680,951	-	463,585	-	96,490	-	67,575	-	729,906	-	5,038,507	-	5,038,507

MOTORWAY: BOLOGNA - TARANTO
SECTION: A14 ANCONA-PESCARA

YEAR: 2021

Month	Toll class										Total		
	A		B		3		4		5		Low ground	High ground	Overall
	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground			
January	57,683	-	10,269	-	2,159	-	1,838	-	18,619	-	90,568	-	90,568
February	63,467	-	11,392	-	2,385	-	2,016	-	20,067	-	99,327	-	99,327
March	58,198	-	12,828	-	2,761	-	2,378	-	23,242	-	99,407	-	99,407
April	68,958	-	12,471	-	2,601	-	2,149	-	20,837	-	107,016	-	107,016
May	97,721	-	14,419	-	2,957	-	2,141	-	21,163	-	138,401	-	138,401
June	113,848	-	15,708	-	3,125	-	2,225	-	21,846	-	156,752	-	156,752
July	164,428	-	18,253	-	3,428	-	2,302	-	23,093	-	211,504	-	211,504
August	215,246	-	17,693	-	3,131	-	1,640	-	17,595	-	255,305	-	255,305
September	136,681	-	17,164	-	3,289	-	2,149	-	22,756	-	182,039	-	182,039
October	106,821	-	15,101	-	3,086	-	2,164	-	22,406	-	149,578	-	149,578
November	91,457	-	14,098	-	2,951	-	2,156	-	22,359	-	133,021	-	133,021
December	101,022	-	13,598	-	2,772	-	2,056	-	20,331	-	139,779	-	139,779
YEAR	1,275,530	-	172,994	-	34,645	-	25,214	-	254,314	-	1,762,697	-	1,762,697

MOTORWAY: BOLOGNA - TARANTO
SECTION: A14 PESCARA-LANCIANO

YEAR: 2021

Month	Toll class										Total		
	A		B		3		4		5		Low ground	High ground	Overall
	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground			
January	4,794	11,545	928	1,971	192	371	193	375	1,957	3,655	8,064	17,917	25,981
February	4,714	11,154	1,010	2,120	209	397	208	399	2,108	3,928	8,249	17,598	26,247
March	4,661	11,423	1,142	2,414	241	461	243	471	2,399	4,488	8,686	19,257	27,943
April	5,677	13,603	1,114	2,337	228	442	219	426	2,130	3,970	9,368	20,778	30,146
May	8,536	19,325	1,372	2,739	292	535	241	432	2,281	4,061	12,722	27,092	39,814
June	10,580	23,330	1,523	3,058	307	534	254	452	2,376	4,224	15,040	31,598	46,638
July	15,697	33,922	1,742	3,631	348	622	258	459	2,492	4,418	20,537	43,052	63,589
August	21,748	45,778	1,731	3,644	317	590	177	317	1,916	3,386	25,889	53,715	79,604
September	11,975	27,328	1,587	3,347	323	586	233	399	2,415	4,264	16,533	35,924	52,457
October	9,173	21,406	1,423	2,960	307	558	237	413	2,377	4,207	13,517	29,544	43,061
November	7,794	18,268	1,317	2,700	290	522	238	412	2,365	4,168	12,004	26,070	38,074
December	8,956	20,675	1,276	2,670	268	486	223	401	2,148	3,824	12,871	28,056	40,927
YEAR	114,305	257,757	16,165	33,591	3,322	6,104	2,724	4,956	26,864	48,593	163,480	351,001	514,481

MOTORWAY: BOLOGNA - TARANTO
SECTION: A14 LANCIANO-CANOSA

YEAR: 2021

Month	Toll class										Total		
	A		B		3		4		5		Low ground	High ground	Overall
	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground			
January	20,831	10,033	3,474	1,897	703	448	849	425	8,955	4,373	34,812	17,176	51,988
February	21,226	9,673	3,775	2,037	776	477	949	450	9,460	4,660	36,186	17,297	53,483
March	20,794	9,903	4,263	2,309	874	559	1,074	536	10,776	5,335	37,781	18,642	56,423
April	23,807	11,822	4,142	2,254	871	538	991	499	9,637	4,735	39,448	19,848	59,296
May	36,798	17,181	5,046	2,657	1,003	642	1,009	502	9,979	4,852	53,835	25,834	79,669
June	53,489	22,135	6,010	3,032	1,100	625	1,019	501	10,446	5,017	72,064	31,310	103,374
July	87,978	34,700	7,496	3,610	1,376	725	1,064	516	10,863	5,286	108,777	44,307	153,084
August	134,166	48,768	8,316	3,740	1,410	673	739	361	8,677	4,049	153,308	57,591	210,899
September	66,705	26,885	7,016	3,338	1,293	667	997	455	11,045	5,089	87,056	36,434	123,490
October	44,613	19,702	5,855	2,910	1,147	647	983	478	10,984	5,083	63,582	28,820	92,402
November	34,939	16,217	5,029	2,646	1,064	603	1,004	476	10,839	5,050	53,875	24,992	78,867
December	44,611	19,411	4,887	2,578	1,033	575	953	459	9,961	4,608	61,445	27,631	89,076
YEAR	589,957	245,900	65,309	33,008	12,650	7,179	11,631	5,658	121,622	58,137	801,169	349,882	1,151,051

MOTORWAY: BOLOGNA - TARANTO
SECTION: A14 CANOSA-TARANTO

YEAR: 2021

Month	TOLL PAYING TRAFFIC BY MONTH (in thousands of kilometres travelled)												Total		
	Toll class												Low ground	High ground	Overall
	A		B		3		4		5						
Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Overall	
January	21,217	-	3,133	-	552	-	546	-	4,989	-	30,437	-	30,437		
February	23,337	-	3,414	-	595	-	603	-	5,240	-	33,189	-	33,189		
March	23,604	-	3,757	-	685	-	671	-	5,873	-	33,590	-	33,590		
April	23,664	-	3,561	-	662	-	616	-	5,283	-	33,786	-	33,786		
May	35,194	-	4,273	-	714	-	647	-	5,573	-	46,401	-	46,401		
June	49,569	-	4,959	-	806	-	685	-	5,996	-	62,015	-	62,015		
July	75,996	-	6,011	-	958	-	678	-	6,277	-	89,920	-	89,920		
August	109,228	-	6,210	-	948	-	489	-	5,185	-	122,060	-	122,060		
September	60,044	-	5,693	-	912	-	647	-	6,476	-	73,772	-	73,772		
October	44,906	-	5,264	-	948	-	661	-	6,442	-	58,121	-	58,121		
November	37,533	-	4,722	-	806	-	673	-	6,254	-	49,988	-	49,988		
December	42,649	-	4,546	-	806	-	620	-	5,858	-	54,479	-	54,479		
YEAR	545,941	-	55,543	-	9,292	-	7,536	-	69,446	-	687,758	-	687,758		

MOTORWAY: NAPLES - CANOSA
SECTION: A16 NAPLES-CANOSA

YEAR: 2021

Month	TOLL PAYING TRAFFIC BY MONTH (in thousands of kilometres travelled)												Total		
	Toll class												Low ground	High ground	Overall
	A		B		3		4		5						
Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Overall	
January	24,223	24,152	3,235	4,292	658	880	384	486	3,133	5,638	31,633	35,448	67,081		
February	25,913	26,167	3,425	4,635	682	940	361	465	3,231	5,742	33,612	37,949	71,561		
March	24,256	24,569	3,851	5,141	808	1,086	437	552	3,774	6,741	33,126	38,089	71,215		
April	25,964	26,084	3,549	4,854	741	1,018	385	497	3,338	5,961	33,977	38,414	72,391		
May	37,030	37,973	4,132	5,625	813	1,115	396	512	3,580	6,312	45,951	51,537	97,488		
June	41,899	45,016	4,415	5,988	847	1,154	422	540	3,710	6,516	51,293	59,214	110,507		
July	49,061	55,800	4,799	6,424	905	1,236	396	554	3,861	7,169	59,022	71,183	130,205		
August	52,068	68,553	3,772	5,451	767	1,095	300	445	3,325	9,587	60,232	85,131	145,363		
September	46,652	50,890	4,785	6,434	878	1,228	394	558	3,994	10,377	56,703	69,487	126,190		
October	45,634	47,159	4,956	6,716	888	1,259	411	552	3,792	6,940	55,681	62,626	118,307		
November	40,886	40,842	4,746	6,176	899	1,235	414	566	3,687	6,870	50,632	55,689	106,321		
December	41,662	42,832	4,617	5,895	886	1,217	400	530	3,562	6,452	51,127	56,926	108,053		
YEAR	455,248	490,037	50,282	67,631	9,772	13,463	4,700	6,257	42,987	84,305	562,989	661,693	1,224,682		

MOTORWAY: UDINE - TARVISIO
SECTION: A23 UDINE-TARVISIO

YEAR: 2021

Month	TOLL PAYING TRAFFIC BY MONTH (in thousands of kilometres travelled)												Total		
	Toll class												Low ground	High ground	Overall
	A		B		3		4		5						
Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Overall	
January	6,311	2,536	1,195	861	151	91	227	261	4,078	5,711	11,962	9,460	21,422		
February	9,363	4,059	1,441	1,055	179	120	280	332	4,911	6,958	16,174	12,524	28,698		
March	5,748	1,915	1,593	1,219	214	150	327	379	5,782	8,062	13,664	11,725	25,389		
April	6,187	2,039	1,467	1,103	192	134	273	325	4,898	6,888	13,017	10,489	23,506		
May	11,546	6,314	2,133	1,810	365	370	279	331	4,770	6,630	19,093	15,455	34,548		
June	19,918	16,338	2,924	2,780	590	698	293	356	5,064	7,044	28,789	27,216	56,005		
July	27,768	26,431	3,470	3,445	901	1,136	297	371	5,021	7,122	37,457	38,505	75,962		
August	32,537	31,985	3,779	3,973	1,234	1,632	272	348	3,907	5,515	41,729	43,453	85,182		
September	24,087	22,063	3,557	3,636	873	1,099	305	376	4,821	6,760	33,643	33,934	67,577		
October	14,812	10,168	2,435	2,201	322	307	268	328	4,799	6,629	22,636	19,633	42,269		
November	10,145	5,032	1,833	1,833	213	165	255	301	5,103	7,162	17,549	14,115	31,664		
December	12,521	6,457	1,734	1,328	188	138	226	267	4,180	5,785	18,849	13,975	32,824		
YEAR	180,943	135,337	27,561	24,866	5,422	6,040	3,302	3,975	57,334	80,266	274,562	250,484	525,046		

MOTORWAY: GENOVA VOLTRI-GRAVELLONA TOCE
SECTION: A26 VOLTRI-ALESSANDRIA

YEAR: 2021

Month	TOLL PAYING TRAFFIC BY MONTH (in thousands of kilometres travelled)												Total		
	Toll class												Low ground	High ground	Overall
	A		B		3		4		5						
Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Overall	
January	-	19,969	-	3,571	-	627	-	788	-	12,609	-	37,564	-	37,564	
February	-	23,803	-	3,958	-	678	-	825	-	15,485	-	42,749	-	42,749	
March	-	22,833	-	4,545	-	785	-	955	-	15,164	-	44,282	-	44,282	
April	-	25,256	-	4,403	-	765	-	917	-	14,820	-	46,161	-	46,161	
May	-	48,461	-	5,767	-	825	-	886	-	14,625	-	70,564	-	70,564	
June	-	64,719	-	6,327	-	885	-	914	-	14,365	-	87,210	-	87,210	
July	-	83,917	-	7,134	-	1,049	-	865	-	14,291	-	107,256	-	107,256	
August	-	96,514	-	6,655	-	1,024	-	669	-	11,217	-	116,079	-	116,079	
September	-	68,346	-	7,033	-	1,037	-	863	-	14,287	-	91,566	-	91,566	
October	-	51,215	-	6,583	-	907	-	841	-	13,965	-	73,511	-	73,511	
November	-	38,537	-	5,376	-	822	-	873	-	14,210	-	59,818	-	59,818	
December	-	41,860	-	5,069	-	770	-	792	-	13,185	-	61,676	-	61,676	
YEAR	-	585,430	-	66,421	-	10,174	-	10,188	-	166,223	-	838,436	-	838,436	

MOTORWAY: GENOVA VOLTRI-GRAVELLONA TOCE
SECTION: A26 ALESSANDRIA-GRAVELLONA

YEAR: 2021

Month	TOLL PAYING TRAFFIC BY MONTH (in thousands of kilometres travelled)												Total		
	Toll class												Low ground	High ground	Overall
	A		B		3		4		5						
Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Overall	
January	20,263	6,877	3,998	1,269	707	170	502	75	5,389	898	30,859	9,289	40,148		
February	27,642	9,404	4,728	1,542	797	213	538	92	5,789	1,107	39,494	12,358	51,852		
March	22,116	7,303	5,124	1,681	923	244	610	110	6,700	1,345	35,473	10,683	46,156		
April	23,907	8,572	4,954	1,618	871	227	607	105	6,193	1,235	36,532	11,757	48,289		
May	41,293	15,469	6,057	1,966	927	248	606	109	6,296	1,244	55,179	19,036	74,215		
June	49,367	17,733	6,598	2,201	966	280	615	111	6,487	1,336	64,033	21,661	85,694		
July	61,487	21,034	7,364	2,396	1,090	307	625	114	6,714	1,395	77,280	25,246	102,526		
August	63,775	23,206	5,885	1,959	864	253	449	77	4,814	988	75,787	26,483	102,270		
September	55,136	18,188	7,178	2,247	1,080	297	622	109	6,702	1,365	70,718	22,206	92,924		
October	50,568	17,723	7,004	2,153	1,015	265	604	106	6,703	1,275	65,894	21,522	87,416		
November	41,853	13,706	6,154	1,865	936	232	631	109	6,775	1,241	56,349	17,153	73,502		
December	40,643	14,041	5,612	1,703	844	202	566	91	6,211	1,037	53,876	17,074	70,950		
YEAR	498,050	173,256	70,656	22,600	11,020	2,938	6,975	1,208	74,773	14,466	661,474	214,468	875,942		

Separate financial statements as at
and for the year ended
31 December 2021.

MOTORWAY: VENICE - BELLUNO
SECTION: A27 MESTRE-BELLUNO

YEAR: 2021

Month	TOLL PAYING TRAFFIC BY MONTH (in thousands of kilometres travelled)										Total		
	Toll class										Low ground	High ground	Overall
	A		B		3		4		5				
Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Overall	
January	17,928	8,073	3,146	1,160	526	132	295	57	2,968	491	24,863	9,913	34,776
February	27,669	15,403	3,848	1,545	638	156	339	74	3,441	588	35,935	17,766	53,701
March	22,312	9,324	4,271	1,568	739	184	395	92	4,055	759	31,772	11,927	43,699
April	22,544	9,068	4,018	1,477	686	174	375	90	3,705	730	31,328	11,539	42,867
May	31,466	13,805	4,486	1,787	740	203	378	97	3,774	744	40,844	16,636	57,480
June	35,351	18,235	4,827	2,121	768	232	376	102	3,909	787	45,231	21,477	66,708
July	40,403	23,495	5,174	2,488	829	254	390	112	3,994	840	50,790	27,189	77,979
August	40,604	28,591	4,075	2,259	581	237	264	78	2,807	580	48,331	31,745	80,076
September	38,371	19,606	5,012	2,169	791	235	387	109	4,015	803	48,576	22,922	71,498
October	37,933	16,788	4,935	2,013	752	199	368	107	3,829	759	47,817	19,866	67,683
November	32,800	13,531	4,659	1,813	733	181	374	95	3,912	770	42,478	16,390	58,868
December	35,003	18,788	4,475	1,900	669	158	341	81	3,432	617	43,920	21,544	65,464
YEAR	382,384	194,707	52,926	22,300	8,452	2,345	4,282	1,094	43,841	8,468	491,885	228,914	720,799

MOTORWAY: CASERTA-NOLA-SALERNO
SECTION: A30 CASERTA-SALERNO

YEAR: 2021

Month	TOLL PAYING TRAFFIC BY MONTH (in thousands of kilometres travelled)										Total		
	Toll class										Low ground	High ground	Overall
	A		B		3		4		5				
Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Low ground	High ground	Overall	
January	32,615	-	5,627	-	1,278	-	854	-	7,693	-	48,067	-	48,067
February	34,483	-	6,133	-	1,362	-	937	-	8,017	-	50,932	-	50,932
March	32,241	-	6,591	-	1,607	-	1,078	-	9,239	-	50,756	-	50,756
April	35,943	-	6,147	-	1,442	-	983	-	8,188	-	52,703	-	52,703
May	49,519	-	7,114	-	1,551	-	995	-	8,523	-	67,702	-	67,702
June	55,143	-	7,422	-	1,633	-	1,003	-	8,655	-	74,856	-	74,856
July	70,601	-	7,982	-	1,748	-	987	-	9,222	-	90,540	-	90,540
August	85,879	-	6,614	-	1,517	-	716	-	8,392	-	103,118	-	103,118
September	59,194	-	7,515	-	1,641	-	964	-	9,374	-	78,688	-	78,688
October	53,499	-	7,533	-	1,576	-	956	-	8,500	-	72,064	-	72,064
November	47,103	-	7,051	-	1,524	-	950	-	8,601	-	65,229	-	65,229
December	51,617	-	6,821	-	1,470	-	891	-	8,268	-	69,067	-	69,067
YEAR	608,837	-	82,550	-	18,349	-	11,314	-	102,672	-	823,722	-	823,722

Annex 3

Table of investment required by art. 2 of the Single Concession Arrangement of 2007

The following table shows a summary of the investment envisaged by art. 2 of the Single Concession Arrangement of 2007. The figures shown are presented on the basis of Italian GAAP and not under IFRS, which have been used in preparation of the financial statements as at and for the year ended 31 December 2021.

Separate financial statements as at and for the year ended 31 December 2021.

Art. 2, 2021	PROJECT	Contractually agreed amounts (b)		Completed as at 31 December 2020 NEW framework				Completed as at 31 December 2021 NEW framework			
		Gross approved amount (10)	Net amount as at 2021 (c)	Base tender price (d)	Available funding	Financial expenses	TOTAL	Base tender price (d)	Available funding	Financial expenses	TOTAL
A.1.1	UPGRADE OF A1 MILAN-NAPLES MOTORWAY	68.106	82.964	65,116	18.375	2,559	86,050	65,116	18,463	2,559	86,138
A.1.2.1, B.3	Sasso Marconi-La Quercia (1)	628.558	589,781	463,860	100,852	38,636	603,348	463,860	100,979	38,636	603,474
A.1.2.2	La Quercia-Aglio (2)	2,444,298 (7)	3,100,878	2,501,934	527,987	384,319	3,414,240	2,951	3,770	-	6,722
A.1.3	New Rivegiglio Junction	34,828	589,781	26,133	3,458	5,534	35,126	293	34	-	327
A.1.2.3	Aglio-Barberino	310,928	890,776	329,670	74,562	73,725	477,957	295	228	-	523
A.2	Barberino - Florence North	983,332	886,070	583,412	137,026	85,913	806,351	91,388	9,759	-	101,148
A.3	Florence North - Florence South	593,697	862,133	670,153	173,173	81,974	925,300	5,052	1,307	-	6,359
A.4	Florence South - Inca	608,701	560,041	95,390	52,570	14,089	162,049	28,068	8,148	-	36,217
A.5	Construction of the Florence access roads	27,272	43,991	-	29,466	8,134	37,600	1,421	1,494	-	1,494
A.6	Landscaping	206,921 (8)	353,456	54,167	155,663	27,745	237,575	1,421	2,109	-	3,530
	TOTAL UPGRADE OF A1 MILAN-NAPLES MOTORWAY			4,789,895	1,273,131	722,628	6,785,595	129,469	27,064	-	156,534
B.1	REMAINING INVESTMENT IN THIRD AND FOURTH LANES	148,943	144,716	115,156	29,562	2,051	146,769	-	-	-	-
B.2	Modena Bremero - Bologna B - Panigale remaining investment in fourth lane	- (9)	49,000	1,619	2,122	503	2,122	-	6	-	6
B.4	Orte - Fiano Romano remaining investment in third lane (3)	156,451	191,252	157,991	33,270	8,582	199,843	-	-	-	-
B.5, B.6	Remaining investment in third lanes (3)	29,642	25,133	9,015	15,456	686	25,157	157,991	33,270	8,582	199,843
B.7	Milano - Gallarate remaining investment (4)	44,857	64,734	35,186	29,548	37	64,771	-	-	-	-
B	Bologna Ring Road (4)	169,158	59,393	47,754	11,639	1,383	60,776	35,186	29,548	37	64,771
	TOTAL REMAINING INVESTMENT IN THIRD AND FOURTH LANES			365,102	121,094	13,242	499,438	365,102	121,100	13,242	499,444
	TOTAL 1997 PLAN			5,154,937	1,394,225	735,870	7,285,033	129,469	27,070	-	156,540
D.1.1	ADDITIONAL WORKS UNDER THE IV ADDENDUM OF 2002	125,407	139,938	101,186	27,029	2,015	130,230	101,186	27,029	2,015	130,230
D.1.2	Guidonia Junction	11,841	12,818	8,527	4,291	-	12,818	8,527	4,291	-	12,818
D.1.3	Ferentino Junction	17,384	16,738	9,158	7,682	-	16,840	9,158	7,685	-	16,843
D.2.1	Widening to four lanes of A4 from Milan East to Bergamo (12)	525,885	505,665	384,576	118,645	3,842	507,063	384,576	118,647	3,842	507,065
D.2.2	Upgrade of existing Adda and Brembo bridges widening to three lanes of A4 from Bergamo to Mantova	11,438	10,625	9,497	1,127	180	10,804	9,497	1,127	180	10,804
D.3.1	Widening to five lanes of A4 from Mantova to Casalecchio di Reno	465,713	312,376	241,073	71,558	6,299	318,930	241,073	71,774	6,299	319,146
D.3.2	Widening to five lanes of A4 from Casalecchio di Reno to Ferrara	220,272	170,800	56,797	27,600	1,738	86,136	79,039	31,303	1,738	112,080
D.3.3	Portion of access roads for Rho Exhibition Centre - Pero (Milan)	93,334	86,159	78,582	7,702	-	86,284	78,582	7,702	-	86,284
D.4.1.1	Widening to three lanes of A14 - Rimini North-Cattolica (5)	570,416	489,860	367,325	87,655	5,975	460,956	366,007	89,737	5,975	461,719
D.4.1.2	Widening to three lanes of A14 - Cattolica-Fano	406,595	436,841	352,442	81,553	7,167	441,162	352,442	81,953	7,167	441,562
D.4.1.3	Widening to three lanes of A14 - Fano-Senigallia	362,150	326,549	234,338	92,442	2,871	329,751	233,801	92,797	2,871	329,469
D.4.1.4	Widening to three lanes of A14 - Senigallia-Ancona North-Ancona South	457,723	403,999	319,556	69,821	39,051	428,428	319,556	70,223	39,051	428,830
D.4.1.5	Widening to three lanes of A14 - Ancona North-Ancona South	314,299	346,011	289,066	53,775	21,300	364,141	289,066	53,840	21,300	364,206
D.4.1.6	Widening to three lanes of A14 - Ancona South-Porto Sant'Elpidio 2nd phase and Porto Sant'Elpidio Junction	153,819	147,629	109,443	26,248	8,599	144,290	109,443	26,248	8,599	144,290
D.4.1.7	Widening to three lanes of A14 - Ancona South-Porto Sant'Elpidio 2nd phase and Porto Sant'Elpidio Junction	173,278	136,679	121,100	28,345	2,435	151,880	121,218	29,216	2,435	152,869
D.4.1.8	Widening to three lanes of A14 - Porto Sant'Elpidio	23,716	21,648	19,290	2,358	11,050	32,698	19,290	2,358	11,050	32,698
D.4.2	Widening to three lanes of A14 - Conca del Pertugio	47,471	52,795	34,446	15,536	2,813	52,795	37,806	16,905	2,813	57,524
D.4.3	Widening to three lanes of A14 - Conca del Pertugio	81,038	84,759	-	5,302	280	5,582	7	7,365	280	7,652
D.4.4	Opere complementari della tratta Ancona Nord - Porto S. Elpidio	-	-	-	-	-	-	-	-	-	-
D.4.6	Rubicone Junction	19,851	13,587	10,728	2,860	-	13,589	10,589	2,788	-	13,377
D.5.1	Gronda di Ponente e interconnessione A7/A10/A12	4,755,205	4,254,886	2,186	163,480	16,288	181,953	10,087	175,721	16,288	202,096
D.5.2	San Benigno interchange	74,502	64,930	18,375	14,894	2,481	35,750	21,190	15,975	2,481	39,646
D.6.1	A13 Padua Industrial Zone Junction	11,270	9,121	5,828	1,889	323	8,039	5,828	1,889	323	8,039
D.6.2	A13 - A4 link at Km. 101+093	21,929	22,645	17,551	6,220	1,048	24,818	17,551	6,220	1,048	24,818
D.6.3	Villa Marzana Junction	4,429	4,008	2,147	1,862	-	4,009	2,147	1,862	-	4,009
D.7.1	Madalon Junction	13,369	10,163	99	866	-	985	684	986	-	1,670
D.8	Tunnel Safety Plan	359,479 (10)	344,159	179,737	102,354	-	282,091	203,681	140,511	-	344,192
D	A14 - Lot 7 A P.5 Elpidio-Pedaso, Phase 1	(9)	4,304	-	4,304	2,521	6,825	-	4,304	2,521	6,825
D	A14 - Lot 7 B P.5 Elpidio-Pedaso, Phase 2	(9)	1,568	-	1,568	1,049	2,617	-	1,568	1,049	2,617
	TOTAL IV ADDENDUM OF 2002			2,973,054	1,026,686	139,325	4,141,065	58,978	63,339	-	122,316
	TOTAL 2021 NEW framework			129,469	27,070	-	156,540	129,469	27,070	-	156,540
	TOTAL 2021 NEW framework			5,284,407	1,421,296	735,870	7,441,572	3,032,031	1,082,025	139,325	4,263,381

ART. 2 2021	PROJECT	TOTAL	Completed as at 31 December 2020			2021			Completed as at 31 December 2021			
			Base tender price (€)	Available funding	Financial expenses	Base tender price (€)	Available funding	Financial expenses	Base tender price (€)	Available funding	Financial expenses	
C1	Upgrade of service areas and related facilities (specific works)											
C1.1	Enlargement of Reggello West (Nov Arno West) service area	3,552 (11)	1,747	1,810	-	1,747	1,810	-	1,747	1,810	-	3,565
C1.1.5	Enlargement of Pretestina East service area	2,321 (11)	1,538	427	-	1,538	427	-	1,538	427	-	1,975
C1.1.6	Enlargement of Reno East service area	5,618 (11)	1,794	1,762	-	1,794	1,762	-	1,794	1,762	-	4,880
C1.1.7	Enlargement of Nigola West service area	4,341 (11)	3,692	1,475	-	3,692	1,475	-	3,692	1,475	-	5,131
C1.1.8	S. Zeno East service area	8,736 (11)	311	875	-	311	875	-	311	875	-	1,203
C1.1.9	Enlargement of Carriglio East service area	3,826 (11)	1,229	281	-	1,229	281	-	1,229	281	-	284
C1.1.10	Enlargement of Carriglio West service area	3,789 (11)	1,229	1,114	-	1,229	1,114	-	1,229	1,114	-	2,940
C1.1.11	S. Martino East service area	1,707 (11)	621	239	-	621	239	-	621	239	-	239
C1.1.12	S. Martino West service area	1,888 (11)	254	284	-	254	284	-	254	284	-	284
C1.1.13	La Macchia West service area	390 (11)	2,260	678	-	2,260	678	-	2,260	678	-	350
C1.1.14	Upgrade of Carriglio West service area 2nd phase	2,047 (11)	681	2,938	-	681	2,938	-	681	2,938	-	4
C1.1.15	Upgrade of Carriglio West service area 2nd phase	603 (11)	4	4	-	4	4	-	4	4	-	4
C1.1.16	Aglio East service area	2,008 (11)	19	14	-	19	14	-	19	14	-	14
C1.1.17	Enlargement of Secchia East service area	1,294 (11)	-	-	-	-	-	-	-	-	-	9
C1.1.18	New Belguardo service area (L7)	8,750 (11)	46	2,715	-	46	2,715	-	46	2,715	-	2,769
C1.1.19	Enlargement of Sesto East service area	3,715 (11)	1,492	2,769	-	1,492	2,769	-	1,492	2,769	-	2,821
C1.1.20	Enlargement of Lariano South service area	1,723 (11)	1,335	125	-	1,335	125	-	1,335	125	-	1,460
C1.1.21	Enlargement of Valcompi North service area	1,090 (11)	40	469	-	40	469	-	40	469	-	509
C1.1.22	Enlargement of Sebino North service area	601 (11)	310	758	-	310	758	-	310	758	-	1,420
C1.1.23	Enlargement of Sebino South service area	2,852 (11)	359	175	-	359	175	-	359	175	-	414
C1.1.24	Enlargement of Villages East service area (L3)	1,004 (11)	521	4,727	-	521	4,727	-	521	4,727	-	5,241
C1.1.25	Enlargement of Villages West service area (L3)	2,655 (11)	90	212	-	90	212	-	90	212	-	303
C1.1.26	Enlargement of Sarnano East service area (L5)	3,001 (11)	1,291	447	-	1,291	447	-	1,291	447	-	2,228
C1.1.27	Upgrade of San Felippo East service area	901 (11)	-	246	-	-	246	-	-	246	-	254
C1.1.28	Upgrade of San Felippo West service area	901 (11)	-	203	-	-	203	-	-	203	-	203
C1.1.29	Upgrade of Chienti West service area	7 (11)	6,146	365	-	6,146	365	-	6,146	365	-	365
C1.1.30	Upgrade of Chienti East service area	4,587 (11)	111	26	-	111	26	-	111	26	-	138
C1.1.31	Enlargement of Estero East service area	6,724 (11)	410	6,724	-	410	6,724	-	410	6,724	-	6,584
C1.1.32	Enlargement of Estero West service area	1,997 (11)	1,428	312	-	1,428	312	-	1,428	312	-	1,740
C1.1.33	Enlargement of Estero North service area	5,737 (11)	90	302	-	90	302	-	90	302	-	6
C1.1.34	Upgrade of Sarnano East service area	5,912 (11)	3,455	1,748	-	3,455	1,748	-	3,455	1,748	-	5,243
C1.1.35	Upgrade of Murge West service area	89 (11)	103	24	-	103	24	-	103	24	-	270
C1.1.36	Upgrade of Bevino West service area	300 (11)	143	157	-	143	157	-	143	157	-	286
C1.1.37	Upgrade of Montefeltro East service area	421 (11)	-	389	-	-	389	-	-	389	-	310
C1.1.38	Upgrade of Montefeltro West service area	99 (11)	27	27	-	27	27	-	27	27	-	35
C1.1.39	Upgrade of Spina East/West service area	1,110 (11)	11,301	3,065	-	11,301	3,065	-	11,301	3,065	-	11,301
C2	Toll stations, junctions and other network investment (specific works)											
C2.1	New junction at Caprina di Campagna	12,765 (11)	5,394	2,610	-	5,394	2,610	-	5,394	2,610	-	8,004
C2.1.1	New junction at Caprina di Campagna	8,578 (11)	6,035	4,347	-	6,035	4,347	-	6,035	4,347	-	10,386
C2.1.2	Junction and toll station at S. Maria Capua Vetere	11,338 (11)	14,179	4,248	-	14,179	4,248	-	14,179	4,248	-	18,417
C2.1.3	Upgrade of Roma Junction	15,927 (11)	880	773	-	880	773	-	880	773	-	1,653
C2.1.4	Guiliano Junction	1,435 (11)	-	-	-	-	-	-	-	-	-	-
C3	Upgrade and expansion of the motorway network											
C3.1	Upgrade and expansion of the motorway network (specific works)	119,118 (10)	95,263	29,974	-	95,263	29,974	-	95,263	29,974	-	324,483
C3.1.1	Upgrade and expansion of the motorway network (specific works)	29,346 (10)	18,721	5,111	-	18,721	5,111	-	18,721	5,111	-	31,844
C3.1.2	Upgrade and expansion of the motorway network (specific works)	183,340 (10)	82,789	4,933	-	82,789	4,933	-	82,789	4,933	-	225,667
C3.3	A1/M8/Rho - Monza - first section	41,400 (10)	39,330	39,330	-	39,330	39,330	-	39,330	39,330	-	39,330
C3.4	A1 New Bazzeze	26,539 (10)	49,764	9,411	-	49,764	9,411	-	49,764	9,411	-	10,100
C3.5	A1 San Cesario sul Panaro link road for new motorway expansion	153,699 (15)	177	177	-	177	177	-	177	177	-	6,936
C3.6	Improvement of the motorway network for new motorway expansion	14,134 (10)	315	60	-	315	60	-	315	60	-	315
C3.7	A10 access roads for Vohr port district	14,134 (10)	-	914	-	-	914	-	-	914	-	4,800
C3.8	A10 access roads for Vohr port district	15,354 (10)	10,991	2,794	-	10,991	2,794	-	10,991	2,794	-	4,800
C3.9	A14 New Foggia Industrial Zone toll station	15,354 (10)	9,890	8,010	-	9,890	8,010	-	9,890	8,010	-	13,185
C3.10	New Borgonovo toll station on A1	9,890 (10)	6,418	1,898	-	6,418	1,898	-	6,418	1,898	-	18
C3.11	New Borgonovo toll station on A1	31,504 (10)	14,789	8,141	-	14,789	8,141	-	14,789	8,141	-	1,083
C3.12	Improvement of the motorway network for new motorway expansion	14,480 (10)	-	143	-	-	143	-	-	143	-	143
C3.13	Improvement of the motorway network for new motorway expansion	2,462 (10)	-	163	-	-	163	-	-	163	-	163
C3.14	Completion of Ravenna junction on A6	1,098 (10)	102	533	-	102	533	-	102	533	-	324
C3.15	Upgrade and expansion of the motorway network (specific works)	1,000 (10)	164	164	-	164	164	-	164	164	-	164
C3.16	Upgrade and expansion of the motorway network (specific works)	1,000 (10)	5,324	28	-	5,324	28	-	5,324	28	-	5,324
C3.17	Modena-Bologna - Preparatory works for 1st phase Variante di Volco	7,000 (10)	-	-	-	-	-	-	-	-	-	96
C3.18	Upgrade of Sardinelli junction on A1 and east road on Via "Milanesini"	20,000 (10)	64	64	-	64	64	-	64	64	-	64
C3.19	Upgrade of Montecatini junction on A1	5,000 (10)	-	80	-	-	80	-	-	80	-	87
C3.20	Upgrade of Montecatini junction on A1	15,000 (10)	220	220	-	220	220	-	220	220	-	223
C3.21	Upgrade of Montecatini junction on A1	30,000 (10)	-	-	-	-	-	-	-	-	-	-
C3.22	Upgrade of Montecatini junction on A1	29,500 (10)	-	-	-	-	-	-	-	-	-	-
C3.23	Upgrade of Montecatini junction on A1	50,000 (10)	-	-	-	-	-	-	-	-	-	-
C3.24	Upgrade of Montecatini junction on A1	6,000 (10)	10,290	993	-	10,290	993	-	10,290	993	-	31,844
C3.25	Upgrade of Montecatini junction on A1	30,000 (10)	1,078	1,078	-	1,078	1,078	-	1,078	1,078	-	2,924
C3.26	Upgrade of Montecatini junction on A1	25,000 (10)	534	534	-	534	534	-	534	534	-	535
C3.27	Upgrade of Montecatini junction on A1	20,000 (10)	269	269	-	269	269	-	269	269	-	259
C3.28	Upgrade of Montecatini junction on A1	15,000 (10)	-	-	-	-	-	-	-	-	-	336
C3.29	Upgrade of Montecatini junction on A1	15,000 (10)	-	-	-	-	-	-	-	-	-	1
C3.30	Upgrade of Montecatini junction on A1	20,000 (10)	-	-	-	-	-	-	-	-	-	1
C3.31	Upgrade of Montecatini junction on A1	7,500 (10)	-	-	-	-	-	-	-	-	-	-
C3.32	Upgrade of Montecatini junction on A1	7,500 (10)	-	-	-	-	-	-	-	-	-	-

TOTAL OTHER SPECIFIC PROJECTS REQUIRED UNDER ART.2

Separate financial statements as at and for the year ended 31 December 2021.

Contractually agreed amounts (a)	Completed as at 31 December 2020			2021			Completed as at 31 December 2021		
	Base tender price (€)	Available funding	Financial expenses	Base tender price (€)	Available funding	Financial expenses	Base tender price (€)	Available funding	Financial expenses
TOTAL	(13)	2,428,459	1,643	2,431,699	1,643	-	2,431,699	1,643	-
TOTAL	(13)	2,428,459	1,643	2,431,699	1,643	-	2,431,699	1,643	-

Art. 2. 2021	PROJECT	TOTAL
OTHER UNSPECIFIED INVESTMENT		
C1	Upgrade of service areas and buildings used in operations	
C2	Tron stations, junctions and remaining network investments	
C3	Upgrade and expansion of the motorway network and motorway feeder roads and other minor investments (unspecified works) (2)	
C4	Noise abatement plan	
C5	Improvement of safety standards	
C6	Technological plant improvements	
C7	Other improvements and capitalised non-routine maintenance	
TOTAL OTHER UNSPECIFIED INVESTMENT		

NEW INVESTMENT CONCESSION ARRANGEMENT OF 2007 AND SUBSEQUENT ADDENDA

Art. 1. 2007	PROJECT	TOTAL
INVESTMENT IN SINGLE CONCESSION ARRANGEMENT OF 2007 (pursuant to CIPR RESOLUTION 2007)		
E.1.1	Noise abatement in addition to works included in "Other investment" C4	800,489
TOTAL INVESTMENT IN SINGLE CONCESSION ARRANGEMENT OF 2007 (pursuant to CIPR RESOLUTION 2007)		

WORKS ORIGINALLY LISTED IN ART. 15 OF SINGLE CONCESSION ARRANGEMENT OF 2007

E.2.1	Northern section of Casalecchio interchange	157,875
E.3.1	Widening to four lanes of A14 Bovereto - Badeglia S. Lazzaro	364,996
E.3.2	Widening to three lanes of A11 Firenze - Pistoia	548,000
E.3.3	Widening to four lanes of A11 Firenze - Lodi	137,998
E.3.4	Widening to three lanes of A1 Incaisa - Valliano	391,999
E.3.5	Widening to three lanes of A12 Cerveteri - Terracina section	54,430
E.3.6	Widening to three lanes of A13 Padua - Monselice	196,998
E.3.7	Widening to three lanes of A13 Ferrara - Bologna	492,000
Art. 16	Other temporary works included in art. 15 single concession arrangement of 2007 (e.g. smart roads, etc.)	8,906

TOTAL WORKS ORIGINALLY LISTED IN ART. 15 OF SINGLE CONCESSION ARRANGEMENT OF 2007

NEW NETWORK UPGRADE AND MODERNISATION WORKS		2,773,800
E.4.1	Upgrade of infrastructure and motorway assets to comply with law	444,984
E.4.2	Upgrade of safety barriers pre Ministerial Decree 223/92	1,211,000
E.4.3	Upgrade of safety barriers on third-party flyovers and junctions	40,200
E.4.4	Work on tunnels (improvements to visibility and structural works)	874,133
E.4.5	Upgrade and modernisation of technology assets on motorway network (incl. smart roads, etc.)	97,700

TOTAL NEW NETWORK UPGRADE AND MODERNISATION WORKS

IMPROVEMENTS TO GENOVA ROAD NETWORK		230,000
E.5.1	Tunnel under Genoa port connecting with junctions on A10 motorway	230,000
E.5.2	Junction and link to roads in Fontanabuona district on section of A12 motorway	700,000

TOTAL IMPROVEMENTS TO GENOVA ROAD NETWORK

TOTAL NEW INVESTMENT IN SINGLE CONCESSION ARRANGEMENT OF 2007 AND SUBSEQUENT ADDENDA		3,003,800
GRAND TOTAL		15,009,326

Handover of service areas free of charge	154,836
Capitalised staff costs, change in advances paid to suppliers and other sundries	466,307
TOTAL INVESTMENT IN ASSETS TO BE HANDED OVER FREE OF CHARGE	621,143

Total investment in assets to be handed over free of charge (art. 2 of Single CO) Adjusted by:

Service areas handed over free of charge	33
Capitalisation of Extraordinary Maintenance Plan	442,524
Unremunerated investment:	299,421
- Genoa di Genova	-24,038
- Works required by art. 15 of Single Concession Arrangement of 2007	-2,675
- New network upgrade and modernisation works	-272,708
Total investment in assets held under concession (as indicated in note 6.2)	869,627

Art. 1. 2007	PROJECT	TOTAL
INVESTMENT IN SINGLE CONCESSION ARRANGEMENT OF 2007 (pursuant to CIPR RESOLUTION 2007)		
E.1.1	Noise abatement in addition to works included in "Other investment" C4	800,489
TOTAL INVESTMENT IN SINGLE CONCESSION ARRANGEMENT OF 2007 (pursuant to CIPR RESOLUTION 2007)		

E.2.1	Northern section of Casalecchio interchange	157,875
E.3.1	Widening to four lanes of A14 Bovereto - Badeglia S. Lazzaro	364,996
E.3.2	Widening to three lanes of A11 Firenze - Pistoia	548,000
E.3.3	Widening to four lanes of A11 Firenze - Lodi	137,998
E.3.4	Widening to three lanes of A1 Incaisa - Valliano	391,999
E.3.5	Widening to three lanes of A12 Cerveteri - Terracina section	54,430
E.3.6	Widening to three lanes of A13 Padua - Monselice	196,998
E.3.7	Widening to three lanes of A13 Ferrara - Bologna	492,000
Art. 16	Other temporary works included in art. 15 single concession arrangement of 2007 (e.g. smart roads, etc.)	8,906

TOTAL WORKS ORIGINALLY LISTED IN ART. 15 OF SINGLE CONCESSION ARRANGEMENT OF 2007

NEW NETWORK UPGRADE AND MODERNISATION WORKS		2,773,800
E.4.1	Upgrade of infrastructure and motorway assets to comply with law	444,984
E.4.2	Upgrade of safety barriers pre Ministerial Decree 223/92	1,211,000
E.4.3	Upgrade of safety barriers on third-party flyovers and junctions	40,200
E.4.4	Work on tunnels (improvements to visibility and structural works)	874,133
E.4.5	Upgrade and modernisation of technology assets on motorway network (incl. smart roads, etc.)	97,700

TOTAL NEW NETWORK UPGRADE AND MODERNISATION WORKS

IMPROVEMENTS TO GENOVA ROAD NETWORK		230,000
E.5.1	Tunnel under Genoa port connecting with junctions on A10 motorway	230,000
E.5.2	Junction and link to roads in Fontanabuona district on section of A12 motorway	700,000

TOTAL IMPROVEMENTS TO GENOVA ROAD NETWORK

TOTAL NEW INVESTMENT IN SINGLE CONCESSION ARRANGEMENT OF 2007 AND SUBSEQUENT ADDENDA		3,003,800
GRAND TOTAL		15,009,326

Handover of service areas free of charge	154,836
Capitalised staff costs, change in advances paid to suppliers and other sundries	466,307
TOTAL INVESTMENT IN ASSETS TO BE HANDED OVER FREE OF CHARGE	621,143

- (a) Information provided only for specific projects.
- (b) Unless otherwise indicated: the gross amount to be financed by Autostrade per l'Italia as per final/executive designs (including the variation appraisal) of projects, or related lots/phases, for which at 31 December 2021 approval has been given by the Grantor, or the amount expected to be financed by Autostrade per l'Italia in the agreements with final approval from the Grantor as at 31 December 2021 (for projects to be carried out by third parties). If the document approving the design/appraisal/agreement relating to the project (or to one of the related lots/phases) does not show the gross amount of the base tender price, the figure shown is the net amount.
- (c) Net amount estimated for the project(s) in the proposed III Addendum to the Single Concession Arrangement in the process of being examined by the Grantor (where this can be inferred from the Addendum itself and/or its annexes)
- (d) Base Tender Price includes advance payments, reserves and savings to be refunded to the contractor pursuant to art. 11, Ministerial Decree 145/2000 and statutory payments for changes in prices of materials.
- (1) Includes A.1.2.1 "Sasso Marconi-La Quercia", B3 "Sasso Marconi-La Quercia - remaining investment" and works completed under the 1997 Arrangement.
- (2) Local works relating to the section are included in A6 "Landscaping".
- (3) Including works completed under the 1997 Arrangement.
- (4) Works completed under the 1997 Arrangement.
- (5) Includes work on links to feeder roads.
- (6) Percentage of the works included in "Other investments".
- (7) Completion of the Base Tunnel, Mugello Lot 1st phase and upgrade of the A1 Aglio-Barberino" is included in the gross amount approved for the "La Quercia - Aglio" section.
- (8) The gross approved amount for landscaping work for the Casalecchio-Sasso Marconi and Sasso Marconi-La Quercia sections is included in the gross amounts approved for the "A.1.1 - Sasso Marconi-La Quercia" and "A.1.2.1, B.3 - Sasso Marconi-La Quercia"
- (9) At 31 December 2021, approval has not been given for the final/executive design for the project or for the related lots/phases, or for the agreements governing construction where this is to be carried out by third parties.
- (10) The gross approved amount only includes the designs for the lots that have received approval.
- (11) Project(s) whose net value is not shown separately in the Addendum and/or its annexes.
- (12) The completion of expansion of the Brianza North service area was included in the first variation appraisal for the fourth lane of the Milan-Bergamo Lot 1 (net amount).
- (13) Unspecified projects).
- (14) Includes the planned upgrade of the existing A1 between Barberino and Florence North
- (15) Amounts already approved as part of the planned work on "A.2 Barberino - Florence North" and "A.4 Florence South - incisa" and shown in the matching items in the 1997 Plan.
- (16) The gross approved amount is included in item "B) Bologna Ring Road" in "Remaining investment in third and fourth lanes" in the 1997 Plan.
- (17) Preparations for the new service area (surveys/groundworks and external drainage systems) included in the planned widening for "A.2 Barberino - Florence North".
- (18) Works relating to the Villorisi East and West service areas have been added to the 1st Review Report and the Detailed Design for lots 1 and 2 of the widening to five lanes of the A8.
- (19) Amounts in the process of being finalised following approval of the new Plan by the Grantor.
- (20) Works of a qualitative nature.
- (21) Includes investment already completed for initiatives included in the table in art. 2, para. 2, p.C3 in the Addendum of 24 December 2013, for which the original prerequisites no longer apply (e.g., the new Bisceglie/Santa Maria del Piave/Orieto North/Arezzo toll stations, etc., access roads for the Lavagna toll station in viale Kasman, link to ordinary road network in vicinity of Bologna Interporto, etc.)

Annex 4

Subsidiaries and associates accounted for using the equity method as at 31 December 2021 (art. 3, point 1.1 of the 2007 Single Concession Arrangement)

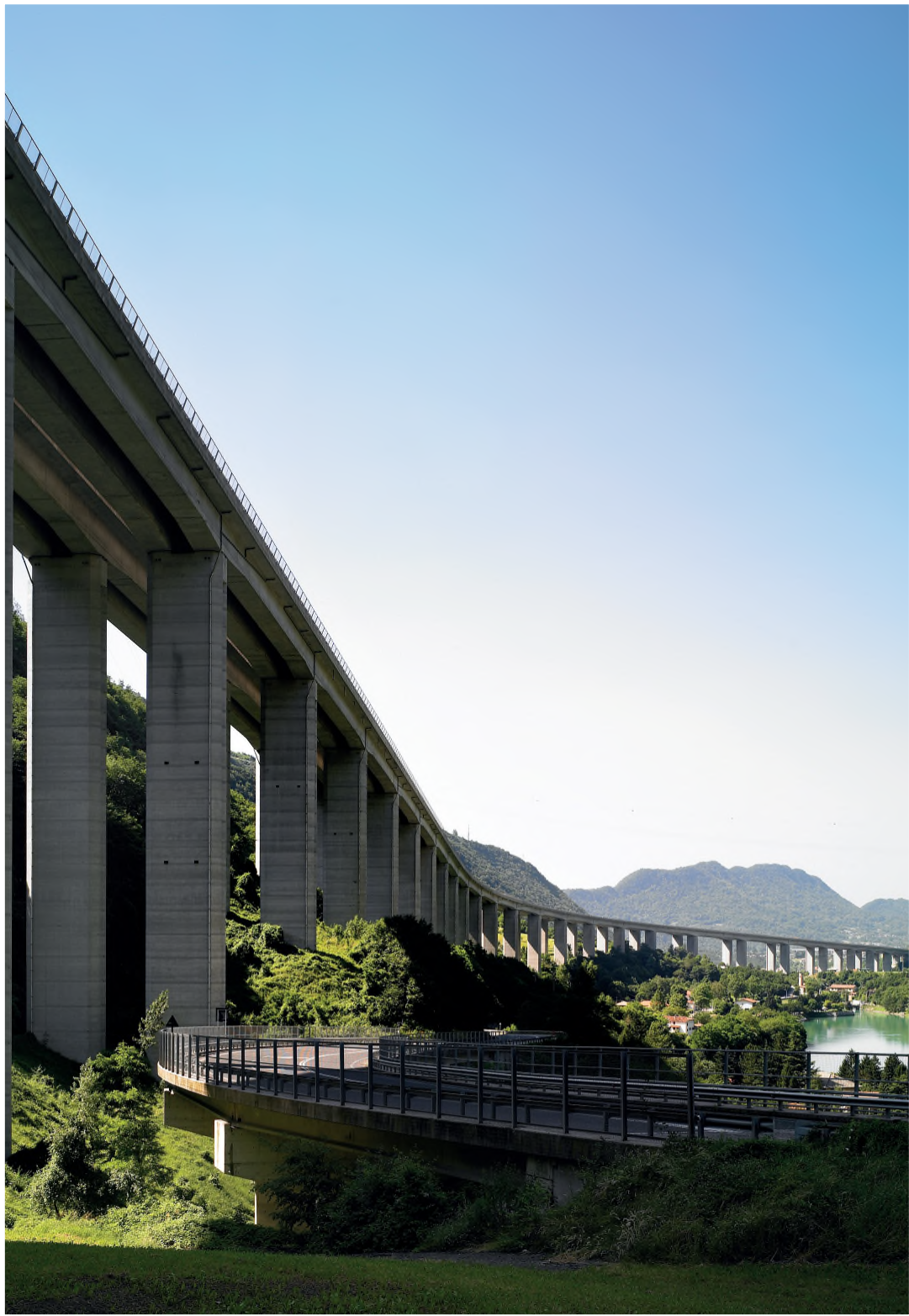
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Name	MEASUREMENT (ART. 2426, para. 1, 4(1) OF ITALIAN CIVIL CODE)	CARRYING AMOUNT	DIFFERENCE BETWEEN MEASUREMENT PURSUANT TO ART 2426, PARA. 1, 4(1) OF ITALIAN CIVIL CODE AND CARRYING AMOUNT
	CIVIL CODE (A)	AS AT 31 DECEMBER 2021 (B)	(A-B)
Investments in subsidiaries			
Società Autostrada Tirrenica pa	87,709	90,672	-2,963
Tangenziale di Napoli SpA	206,405	54,785	151,620
Pavimental SpA	53,322	39,495	13,827
Free To X Srl	24,350	26,000	-1,650
Autostrade Meridionali SpA	114,751	15,340	99,411
Tecne Gruppo Autostrade per l'Italia SpA	6,108	10,100	-3,992
Autostrade Tech SpA	69,045	5,692	63,353
Società Italiana per Azioni per il Traforo del Monte Bianco	108,748	2,461	106,287
AD Moving SpA	1,696	835	861
EssediEsse Società di Servizi SpA	2,925	701	2,224
Giove Clear Srl	2,497	326	2,171
	677,556	246,407	431,150
Investments in associates			
Tangenziali Esterne di Milano Spa	56,484	62,345	-5,861
Spea Engineering SpA	7,160	1,784	5,376
Bologna & Fiera Parking SpA	1,760	999	761
Consorzio Autostrade Italiane Energia	29	29	-
	742,989	311,564	431,426

(1) Measurement of subsidiaries and associates using the equity method is consistent with IFRS, as applied by Autostrade per l'Italia.

REPORTS





Attestation of the consolidated financial statements pursuant to art. 81-ter of CONSOB Regulation 11971 of 14 May 1999, as amended

1. We, the undersigned, Roberto Tomasi and Alberto Marco Milvio, as Chief Executive Officer and as the manager responsible for Autostrade per l'Italia Spa's financial reporting, having taken into account of the provisions of art. 154-bis, paragraphs 3 and 4 of legislative Decree 58 of 24 February 1998:
 - the adequacy with regard to the nature of the Company, and
 - effective application of the administrative and accounting procedures adopted in preparation of the consolidated financial statements during 2021.

2. In this regard, we declare that:
 - 2.1 the administrative and accounting procedures adopted in preparation of the consolidated financial statements as at and for the year ended 31 December 2021 were drawn up, and their adequacy assessed, on the basis of the regulations and methods drawn up by Autostrade per l'Italia SpA in accordance with the Internal Control - Integrated Framework model issued by the Committee of Sponsoring Organizations of the Treadway Commission. This Commission has established a body of general principles providing a standard for internal control systems that is generally accepted at international level;
 - 2.2 the review of the system of internal control over financial reporting has not identified any critical issues.

3. We also attest that:
 - 3.1 The consolidated financial statements:
 - a) Have been prepared in compliance with international accounting standards approved for application in the European Community by EC Regulation 1606/2002, passed by the European Parliament and by the Council on 19 July 2002;
 - b) Are consistent with the underlying accounting books and records;
 - c) Present a true and fair view of the financial position and results of operations of the issuer and the consolidated companies;
 - 3.2 the report on operations contains a reliable analysis of the operating performance and results, and of the state of affairs of the issuer and the consolidated companies, together with a description of the principal risks and uncertainties to which they are exposed.

8 March 2022

Roberto Tomasi
Chief Executive Officer

Alberto Marco Milvio
Manager in charge of
financial reporting

Attestation of the financial statements pursuant to art. 81-ter of CONSOB Regulation 11971 of 14 May 1999, as amended

1. We, the undersigned, Roberto Tomasi and Alberto Marco Milvio, as Chief Executive Officer and as the manager responsible for Autostrade per l'Italia Spa's financial reporting, having taken into account of the provisions of art. 154-bis, paragraphs 3 and 4 of legislative Decree 58 of 24 February 1998:
 - The adequacy with regard to the nature of the Company, and
 - Effective application of the administrative and accounting procedures adopted in preparation of the financial statements during 2021.

2. In this regard, we declare that:
 - 2.1 the administrative and accounting procedures adopted in preparation of the financial statements as at and for the year ended 31 December 2021 were drawn up, and their adequacy assessed, on the basis of the regulations and methods drawn up by Autostrade per l'Italia SpA in accordance with the Internal Control - Integrated Framework model issued by the Committee of Sponsoring Organizations of the Treadway Commission. This Commission has established a body of general principles providing a standard for internal control systems that is generally accepted at international level;
 - 2.2 the review of the system of internal control over financial reporting has not identified any critical issues.

3. We also attest that:
 - 3.1 The financial statements:
 - a) Have been prepared in compliance with international accounting standards approved for application in the European Community by EC Regulation 1606/2002, passed by the European Parliament and by the Council on 19 July 2002;
 - b) Are consistent with the underlying accounting books and records;
 - c) Present a true and fair view of the financial position and results of operations of the issuer and the consolidated companies;
 - 3.2 the report on operations contains a reliable analysis of the operating performance and results, and of the state of affairs of the issuer, together with a description of the principal risks and uncertainties to which it is exposed.

8 March 2022

Roberto Tomasi
Chief Executive Officer

Alberto Marco Milvio
Manager in charge of
financial reporting

Report of the Board of Statutory Auditors

to the Annual General Meeting of the shareholders of Autostrade per l'Italia SpA
(pursuant to art. 153 of Legislative Decree 58/1998 and art. 2429, paragraph 2 of the Italian Civil Code)

Dear Shareholders,

During the financial year ended 31 December 2021, we performed the audit procedures required by law and by the Articles of Association, adopting, *inter alia*, the Standards recommended by the Italian accounting profession. The Board held 20 meetings and participated in all the 18 meetings held by the Board of Directors and 2 General Meetings of shareholders.

The Board of Statutory Auditors obtained the information necessary in order to carry out our duties by participating in the meetings of the Board of Directors and Board Committees, by speaking to management, in meetings with the independent auditor, with the Supervisory Board and with the corresponding oversight bodies within Group companies, and by examining the information obtained from the relevant departments, as well as through further audit activities.

In 2015, Autostrade per l'Italia ("the Company" or "ASPI") issued securities admitted to listing on the screen-based exchange organised and managed by Borsa Italiana SpA, in accordance with art. 16 of Legislative Decree 39/2010, and is now classified as a public interest entity. As a result, in accordance with art. 19 of the above Legislative Decree 39/2010, the Board of Statutory Auditors has, from 2015, assumed the role of Internal Audit Committee.

Specifically, we report that:

- we have verified compliance with the law and the Articles of Association;
- we have assessed the eligibility of certain Directors to meet the independence requirements provided for in art. 27.9 of the Articles of Association, confirming that the Company has restored the minimum number of independent Directors required by the above article;
- we obtained reports from the Directors, providing adequate information on the Company's activities and on transactions carried out by the Company and its subsidiaries with a major impact on the Company's results of operations, financial position and cash flow, ensuring that the actions decided on and carried out were in compliance with the law and the Articles of Association, were not subject to any potential conflict of interest or contrary to the resolutions adopted by the General Meeting, and were not clearly imprudent or risky or such as to compromise the value of the Company.

The Board of Statutory Auditors oversaw the Board of Directors' decision-making processes and checked that management decisions were in compliance with the applicable legislation (substantial compliance), adopted in the Company's interests, compatible with the Company's resources and assets and adequately supported by reporting, assessment and control procedures, including, where deemed necessary, through recourse to external consultants.

Within the context of the Company's activities, Autostrade per l'Italia's local area offices continued to carry out routine monitoring and maintenance of the network in 2021. Surveillance of motorway assets is now carried out by third parties selected through public tenders.

With regard to inspections of bridges, viaducts and flyovers, during the year the Board of Statutory Auditors, as part of our audit activities, was informed that the Company has updated its control system in accordance with the Surveillance Manual and the related Catalogue of Defects, launching a major programme of inspections designed to identify the work to be carried out on each piece of infrastructure, whether for conservation or modernisation purposes, to be shared with the Ministry of Sustainable Infrastructure and Mobility (the "MIMS") in accordance with the content and principles set out in the Financial Plan. Public tenders were also held by ASPI in 2021 to select

leading external providers to inspect minor assets (sites of geotechnical interest, hydraulic equipment, safety barriers and noise barriers). In order to further check the correctness and effectiveness of the surveillance process for bridges, viaducts and other network assets, second-level audits have been entrusted to specialised external companies. These checks, involving a sampling method and the collection of appropriate evidence, regard the inspection activities carried out by the external companies entrusted with the surveillance system, as well as those carried out directly by the Company's internal staff, who perform the first-level audits.

During the last year, development of the inventory model for the network's bridges and viaducts and management of inspection processes was also completed on the IBM Maximo Enterprise Asset Management platform (ARGO project). The advanced routine inspection of all the network's bridges and viaducts was thus completed using the new system. The content of the inspection forms and the binding regulations for each type of inspection are consistent with the guidelines for the classification and management of risk, safety assessment and monitoring of existing bridges issued by the National Public Works Council.

The platform is also integrated with the AINOP database, used by Italy's national agency for railway, road infrastructure and motorway safety (ANSFISA) to consult all the information needed to make inspections of infrastructure in order to check that maintenance procedures are correctly carried out by operators.

With regard to the network's tunnels, activities relating to implementation of the important assessment plan continued, in accordance with the agreed methodologies contained in the "Tunnel Inspections Manual" approved by the MIMS. The process involves in-depth surveys of the state of each tunnel, using the latest diagnostic tools and methods, with the aim of defining a starting point for the state of conservation of tunnels and establishing the related maintenance programme. This is done with the aim of minimising disruption to traffic and other maintenance and inspection activities that are carried out daily on the various assets on the motorway network operated.

Autostrade per l'Italia carried out the following significant financial transactions:

- on 12 January 2021, it placed bonds worth €1 billion with institutional investors, to equip itself with all the financial resources needed to fully support the major investment and maintenance programmes set out in the Financial Plan, in addition to funding other core activities and implementation of the new Business Plan;
- on 27 April 2021, it obtained a revolving credit facility worth €750 million maturing after 5 years, enabling the Company to strengthen its financial structure and fund its operations and the expenditure involved in delivering the upgrade and modernisation programme for the motorway network operated under concession. The Company's commitment to ESG objectives was confirmed by the fact that the transaction includes an option to convert the facility to a Sustainability-linked Revolving Credit Facility;
- on 18 January 2022, the Company placed bonds worth €1,000 million under its Euro Medium Term Notes (EMTN) programme in two tranches of €500 million. The tranches have terms of 6 and 10 years. Demand from institutional investors confirms the Company's solid reputation on international credit markets and has provided the Company with the financial resources needed to fully support its major investment and maintenance programmes, in addition to being used to fund development of the network digitalisation plan.

The Board of Statutory Auditors did not find evidence, in 2021, of atypical and/or unusual transactions with third or related parties (including Group companies). Information on the main intra-group and other related party transactions, and a description of the nature of the transactions and the impact on the operating results is contained in the notes to Autostrade per l'Italia's separate financial statements and the Autostrade per l'Italia Group's consolidated financial statements;

- in accordance with our responsibilities, we obtained information on and checked the adequacy of the Company's organisational structure and on observance of the principles of good governance,

by means of direct observation, the gathering of information from the heads of the various departments and through meetings with the Independent Auditors with a view to exchanging the relevant data and information; in this regard we have no special observations to make. The Board of Statutory Auditors believes that the governance systems and procedures adopted by the Company are, on the whole, sufficient to ensure compliance with the principles of good governance in the Company's operations.

In keeping with the Transformation Plan embarked on in 2020, the Company continued to make changes to its organisational model during the year by:

- strengthening the Operations Business Unit, focused on operational network management, overseeing and commercially developing service areas, and consolidating the "matrix" operating model between central technical departments and the Area Offices;
- strengthening the Engineering and Construction Business Unit, focused on implementing the initiatives included in the Business Plan relating to new projects, and the national and network modernisation plans, strengthening coordination between central and local units;
- defining Tecne's new organisational model regarding the development of engineering design, works management and safety coordination processes, which are needed to implement the investments envisaged in Autostrade per l'Italia's Business Plan;
- strengthening the Planning, Control and Company Transformation department to ensure oversight of planning and control issues, as well as the monitoring of Transformation Plan initiatives;
- strengthening the Internal Control and Risk Management system by defining a new organisational model for the Risk, Compliance and Quality department and fine-tuning the organisational structure of the Internal Audit department;
- setting up a research, development and technological innovation hub for the Group at the subsidiary, Movyon;
- strengthening quality control by introducing a quality assurance hub and units focused on aspects of quality control in the business areas;
- reshaping of the subsidiary coordination model to include group functions that guide key processes and activities involved in achievement of the Group's strategic objectives.

The Board of Statutory Auditors also notes that, in line with art. 39 of the Articles of Association, the current Board of Directors has nominated a Board Committee called the "Major Works Committee", which is responsible for monitoring, inter alia, the performance and completion of construction contracts. As provided for in art. 39.2 of the Articles of Association, this Committee has 7 members, including the Chairman, the Chief Executive Officer and Directors elected from minority slates;

- we assessed and verified the adequacy of the administrative/accounting system and its ability to correctly represent operating activities, by examining company documents, analysing the results of the work carried out by the independent auditor with whom we held periodic meetings in order to exchange information and by gathering information from the respective heads of department;
- we verified that the Company is subject to the management and coordination of Atlantia SpA, a company listed on the screen-based trading system (*Mercato Telematico Azionario*) operated by Borsa Italiana SpA, and responsible for management and coordination of Autostrade per l'Italia pursuant to articles 2497 *et seq.* of the Italian Civil Code until 15 October 2021. At a meeting held on 14 October 2021, Atlantia's Board of Directors decided that, as a result of the parent's organisational restructuring, the company would cease management and coordination of Autostrade per l'Italia, among others, and consequently to repeal the related Management and Coordination Regulations adopted on 19 January 2018, as subsequently amended by Atlantia's Board of Directors on 15 February 2019;
- with specific reference to the requirements of Legislative Decree 39/2010, the following should be noted:

Reporting to the Board of Directors on the outcome of the statutory audit and on the additional report required by art. 11 of the European Regulation (EU) 537/2014

The Board states that the independent auditor, KPMG SpA (“KPMG”), appointed by the Annual General Meeting of 29 May 2020 to conduct the statutory audit of the Company’s accounts for the annual reporting periods 2021-2029, has today issued the additional report required by art. 11 of the European Regulation, describing the results of its statutory audit of the accounts and including the written confirmation of independence required by art. 6, paragraph 2.a) of the Regulation, in addition to the disclosures required by art. 11 of the Regulation, without noting any significant shortcomings. The Board of Statutory Auditors will inform the Company’s Board of Directors of the outcome of the statutory audit.

Independence of the independent auditor, above all with regard to non-audit services

The Board of Statutory Auditors verified, also with reference to the provisions of art. 19 of Legislative Decree 39/2010, the independence of the independent auditor, KPMG, checking the nature and entity of any services other than auditing provided to Autostrade per l’Italia and its subsidiaries by the auditors and by their associates.

We also checked that, in compliance with the requirements of art. 149-*duodecies* of CONSOB Regulation 11971/1999, information on the type of services provided to Autostrade per l’Italia and its subsidiaries by KPMG or associates of KPMG in 2021, and the related fees, is provided in an annex to the financial statements.

In the light of the above, we therefore deem that the independent auditor, KPMG, meets the requirements for independence, as confirmed by the statement issued by KPMG today.

Monitoring of audit activities

During the year, we held meetings with representatives of the independent auditor, pursuant to art. 150, paragraph 2 of Legislative Decree 58/98, and no significant information that should be included in this report has come to light. The Board of Statutory Auditors: (i) has analysed the activities of the independent auditor and, in particular, the methods adopted, the audit approach used for significant aspects of the financial statements and the audit planning process; (ii) discussed issues relating to the Company’s risks with the independent auditor, enabling us to establish the appropriateness of the auditors’ plans in terms of their approach in view of the structural and risk profiles of the Company and the Group. The Board of Statutory Auditors and the independent auditor also exchanged information on a regular basis, partly with regard to the objective operational difficulties arising as a result of the Covid-19 health emergency.

Oversight of the financial reporting process

As part of the internal control system, as it relates to the financial reporting process, the Group headed by Autostrade per l’Italia has implemented and regularly revises internal controls over financial reporting, based on a series of administrative and accounting procedures designed to ensure reliability, accuracy, integrity and timeliness in accordance with the regulations governing financial reporting.

The Board of Statutory Auditors has verified the application of these regulations and procedures governing the process of preparing and publishing financial information. In this regard, we also note that the report on operations includes section “2.11 Corporate governance and ownership structures”, which also represents the report on corporate governance required by art. 123-bis of Legislative Decree 58 of 24 February 1998 (the “CFA”). This section defines guidelines for the establishment and management of administrative and accounting procedures.

The Board of Statutory Auditors, with the assistance of the Manager Responsible for Financial Reporting, examined the procedures involved in preparing the Company’s financial statements and the consolidated financial statements and analysed the report on the checks carried out on the system of internal controls over financial reporting, which did not provide evidence of any significant shortcomings or key concerns.

In this regard, on 8 March 2022, the Chief Executive Officer and the Manager Responsible for Financial Reporting issued the attestations of the consolidated and separate financial statements required by art. 81-*ter* of the CONSOB Regulations of 14 May 1999, as amended.

The Board of Statutory Auditors also oversaw the process followed by the Company in preparation for the Board of Directors' approval of the method to be used for impairment testing as at 31 December 2021.

The Board of Statutory Auditors thus believes the financial reporting process to be adequate.

Oversight of the effectiveness of the internal control, internal audit and risk management systems and the statutory audit of the annual and consolidated accounts

The Board of Statutory Auditors has assessed and verified the adequacy and effectiveness of internal control and risk management systems, with a view, among other things, to guaranteeing proper periodic reporting for the purposes of the Company and the Group, as also required by art. 154-*bis* of the CFA. This was done primarily through (i) the information provided by the Board of Directors on the adequacy and functional effectiveness of the Internal Control and Risk Management System, (ii) reports from the Internal Audit department and information on the outcome of monitoring activities and the implementation of any corrective actions identified, (iii) the information obtained from heads of department, the Supervisory Board set up in compliance with Legislative Decree 231/2001 and from the independent auditor.

In particular, the Board of Statutory Auditors:

- participated, in the form of the Chairman of the Board of Statutory Auditors, or another Auditor delegated thereby, at all the meetings of the Internal Control and Risk Committee, consisting of 4 non-executive members, the majority independent. The Committee is responsible for preparing information in order to support the Board of Directors in their related assessments and decision-making, in relation to the internal control system and risk management, and with regard to periodic financial reporting;
- held periodic meetings with the Head of the Internal Audit department and the Head of the Risk, Compliance and Quality department, during which we were kept fully informed regarding: (i) audit activities, with a view to assessing the adequacy and functionality of the internal control system, and compliance with the law and with internal procedures and regulations); (ii) the activities of the Risk Management unit in identifying, measuring, managing and monitoring the risks included in the Company's current Business Risk Model (compliance, regulatory and operational risks), in order to provide the necessary support to these departments in reviewing the design of the internal control system and monitoring implementation of the resulting changes; and (iii) the results of the Risk Assessment based on the method adopted by the Company;
- conducted specific monitoring of the corrective actions recommended in audit reports, checking that the deadlines set out in the reports for resolving shortcomings and for making the improvements suggested by the Internal Audit department had been met;
- examined the annual report on the Internal Control and Risk Management System (ICRMS) issued by the Internal Audit department, concluding on the basis of the content of the report that there were no circumstances or issues such as to believe that Autostrade per l'Italia SpA's ICRMS is not as a whole fit for purpose;
- in conducting the audit activities assigned to us, proceeded:
 - o to carry out checks on the process for the surveillance of motorway infrastructure;
 - o to engage in in-depth discussion with management regarding the existing system of controls with respect to monitoring the state of infrastructure;
 - o to monitor execution and the results of the audit plan with specific regard to controls over the inspections process;
 without, at this time, identifying any aspects to be raised in this Report;
- examined the reports prepared by the Ethics Officer and the Whistleblowing Team, describing the activities conducted and the investigations carried out following the receipt of disclosures;

- examined the report on the assessment of the Tax Control Framework (TCF) relating to the 2020 tax year, as validated by the Company's Tax Steering Committee and approved by the Board of Directors, following a positive opinion from the Internal Control and Risk Committee;
- also held periodic meetings with the independent auditors, KPMG, to obtain information and data regarding the audits conducted, overseeing the audit of the annual and consolidated accounts. We have nothing to report in this regard;
- exchanged information with the boards of statutory auditors of the principal subsidiaries, noting their assessments of the overall adequacy of the companies' internal control systems and the fact that there were no situations needing to be brought to the attention of the Parent Company's Board of Statutory Auditors;
- noted that Autostrade per l'Italia's Supervisory Board has continued its review of the organisational, management and control model ("OMCM") adopted by the Company pursuant to Legislative Decree 231/2001 (with the latest revised version approved by the Board of Directors on 8 February 2022), to ensure that the model has kept pace with developments in the related legislation and the recent changes in the Company's organisational structure;
- examined information regarding the investigations launched by magistrates, meeting with the Director of Legal Affairs and the Supervisory Board to obtain an understanding of the situation and conduct a detailed examination of the steps taken by the Company;
- also verified that the Company has adopted a procedure for market announcements, in order to implement the provisions of EU Regulation 596/2014, better known as the Market Abuse Regulation, or MAR, and has adopted a Code of Conduct for Internal Dealing, containing, among other things, a description of the reporting requirements and conduct necessary in relation to transactions involving the listed bonds issued by Autostrade per l'Italia, and the financial instruments linked to them, carried out by relevant persons and/or persons closely associated with them, and the related communications to the Company, the CONSOB and the market.

The Board of Statutory Auditors reports that, based on the overall checks carried out, no significant issues have emerged that would raise doubts about the adequacy of the internal control system. The above conclusion is, in the opinion of the Board of Statutory Auditors, further confirmation of the progressive and constant improvements made by the Company to its internal control and risk management system, aspects that the Board is required to oversee, including with regard to the actions identified and the timing of implementation;

- with respect to the contractual obligations deriving from the motorway concession, the Board was periodically updated by the Head of the relevant department on compliance with the Company's obligations under the Concession Arrangement;
- the Board has checked that no complaints have been lodged under art. 2408 of the Italian Civil Code, and no complaints of any kind have been presented;
- the Board of Statutory Auditors issued the following opinions during the year and through to the date of this report:
 - a favourable opinion, issued pursuant to art 2389, paragraph 3 of the Italian Civil Code, on the remuneration of Directors with delegated powers; and
 - a favourable opinion on the Company's 2022 audit plan;
- with regard to the dispute initiated on 16 August 2018 over the Ministry's allegations of serious breaches of the Concession Arrangement, following the collapse of a section of the Polcevera road bridge, following extensive talks between ASPI and the MIMS with the aim of reaching an agreed settlement, the Board of Statutory Auditors was informed that, on 14 October 2021, the final test of the agreement bringing to an end the dispute was signed by Autostrade per l'Italia and the MIMS. Subsequently, the Interministerial Committee for Economic Planning and Sustainable Development (CIPRESS), which in the meantime had received the Addendum and the related annexes, expressed a favourable opinion on the III Addendum to the Single Concession Arrangement and the related Financial Plan for the period 2020-2024, pursuant to art. 43 of Law Decree 201 of 2011.

In a letter dated 20 January 2022, the MIMS communicated its acceptance of the III Addendum to the Single Concession Arrangement and the related Financial Plan for the regulatory period 2020-2024 and that it had submitted the determination to the Court of Auditors for a review of compliance with the law. The Court issued a positive opinion on 17 March 2022.

The agreement became final on 30 March 2022 after filing of the Interministerial Decree issued by the MIMS and the Ministry of the Economy and Finance with the Italian Court of Auditors.

The Board, as reported in detail in the reports on the financial statements for 2018, 2019 and 2020, has continuously paid extremely close attention to the various aspects directly or indirectly linked to the above event, with regard to both the financial statements and control systems as a whole. We have been able to appreciate the significant efforts made by the Company to achieve this outcome. From what we have seen up to the date of this Report, the Company has taken major steps to bring about continuous improvements in the situation, a process that the Board is confident will continue in the future;

- we have examined both the separate and consolidated financial statements as at and for the year ended 31 December 2021, with regard to which we have the following observations to make:
 - the scope of consolidation as at 31 December 2021 has expanded with respect to 31 December 2020 following the inclusion of Pavimental and Free to X;
 - as stated in the notes, the separate and consolidated financial statements as at and for the year ended 31 December 2021 have been prepared in accordance with articles 2 and 3 of Legislative Decree 38/2005, in compliance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board, the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), the previous International Accounting Standards (IAS) and interpretations issued by the Standard Interpretations Committee (SIC) and still in force at the end of the reporting period, and endorsed by the European Commission. Moreover, the measures introduced by the CONSOB, in application of paragraph 3 of article 9 of Legislative Decree 38/2005, relating to the preparation of financial statements, have also been taken into account;
 - the consolidated and separate financial statements as at and for the year ended 31 December 2021 have also been prepared on the assumption that ASPI is able to continue to operate as a going concern. This was deemed appropriate by the Board of Directors, based on their view that there is a reasonable likelihood that the Company and the Group have the ability to continue to operate as going concerns in the foreseeable future, and, in any event, for a period of at least twelve months from 31 December 2021, given that the various risk factors and uncertainties reported in the consolidated financial statements as at and for the year ended 31 December 2020 are no longer a concern;
 - with regard to developments in Autostrade per l'Italia's regulatory environment, as described in greater detail in note 6.2 in the "Consolidated financial statements as at and for the year ended 31 December 2021", to which reference should be made, it should be noted that, partly on the basis of the authoritative opinions received, it has been necessary to apply certain adjustments to certain amounts in the financial statements from 1 January 2021. This has been done to reflect the impact of the following on the accounts: (i) introduction of a new tariff mechanism, (ii) remuneration of the Extraordinary Maintenance Plan through tolls and (iii) the Company's assumption, under the Framework Agreement entered into with the Grantor, of the cost of unremunerated investment;
 - the accounts have been submitted to the required controls by the independent auditor, KPMG. During periodic meetings with the Board, the independent auditor had no concerns or issues to report in this regard;
 - in view of the fact that it is not our responsibility to audit the Company's separate and consolidated financial statements, we checked the overall basis of presentation of the financial

- statements and their general compliance with the laws relating to their preparation and structure; we have no particular observations to make in this regard;
- we have checked the disclosures provided in the notes on the accounting policies applied and on movements in provisions, with particular regard to provisions for the repair and replacement of motorway infrastructure, which were reduced, from 1 January 2021, as a result of the works yet to be carried out under the Extraordinary Maintenance Plan, in accordance with the content of the Framework Agreement entered into with the MIMS, and uses to finance maintenance work on the motorway network. In contrast, these provisions increased as a result of operating provisions made during the year following an updated estimate of future repair work and the reclassification of "Other provisions for risks and charges" relating to provisions made in previous years to cover additional costs associated with reconstruction of the San Giorgio road bridge in Genoa;
 - we have verified that the financial statements are consistent with events and the information obtained by us in the course of our audit activities and have no observations to make in this regard;
 - we have verified compliance with the laws governing preparation of the report on operations and have no particular observations to make in this regard;
 - to the best of our knowledge, in preparing the financial statements, the Directors did not elect to apply any of the exemptions permitted by art. 2423, paragraph 4 of the Italian Civil Code;
 - we have verified that the Company has taken the necessary steps to prepare the Annual report in electronic form, as required by the ESEF Regulation;
 - as noted above, the independent auditor has today issued its reports pursuant to art. 14 of Legislative Decree 39/2010 and art. 10 of EU Regulation 537/2014, in which they attest that: (i) Autostrade per l'Italia SpA's separate financial statements and the Autostrade per l'Italia Group's consolidated financial statements as at and for the year ended 31 December 2021 have been prepared in compliance with the International Financial Reporting Standards (IFRS) adopted by the European Union, and the implementation measures issued in application of art. 9 of Legislative Decree 38 of 2005, have been properly prepared and give a true and fair view of the financial position, results of operations and cash flows of the Company and the Group; (ii) the report on operations and certain specific disclosures contained in the report on corporate governance and ownership structures are consistent with the Autostrade per l'Italia Group's separate and consolidated financial statements as at and for the year ended 31 December 2021 and have been prepared in compliance with the related statutory requirements; (iii) the Annual Report has been prepared in compliance with the provisions of Regulation EU/2018/815. The above reports do not contain qualifications or matters of emphasis;
 - we have overseen compliance with the provisions introduced by Legislative Decree 254 of 30 December 2016 and have noted that the independent auditor has issued a report stating that the disclosures provided in the non-financial statement are in compliance with the law and the accounting standards adopted.

With regard to events affecting the Board of Statutory Auditors during the year, on 21 February 2022, Giandomenico Genta resigned from his positions as a standing Auditor and as Chairman of the Board of Statutory Auditors for personal reasons. In both cases, his position has been taken with effect from 22 February by Prof. Lorenzo De Angelis, previously an alternate Auditor. From this date on, Prof. De Angelis has taken steps to obtain as much information as possible on the Company, its activities and its internal organisational structure from the other Statutory Auditors, the independent auditor and the Board Committees responsible for risk oversight and human resources. It is on the basis of – and within the limits represented by – the resulting information in his possession that the current Chairman of the Board of Statutory Auditors has signed this Report.

In the light of the above, the Board has no objections to approval of the financial statements as at and for the year ended 31 December 2021, as prepared by the Directors, or of the Directors' proposal for appropriation of the profit for the year.

Finally, the Board of Statutory Auditors wishes to bring to your attention the fact that the term of office of the current Board of Directors expires with approval of the financial statements as at and for the year ended 31 December 2021. You are thus invited to elect a new Board of Directors.

Rome, 31 March 2022

For the Board of Statutory Auditors

The Chairman
Prof. Lorenzo De Angelis

Independent Auditor's Report



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(The accompanying translated consolidated financial statements of the Autostrade per l'Italia Group constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) no. 537 of 16 April 2014

To the shareholders of
 Autostrade per l'Italia S.p.A.

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of the Autostrade per l'Italia Group (the "group"), which comprise the statement of financial position as at 31 December 2021, the income statement and the statements of comprehensive income, changes in equity and cash flows for the year then ended and notes thereto, which include a summary of the significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Autostrade per l'Italia Group as at 31 December 2021 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of Autostrade per l'Italia S.p.A. (the "parent") in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG S.p.A. è un'azienda per azioni a partecipazione paritetica tra il Gruppo KPMG di cui è controllata e il Gruppo KPMG di cui è controllata.

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Autostrade per l'Italia Group
Independent auditors' report
31 December 2021

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Measurement of the provisions for the repair and replacement of motorway infrastructure and for the renewal of motorway infrastructure

Notes to the consolidated financial statements: accounting policies - sections "Provisions for construction services required by contract and other provisions" and "Estimates and judgements", notes "Provisions for the repair and replacement of motorway infrastructure" and "Provisions for the renewal of motorway infrastructure"

Key audit matter	Audit procedures addressing the key audit matter
<p>The consolidated financial statements at 31 December 2021 include provisions for the repair and replacement of motorway infrastructure of €1,142 million (whose non-current and current portions amount to €712 million and €430 million, respectively) and provisions for the renewal of motorway infrastructure of €85 million (whose non-current and current portions amount to €81 million and €4 million, respectively).</p> <p>These provisions include the present value of the estimated charges that the group operators will incur for their contractual obligations to ensure the serviceability and safety of the motorway infrastructure operated under concession.</p> <p>Estimating these provisions is, by its very nature, complex and highly uncertain, since it may be affected by various factors and assumptions, including technical assumptions about the scheduling and nature of repairs, replacements and renewal of the individual infrastructure components. Specifically, the main assumptions relate to the duration of the maintenance cycles, the state of repair of the assets and the expected cost of each type of work.</p> <p>For the above reasons, we believe that the measurement of the provisions for the repair and replacement of motorway infrastructure and for the renewal of motorway infrastructure is a key audit matter.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> — understanding the estimation process adopted by the operators to measure these provisions; — analysing the reasonableness of the main assumptions underlying the reports prepared by the operators' technical personnel about the scheduling, nature and costs of repairs and replacements; — checking the accuracy and completeness of the data used by the operators for the estimates; — analysing the reasonableness of the rates applied by the operators to discount the provisions; — checking the accuracy of the calculations made to determine these provisions; — checking the previous years' estimates retrospectively, including by analysing any discrepancies between the costs incurred and the previous estimates; — assessing the appropriateness of the disclosures provided in the notes and their compliance with the IFRS.

Other matters

The group's 2020 consolidated financial statements were audited by other auditors, who expressed their unqualified opinion thereon on 25 March 2021.



Autostrade per l'Italia Group
Independent auditors' report
31 December 2021

Responsibilities of the parent's directors and board of statutory auditors ("Collegio Sindacale") for the consolidated financial statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05 and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the group's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the consolidated financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the parent or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

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

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit



Autostrade per l'Italia Group
Independent auditors' report
31 December 2021

evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the group to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at the appropriate level required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the ethics and independence rules and standards applicable in Italy and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are, therefore, the key audit matters. We describe these matters in our auditors' report.

Other information required by article 10 of Regulation (EU) no. 537/14

On 29 May 2020, the parent's shareholders appointed us to perform the statutory audit of its separate and consolidated financial statements as at and for the years ending from 31 December 2021 to 31 December 2029.

We declare that we did not provide the prohibited non-audit services referred to in article 5.1 of Regulation (EU) no. 537/14 and that we remained independent of the parent in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed herein is consistent with the additional report to the *Collegio Sindacale*, in its capacity as audit committee, prepared in accordance with article 11 of the Regulation mentioned above.

Report on other legal and regulatory requirements

Opinion on the compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The parent's directors are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (ESEF) to the consolidated financial statements to be included in the annual financial report.

We have performed the procedures required by Standard on Auditing (SA Italia) 700B in order to express an opinion on the compliance of the consolidated financial statements with Commission Delegated Regulation (EU) 2019/815.



Autostrade per l'Italia Group
Independent auditors' report
31 December 2021

In our opinion, the consolidated financial statements have been prepared in XHTML format and have been marked up, in all material respects, in compliance with the provisions of Commission Delegated Regulation (EU) 2019/815.

Opinion pursuant to article 14.2.e) of Legislative decree no. 39/10 and article 123-bis.4 of Legislative decree no. 58/98

The parent's directors are responsible for the preparation of the group's reports on operations and on corporate governance and ownership structure at 31 December 2021 and for the consistency of such reports with the related consolidated financial statements and their compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to express an opinion on the consistency of the report on operations and the specific information presented in the report on corporate governance and ownership structure indicated by article 123-bis.4 of Legislative decree no. 58/98 with the group's consolidated financial statements at 31 December 2021 and their compliance with the applicable law and to state whether we have identified material misstatements.

In our opinion, the report on operations and the specific information presented in the report on corporate governance and ownership structure referred to above are consistent with the group's consolidated financial statements at 31 December 2021 and have been prepared in compliance with the applicable law.

With reference to the above statement required by article 14.2.e) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Statement pursuant to article 4 of the Consob regulation implementing Legislative decree no. 254/16

The directors of Autostrade per l'Italia S.p.A. are responsible for the preparation of a non-financial statement pursuant to Legislative decree no. 254/16. We have checked that the directors had approved such non-financial statement. In accordance with article 3.10 of Legislative decree no. 254/16, we attested the compliance of the non-financial statement separately.

Rome, 31 March 2022

KPMG S.p.A.

(signed on the original)

Marcella Balistreri
Director of Audit



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(The accompanying translated separate financial statements of Autostrade per l'Italia S.p.A. constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) no. 537 of 16 April 2014

To the shareholders of
 Autostrade per l'Italia S.p.A.

Report on the audit of the separate financial statements

Opinion

We have audited the separate financial statements of Autostrade per l'Italia S.p.A. (the "company"), which comprise the statement of financial position as at 31 December 2021, the income statement and the statements of comprehensive income, changes in equity and cash flows for the year then ended and notes thereto, which include a summary of the significant accounting policies.

In our opinion, the separate financial statements give a true and fair view of the financial position of Autostrade per l'Italia S.p.A. as at 31 December 2021 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the separate financial statements" section of our report. We are independent of the company in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG S.p.A. è una società per azioni di diritto italiano la quale ha sede in Roma, Via Curtatone, 3. È iscritta al Registro Imprese di Roma, n. 09080761000. Capitale sociale € 10.000.000,00.

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Autostrade per l'Italia S.p.A.
Independent auditors' report
31 December 2021

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the separate financial statements of the current year. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Measurement of the provisions for the repair and replacement of motorway infrastructure

Notes to the separate financial statements: accounting policies - sections "Provisions for construction services required by contract and other provisions" and "Estimates and judgements" and note "Provisions for the repair and replacement of motorway infrastructure"

Key audit matter	Audit procedures addressing the key audit matter
<p>The separate financial statements at 31 December 2021 include provisions for the repair and replacement of motorway infrastructure of €1,004 million (whose non-current and current portions amount to €608 million and €396 million, respectively).</p> <p>These provisions include the present value of the estimated charges that the company will incur for its contractual obligations to ensure the serviceability and safety of the motorway infrastructure operated under concession.</p> <p>Estimating these provisions is, by its very nature, complex and highly uncertain, since it may be affected by various factors and assumptions, including technical assumptions about the scheduling and nature of repairs and replacements of the individual infrastructure components. Specifically, the main assumptions relate to the duration of the maintenance cycles, the state of repair of the assets and the expected cost of each type of work.</p> <p>For the above reasons, we believe that the measurement of the provisions for the repair and replacement of motorway infrastructure is a key audit matter.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> — understanding the estimation process adopted to measure these provisions; — analysing the reasonableness of the main assumptions underlying the reports prepared by the company's technical personnel about the scheduling, nature and costs of repairs and replacements; — checking the accuracy and completeness of the data used for the estimates; — analysing the reasonableness of the rates applied by the company to discount the provisions; — checking the accuracy of the calculations made to determine these provisions; — checking the previous years estimates retrospectively, including by analysing any discrepancies between the costs incurred and the previous estimates; — assessing the appropriateness of the disclosures provided in the notes and their compliance with the IFRS.

Other matters

The company's 2020 separate financial statements were audited by other auditors, who expressed their unqualified opinion thereon on 25 March 2021.



Autostrade per l'Italia S.p.A.
Independent auditors' report
31 December 2021

Responsibilities of the company's directors and board of statutory auditors ("Collegio Sindacale") for the separate financial statements

The directors are responsible for the preparation of separate financial statements that give a true and fair view in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05 and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the company's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the separate financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the company or ceasing operations exist, or have no realistic alternative but to do so.

The Collegio Sindacale is responsible for overseeing, within the terms established by the Italian law, the company's financial reporting process.

Auditors' responsibilities for the audit of the separate financial statements

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

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future



Autostrade per l'Italia S.p.A.
Independent auditors' report
31 December 2021

events or conditions may cause the company to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at the appropriate level required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the ethics and independence rules and standards applicable in Italy and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current year and are, therefore, the key audit matters. We describe these matters in our auditors' report.

Other information required by article 10 of Regulation (EU) no. 537/14

On 29 May 2020, the company's shareholders appointed us to perform the statutory audit of its separate and consolidated financial statements as at and for the years ending from 31 December 2021 to 31 December 2029.

We declare that we did not provide the prohibited non-audit services referred to in article 5.1 of Regulation (EU) no. 537/14 and that we remained independent of the company in conducting the statutory audit.

We confirm that the opinion on the separate financial statements expressed herein is consistent with the additional report to the *Collegio Sindacale*, in its capacity as audit committee, prepared in accordance with article 11 of the Regulation mentioned above.

Report on other legal and regulatory requirements

Opinion on the compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The company's directors are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (ESEF) to the separate financial statements to be included in the annual financial report.

We have performed the procedures required by Standard on Auditing (SA Italia) 700B in order to express an opinion on the compliance of the separate financial statements with Commission Delegated Regulation (EU) 2019/815.

In our opinion, the separate financial statements have been prepared in XHTML format in compliance with the provisions of Commission Delegated Regulation (EU) 2019/815.



Autostrade per l'Italia S.p.A.
Independent auditors' report
31 December 2021

Opinion pursuant to article 14.2.e) of Legislative decree no. 39/10 and article 123-bis.4 of Legislative decree no. 58/98

The company's directors are responsible for the preparation of the reports on operations and on corporate governance and ownership structure at 31 December 2021 and for the consistency of such reports with the related financial statements and their compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to express an opinion on the consistency of the report on operations and the specific information presented in the report on corporate governance and ownership structure indicated by article 123-bis.4 of Legislative decree no. 58/98 with the company's separate financial statements at 31 December 2021 and their compliance with the applicable law and to state whether we have identified material misstatements.

In our opinion, the report on operations and the specific information presented in the report on corporate governance and ownership structure referred to above are consistent with the company's separate financial statements at 31 December 2021 and have been prepared in compliance with the applicable law.

With reference to the above statement required by article 14.2.e) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

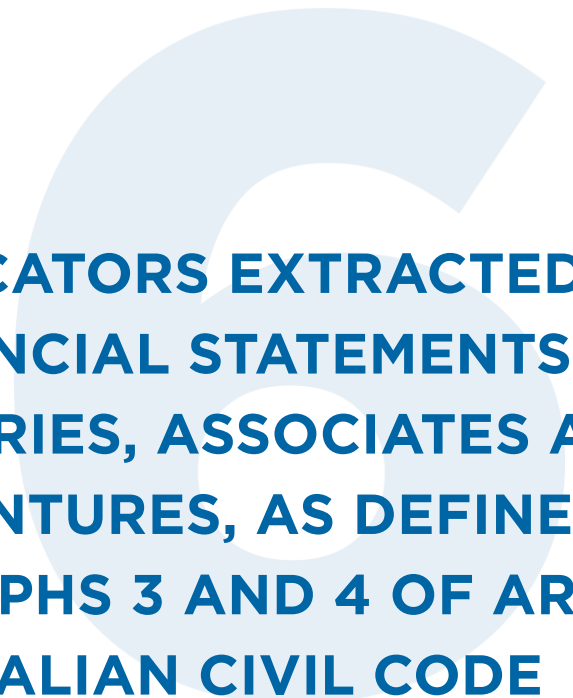
Rome, 31 March 2022

KPMG S.p.A.

(signed on the original)

Marcella Balistreri
Director of Audit

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**KEY INDICATORS EXTRACTED FROM
THE FINANCIAL STATEMENTS OF
SUBSIDIARIES, ASSOCIATES AND
JOINT VENTURES, AS DEFINED BY
PARAGRAPHS 3 AND 4 OF ART. 2429
OF THE ITALIAN CIVIL CODE**



**KEY INDICATORS EXTRACTED FROM THE FINANCIAL STATEMENTS OF
SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, AS DEFINED BY
PARAGRAPHS 3 AND 4 OF ART. 2429 OF THE ITALIAN CIVIL CODE**

The figures provided below were extracted from the most recent financial statements approved by the companies' respective boards of directors. The companies' reporting date is 31 December of each year, unless otherwise indicated.

Autostrade Meridionali prepares its financial statements in accordance with international financial reporting standards, whilst the other companies prepare their financial statements in accordance with accounting principles generally accepted in their respective countries.

Subsidiaries

Società Autostrada Tirrenica pA

€000	FINANCIAL POSITION	31 Dec 2021	31 Dec 2020
Non-current assets		337,140	343,794
<i>of which non-current investments</i>		52	52
Current assets		21,846	18,718
Other assets		166	186
Total assets		359,152	362,698
Equity		75,694	74,514
<i>of which issued capital</i>		24,461	24,461
Provisions and post-employment benefits		8,489	8,595
Payables		269,170	272,378
Other liabilities		5,799	7,211
Total equity and liabilities		359,152	362,698
€000	RESULTS OF OPERATIONS	2021	2020
Value of production		44,072	33,451
Costs of production		-27,437	-27,704
Operating profit/(loss)		16,635	5,747
Profit/(Loss) for the year		1,180	-5,820

Tangenziale di Napoli SpA

€000	FINANCIAL POSITION	31 Dec 2021	31 Dec 2020
Non-current assets		305,896	319,464
<i>of which non-current investments</i>		2	2
Current assets		36,197	28,399
Other assets		406	321
Total assets		342,499	348,184
Equity		278,898	278,607
<i>of which issued capital</i>		108,077	108,077
Provisions and post-employment benefits		28,896	30,291
Payables		34,688	39,267
Other liabilities		18	20
Total equity and liabilities		342,500	348,185
€000	RESULTS OF OPERATIONS		
Value of production		68,950	55,278
Costs of production		68,011	54,972
Operating profit/(loss)		939	306
Profit/(Loss) for the year		291	-445

Pavimental SpA

€000	FINANCIAL POSITION	31 Dec 2021	31 Dec 2020
Non-current assets		64,238	41,766
<i>of which non-current investments</i>		5,388	5,388
Current assets		474,608	415,124
Other assets		2,225	3,036
Total assets		541,071	459,926
Equity		53,727	10,065
<i>of which issued capital</i>		10,116	10,116
Provisions and post-employment benefits		8,847	9,764
Payables		477,880	438,971
Other liabilities		617	1,126
Total equity and liabilities		541,071	459,926

€000	RESULTS OF OPERATIONS	2021	2020
Value of production		603,732	498,120
Costs of production		-569,834	-502,154
Operating profit/(loss)		33,898	-4,034
Profit/(Loss) for the year		23,376	-4,928

Free To X S.r.l.

€000	FINANCIAL POSITION	31 Dec 2021
Non-current assets		3,279
<i>of which non-current investments</i>		-
Current assets		29,203
Other assets		5
Total assets		32,487
Equity		24,343
<i>of which issued capital</i>		1,000
Provisions and post-employment benefits		-
Payables		8,144
Other liabilities		-
Total equity and liabilities		32,487

€000	RESULTS OF OPERATIONS	
Value of production		6,381
Costs of production		-8,743
Operating profit/(loss)		-2,362
Profit/(Loss) for the year		-1,657

6. Key indicators

Autostrade Meridionali SpA

€000	FINANCIAL POSITION	31 Dec 2021	31 Dec 2020
Attività non correnti		9,398	10,161
Attività correnti		497,757	471,801
Totale attivo		507,155	481,962
Patrimonio netto		195,274	181,439
<i>di cui capitale sociale</i>		9,056	9,056
Passività non correnti		14,361	15,047
Passività correnti		297,520	285,476
Totale patrimonio netto e passivo		507,155	481,962

€000	RESULTS OF OPERATIONS	31 Dec 2021	31 Dec 2020
Operating revenue		92,772	69,079
Operating costs		63,753	58,661
Operating profit/(loss)		29,019	10,418
Profit/(Loss) for the year		16,023	4,030

Tecne Gruppo Autostrade per l'Italia SpA

€000	FINANCIAL POSITION	31 Dec 2021	31 Dec 2020
Non-current assets		4,089	39
<i>of which non-current investments</i>		625	-
Current assets		78,089	14,192
Other assets		1,511	279
Total assets		83,689	14,510
Equity		6,691	3,900
<i>of which issued capital</i>		5,694	100
Provisions and post-employment benefits		5,449	3,385
Payables		71,549	7,225
Other liabilities		-	-
Total equity and liabilities		83,689	14,510

€000	RESULTS OF OPERATIONS	2021	2020
Value of production		93,555	3,668
Costs of production		-95,894	-5,217
Operating profit/(loss)		-2,339	-1,549
Profit/(Loss) for the year		-2,209	-1,200

Movyon SpA

€000	FINANCIAL POSITION	31 Dec 2021	31 Dec 2020
Non-current assets		18,472	10,602
<i>of which non-current investments</i>		3,036	31
Current assets		126,905	89,183
Other assets		354	310
Total assets		145,731	100,095
Equity		71,453	67,467
<i>of which issued capital</i>		1,120	1,120
Provisions and post-employment benefits		1,260	1,055
Payables		72,624	31,307
Other liabilities		394	266
Total equity and liabilities		145,731	100,095

€000	RESULTS OF OPERATIONS	31 Dec 2021	31 Dec 2020
Value of production		136,353	93,548
Costs of production		-124,460	-82,307
Operating profit/(loss)		11,893	11,241
Profit/(Loss) for the year		8,359	8,316

Società Italiana per azioni per il Traforo del Monte Bianco

€000	FINANCIAL POSITION	31 Dec 2021	31 Dec 2020
Non-current assets		228,771	228,563
<i>of which non-current investments</i>		165,751	165,751
Current assets		297,548	298,655
Other assets		855	809
Total assets		527,174	528,027
Equity		234,686	242,866
<i>of which issued capital</i>		198,749	198,749
Provisions and post-employment benefits		141,880	138,430
Payables		150,335	146,532
Other liabilities		273	199
Total equity and liabilities		527,174	528,027

€000	RESULTS OF OPERATIONS	31 Dec 2021	31 Dec 2020
Value of production		66,506	60,068
Costs of production		49,232	47,552
Operating profit/(loss)		17,274	12,516
Profit/(Loss) for the year		12,363	10,565

6. Key indicators

Ad Moving SpA

€000	FINANCIAL POSITION	31 Dec 2021	31 Dec 2020
Non-current assets		478	488
<i>of which non-current investments</i>		-	-
Current assets		3,409	3,558
Other assets		24	37
Total assets		3,911	4,083
Equity		1,795	1,437
<i>of which issued capital</i>		1,000	1,000
Provisions and post-employment benefits		181	173
Payables		1,918	2,454
Other liabilities		17	19
Total equity and liabilities		3,911	4,083
€000 RESULTS OF OPERATIONS			
Value of production		3,675	3,370
Costs of production		-3,185	-2,891
Operating profit/(loss)		490	479
Profit/(Loss) for the year		358	338

EsseDiEsse Società di Servizi SpA

€000	FINANCIAL POSITION	31 Dec 2021	31 Dec 2020
Non-current assets		245	305
<i>of which non-current investments</i>		-	-
Current assets		12,753	13,620
Other assets		176	172
Total assets		13,174	14,097
Equity		3,447	3,287
<i>of which issued capital</i>		500	500
Provisions and post-employment benefits		2,851	3,173
Payables		6,451	7,189
Other liabilities		426	448
Total equity and liabilities		13,175	14,097
€000 RESULTS OF OPERATIONS			
Value of production		27,446	28,455
Costs of production		-27,308	-26,125
Operating profit/(loss)		138	2,330
Profit/(Loss) for the year		160	1,661

Giove Clear S.r.l.

€000	FINANCIAL POSITION	31 Dec 2021	31 Dec 2020
Non-current assets		221	284
<i>of which non-current investments</i>		-	-
Current assets		7,308	7,499
Other assets		40	21
Total assets		7,569	7,804
Equity		2,839	2,822
<i>of which issued capital</i>		10	10
Provisions and post-employment benefits		1,819	1,653
Payables		2,667	3,078
Other liabilities		244	251
Total equity and liabilities		7,569	7,804

€000	RESULTS OF OPERATIONS	2021	2020
Value of production		14,239	13,991
Costs of production		-13,271	-12,667
Operating profit/(loss)		968	1,324
Profit/(Loss) for the year		640	890

Associates

Tangenziali Esterne di Milano SpA

€000	FINANCIAL POSITION	31 Dec 2020	31 Dec 2019
Non-current assets		225,361	225,361
<i>of which non-current investments</i>		225,361	225,361
Current assets		5,942	6,534
Other assets		4	16
Total assets		231,307	231,911
Equity		230,989	231,483
<i>of which issued capital</i>		220,344	220,345
Provisions and post-employment benefits		31	25
Payables		287	403
Other liabilities		-	-
Total equity and liabilities		231,307	231,911

€000	RESULTS OF OPERATIONS	2020	2019
Value of production		115	118
Costs of production		-609	-630
Operating profit/(loss)		-494	-512
Profit/(Loss) for the year		-494	-511

6. Key indicators

Spea Engineering SpA

€000	FINANCIAL POSITION	31 Dec 2020	31 Dec 2019
Non-current assets		3,226	5,249
<i>of which non-current investments</i>		82	273
Current assets		125,060	161,075
Other assets		1,442	1,667
Total assets		129,728	167,991
Equity		40,629	56,356
<i>of which issued capital</i>		6,966	6,966
Provisions and post-employment benefits		24,136	31,003
Payables		64,963	80,632
Other liabilities		-	-
Total equity and liabilities		129,728	167,991
€000	RESULTS OF OPERATIONS	2020	2019
Value of production		54,140	70,474
Costs of production		-73,883	-97,719
Operating profit/(loss)		-19,973	-27,245
Profit/(Loss) for the year		-15,727	-21,854

Bologna & Fiera Parking SpA

€000	FINANCIAL POSITION	31 Dec 2020	31 Dec 2019
Non-current assets		39,593	40,957
<i>of which non-current investments</i>		-	-
Current assets		5,638	6,333
Other assets		5	-
Total assets		45,236	47,290
Equity		5,984	6,831
<i>of which issued capital</i>		2,715	2,715
Provisions and post-employment benefits		450	452
Payables		35,639	36,752
Other liabilities		3,163	3,255
Total equity and liabilities		45,236	47,290
€000	RESULTS OF OPERATIONS	2020	2019
Value of production		820	2,909
Costs of production		-1,756	-2,712
Operating profit/(loss)		-935	197
Profit/(Loss) for the year		-847	1

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