

**2023
ANNUAL
REPORT**

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INTRODUCTION



1.1 Letter to stakeholders

Safety, excellence and sustainability for the mobility of the future

The Autostrade per l'Italia Group's transformation continued in 2023, enabling us to deliver a series of achievements and results providing evidence of the Group's ability to create value for all our stakeholders. This reflects our success in bringing together a range of skills in both operation of the motorway network, through our operators, and in the development of new value added services and solutions for road users and the country as a whole, through our subsidiaries operating in engineering and construction (Tecne and Amplia), technology and innovation (Movyon) and sustainable mobility (Free To X and Elgea).

Despite the difficulties caused by the current global tensions, the Italian economy held up extremely well in 2023, as shown by the various key economic indicators and as demonstrated by the significant upturn in passenger and freight traffic using the Group's network, which now exceeds pre-pandemic levels.

In this environment, backed by a solid shareholder base, the next challenges to be met regard the upgrade, modernisation, digitalisation and sustainable development of the Group's 3,000 km of motorway network. This represents around a half of Italy's total network and is used each day by approximately 5 million vehicles.

Italy's motorways are the oldest in Europe, given that most of the various sections were built back in the 1960s and 1970s. They are also the most complex, due to the peculiar geomorphological characteristics of the terrain, as well as being the busiest, serving as the backbone for the country's productive system and playing an essential role in social cohesion.

This is the backdrop to the major investment programme that in 2023 saw the Autostrade per l'Italia Group begin work at more than 130,000 sites involved in the modernisation and maintenance of tunnels, bridges, viaducts and safety and noise barriers, in addition to improvements to quality and safety standards. A total of approximately €2.1 billion was spent on maintenance and capital expenditure under plans to extend the useful life of our assets, boost infrastructure resilience and upgrade the country's motorway hubs to cut journey times and help drive decarbonisation and the energy transition. A volume of works that the Group was able to manage whilst ensuring that the levels of service provided did not suffer, with only 0.3% of journeys on the entire motorway network affected by delays of over 30 minutes due to roadworks. In reiterating our full commitment to planning roadworks in the best possible way, we would like to thank road users for their patience and local authorities for their always positive contribution to the planning of works.

In terms of new infrastructure, the most important developments in 2023 regarded:

- the opening to traffic of the first ever five-lane stretch of motorway (on the A8, between Milan North and the A9 motorway);
- the first 6 kilometres of the so-called "fourth dynamic lane" that allows the use, under certain traffic conditions and thanks to advanced technological solutions,

- of the hard shoulder as a running lane (the urban section of the A4 motorway in the Milan area);
- the continuation of work on the widening of the A1 between Florence South and Incisa Valdarno;
- the opening to traffic, at the beginning of 2024, of a significant part of the San Benigno hub in Genoa and the official go-ahead for work to begin on the tunnel under the city's port.

These developments represent concrete proof of the Group's commitment to making the motorway system safer, more modern and more sustainable. A commitment that we intend to maintain over the next five-year regulatory period from 2025 to 2029. Talks with the Grantor and the regulator are currently underway in order to update the financial plan and the programme of investment in the modernisation and upgrade of the network, with the aim of supporting growth in mobility and driving further improvements in our country's competitiveness.

The Group continued to make progress in 2023 in our efforts to reduce our carbon footprint. We are aware that the targets set by the European Union for the decarbonisation of transport are particularly challenging. We wish to make an active contribution to achieving these targets, whilst also bearing in mind that sustainability is not merely a question of the environment but also applies to economic and social factors. This commitment has led us to set specific objectives to enable us to meet the challenging Net Zero goals and contribute to the development of sustainable road transport. Evidence of this is provided by the recent publication entitled "The sustainable mobility revolution starts with motorways. Safe, digital and carbon-free", produced in partnership with a number of leading experts and other operators and published by *Il Sole 24 Ore*.

It is already possible to rapidly charge electric vehicles at 100 ultrafast charging stations located every 50 kilometres on the network, and we are launching a call for tenders with a view to offering this service at all our other service areas, totalling over 100.

Our infrastructure is designed with sustainability in mind and we are committed to delivering increasingly safe motorways, using new methods for identifying and managing the related risks. We have radically transformed the way we conduct infrastructure surveillance, ensuring compliance with new legal standards and proceeding with an overhaul of internal processes and the progressive digitalisation of many activities.

We are also harnessing technology to make our infrastructure safer, with every bridge and tunnel on our network now having a digital twin. The only one of its kind in Europe, this system enables us to optimise management of our infrastructure assets.

Safety is at the heart of our transformation plan. This is why we have undertaken a series of initiatives, ranging from campaigns designed to spread awareness of responsible driving techniques, to the opening of "safety points" along the network and to initiatives that aim to protect the people who every day work on our motorways. This has been done by introducing new standards and processes and fully engaging our people in the Group's cultural transformation.

Our future goal is to provide increasingly "smart" motorways, with the widespread deployment of technologies capable of relieving traffic congestion and making the travel experience more pleasurable, boosting safety and helping to drive decarbonisation. As part of the "Mercury" programme, the first 52 km of smart roads have been launched,

with this figure due to rise in the coming years. We have also begun to use drones to monitor traffic and laser scanners to keep track of exceptional loads and heavy vehicles, whilst also trialling a system for converting the kinetic energy produced by vehicles into green electricity.

Confirmation of Autostrade per l'Italia's commitment to sustainability is provided by the publication of our "ESG Charter", setting out our commitments in line with the Sustainable Development Goals in the UN's 2030 Agenda. Further proof is provided by our support for the United Nations Global Compact, the network that includes businesses committed to developing, implementing, maintaining and promoting practices and policies for fairer economic growth. Recognition of the progress made is also provided by the ESG ratings assigned by leading international agencies.

Our market credibility has enabled us to successfully place our first two sustainability-linked bonds, amounting to €1.5 billion, in 2023. These were followed, at the beginning of 2024, by two new tranches of sustainability-linked bonds worth €1.0 billion. This, together with new credit facilities, has increased the resources available to fund our investment programme.

Skills are a strategic growth factor and this is why our Group is continuing to invest in training, putting human capital increasingly at the heart of efforts to create sustainable, inclusive growth. We are also firm believers in providing guidance and training for the younger generations as an indispensable means of developing the talent needed to successfully deliver the country's major projects.

Change is in our hands: safety, excellence and sustainability mark our pathway to the mobility of the future.

Our heartfelt thanks go to the team of 9,800 people whose daily commitment, professionalism and strong sense of responsibility have enabled us to achieve the results for the year just ended.

Elisabetta Oliveri
(Chairwoman)

Roberto Tomasi
(Chief Executive Officer)

1.2 The Autostrade per l'Italia Group's growth and improvement strategy

Vision

To create economic and social value for the country, through investment in next-generation infrastructure capable of offering mobility services that provide a unique travel experience and help to drive local development.

Mission

To make mobility more sustainable, safe, innovative and efficient, meeting the present and future needs of the community

The Autostrade per l'Italia Group's new growth and improvement strategy takes inspiration from the so-called "**seventh transport revolution**", a transformation process that has already begun and is centred around the concept of sustainable mobility. This was more extensively covered in the paper published in December 2023, "The sustainable mobility revolution starts with motorways. Safe, digital and carbon-free" (published by *Il Sole 24 Ore*), produced by the Company in collaboration with leading operators in the sector, universities and research centres. This is a revolution driven by the need to decarbonise transport and introduce new, cleaner energy carriers, by the fast pace of development of assisted driving, self-driving and connected vehicles, by the digitalisation and modernisation of infrastructure and by new smart mobility and logistics services. This revolution will above all involve road transport that, today as in the future, will remain the prevailing form of transport for people and goods and, as such, can make a major contribution to the country's economic, social and environmental growth. All, moreover, framed by the extremely challenging targets set in the EU's Vision Zero strategy, which aims to achieve zero road deaths and carbon neutrality by 2050.

As the title of the above publication would suggest, **motorways** undoubtedly have a **key role** to play in this revolution, particularly in accelerating these processes and directing them towards a virtuous pathway through the adoption of new solutions and technologies and thanks to their wide geographical footprint. In this context, having launched our first Transformation Plan for the 2020-2024 period, which is nearing completion with approximately 90% delivered so far, **the Autostrade per l'Italia Group** is preparing for the **next stage in our development**, marking a major step forward with respect to the earlier "Next-to" approach. This new chapter in the Group's history, which we have called "**Beyond the Next**", is based on a strategic vision that brings together values that are **essential** to the Group's performance and shared by everyone within the Group's community: **safety, accountability, excellence, innovation and transparency**. These elements will allow us to not only play the part of onlookers, but to take on a leading role in the process of changing a sector that is so important for the country's future growth.

The values underpinning the new «Beyond the Next» Plan



Safety



Accountability



Excellence

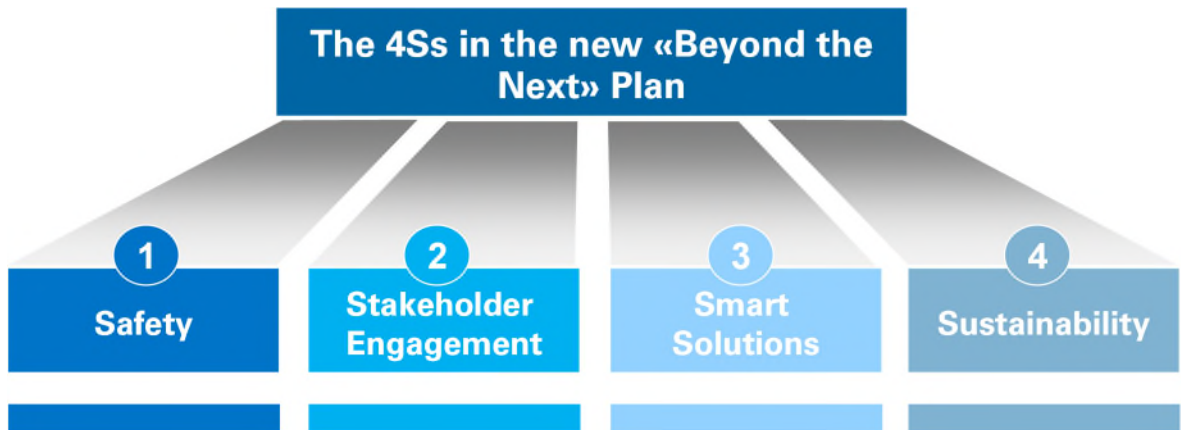


Innovation



Transparency

The next stage in the Group's Transformation Plan will thus contribute to all of this, being structured around four **key strategic pillars**. We have dubbed these the **4Ss: Safety, Stakeholder Engagement, Smart Solutions and Sustainability**.



- **Safety:** safety, the most important value and our primary focus of attention, remains a key priority for the millions of road users that every day travel on our network and for the thousands of people working on its improvement and modernisation. Each step we take along the path to achieving the vision of zero accidents will aim to ensure the utmost safety of road users and workers. We will deliver this goal by modernising and upgrading our infrastructure assets and providing advanced training for our colleagues to cultivate the skills of the future and ensure that our leadership is fully committed to the task. This will be backed up by modern road safety awareness campaigns, designed to develop a risk reduction culture and drive improvements in safety on all our motorways. Further contributions will be provided by innovative initiatives, such as the introduction of the Road Zipper, Active Safety programmes and the Safety Academy for our workers;
- **Stakeholder Engagement:** our success will depend on our ability to listen to, engage with and meet the needs of all our stakeholders. This means above all improving our customer relationship management by adopting a customer-centric approach. It will also require us to use “visible” innovation and digitalisation to improve the quality of the travel experience and of the service we provide, in which Muovy, the new app bringing together and digitalising all ASPI's customer services, will play a key role. This will also mean ensuring that our people are fully engaged, supporting internal skills development and cultivating and incentivising talent. We will also leverage the networks and synergies built up as part of learning districts, with the further aim of developing and guiding the new generations in a rapidly and continuously evolving labour market. All of this without forgetting the need for transformation and reorganisation as part of the value creation process, introducing cross-cutting and horizontal collaboration mechanisms, systems, frameworks and tools to

help us manage complexity and excel at what we do. Stakeholder Engagement also means investing in supply chain ethics and sustainability, and continuing to actively work with public bodies and organisations, looking beyond our network at projects designed to benefit the communities through which our motorways run. Our commitment is thus to create an integrated community, in which we listen to the various needs and expectations of our stakeholders, strengthening our Company's positioning as an active and responsible leader in the sector;

- **Smart Solutions:** in the digital era, Autostrade per l'Italia is working on the adoption of innovative, smart solutions for digitalising the design process, automating construction and smart worksite management, in addition to monitoring the network using AI and machine learning to optimise the processes involved. In parallel, we intend to deploy the solutions necessary to enable self-driving vehicles to use our motorways. These will include 5G wireless data transmission networks and free-flow systems that will modernise the tolling process, making it easier for road users to use and offering a new travel experience. The next stage in the Transformation Plan will in this case involve a shift from a "data driven" to an "insight driven" approach. This will be centred on the ability to analyse and interpret large quantities of data to predict and anticipate trends and needs and inform the Company's key decisions in response to changes in the operating environment. Our firm commitment to digitalisation and innovation positions us as a leader in the transformation of the transport sector;
- **Sustainability:** our commitment to sustainability is clear to all and acknowledged by the leading rating agencies, who have assigned us a series of prestigious sustainability ratings. This pathway, which among other things led to the publication of the Group's first ESG Charter in 2023, can not only be seen from our use of green materials and renewable energy, but also from our efforts to enable and promote alternative energy carriers that are kinder to the planet. We are also working on cutting emissions, using sustainable systems for managing water resources and combatting waste as part of our drive to create a greener future. Our goal is to also become a centre of environmental excellence, by showing how sustainability can be successfully embedded in infrastructure and in the way we operate our motorways, starting from the infrastructure design phase, as the Envision Platinum and Gold certifications for the Bologna Bypass and the Genoa Interchange prove. But the type of sustainability we are looking to achieve is all-round: not only environmental but also economic and social, creating long-term value for our stakeholders. In this sense, sustainability governance extends to all levels of the organisation, running through every aspect of what we do, to facilitate the correct implementation of our strategies.

In conclusion, these four pillars provide the guidelines underpinning the development and assessment of every project and initiative that, like the pieces in a large mosaic, will contribute to driving the Group's development strategy, which aims to combine business growth with a firm commitment to progress, innovation and social responsibility.

Backed by the support, dedication and passion of our people, we have set ourselves ambitious goals, positioning the Group not only as a **leader in managing the most resilient motorway infrastructure**, but also as a **pioneer of cultural and technological change in our sector**.

1.3 Group companies

Autostrade per l'Italia, together with the Group's other motorway operators, today manages approximately 3,000 km of network under concession across 15 regions and 60 provinces, with 214 service areas, approximately 4,200 bridges and viaducts and over 420 km of tunnels.




 Autostrade per l'Italia Km of network: 2,855 - Concession expiry: 2038

Other operators:

 Società Italiana per il Traforo del Monte Bianco Km of network: 6 - Concession expiry: 2050

 Raccordo Autostradale Valle d'Aosta Km of network: 32 - Concession expiry: 2032

 Società Autostradale Tirrenica Km of network: 55 – Concession expiry: 2028

 Tangenziale di Napoli Km of network: 20 – Concession expiry: 2037

The other subsidiaries operate in synergy, providing engineering and construction services and developing mobility-related technological solutions.

ENGINEERING AND CONSTRUCTION



Ampla Infrastructures

Working to consolidate its position in the Italian market for infrastructure construction and maintenance



Tecne

Delivering engineering projects key to improving the network

INNOVATION AND TECHNOLOGY



Free To X

Developing advanced mobility services, offering sustainable technological solutions designed to improve the all-round travel experience



Movyon

Developing and integrating innovative Intelligent Transport Systems for smart mobility

OTHER SERVICES



Youverse

Managing administrative, general and property services for the entire Group and credit and toll collection activities



Elgea

Producing clean energy using green technologies and systems located along the motorway network



Giovia

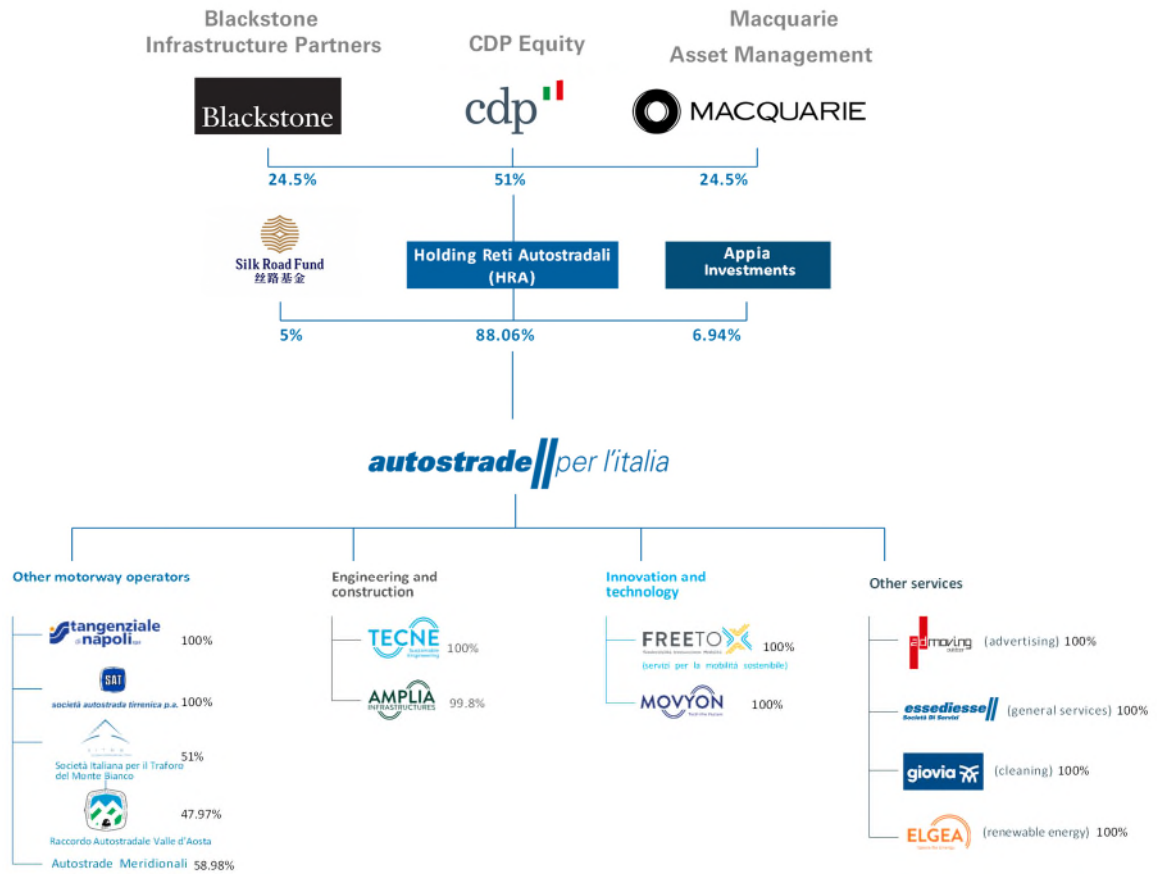
Providing cleaning and maintenance services for forecourts, green spaces and toilet facilities at service areas on the Group's network



AD Moving

Commercialising spaces, advertising services and events at service areas

1.4 Ownership and structure of the Autostrade per l'Italia Group



Note: The chart shows interests in the principal Autostrade per l'Italia Group companies.

1.5 Corporate bodies

BOARD OF DIRECTORS

for the financial years 2022 – 2023 – 2024

CHAIRWOMAN

Elisabetta OLIVERI

CHIEF EXECUTIVE OFFICER

Roberto TOMASI

DEPUTY CHAIRMAN

Gianluca RICCI ⁽¹⁾

DIRECTORS

Fabio BARCHIESI ⁽²⁾

Sergio BUONCRISTIANO

Fulvio CONTI

Christoph HOLZER

Jonathan Grant KELLY

Zhiping CHEN ⁽³⁾

Fabio MASSOLI

Massimo ROMANO

Francesca PACE

Andrea VALERI

Ignacio BOTELLA RODRIGUEZ ⁽⁴⁾

BOARD OF STATUTORY AUDITORS

for the financial years 2021 –

CHAIRMAN

Angelo Gervaso COLOMBO

STANDING AUDITORS

Franco CADOPPI

Roberto COLUSSI

Donato LIGUORI

Marino MARRAZZA

ALTERNATE AUDITORS

Francesco ORIOLI

Daniele VEZZANI

INDEPENDENT AUDITORS

for the financial years 2021 – 2029

KPMG SpA

COMMITTEES

MAJOR WORKS COMMITTEE

Elisabetta OLIVERI (*Chair*)

Roberto TOMASI

Gianluca RICCI

Fabio BARCHIESI

Sergio BUONCRISTIANO

Christoph HOLZER

Jonathan Grant KELLY

Zhiping CHEN

Massimo ROMANO

Ignacio BOTELLA RODRIGUEZ

CONTROL, RISK, AUDIT AND RELATED PARTIES COMMITTEE

Francesca PACE (*Chair*)

Jonathan Grant KELLY

Zhiping CHEN

Fabio MASSOLI

Gianluca Ricci

ESG & HS COMMITTEE

Fabio MASSOLI (*Chair*)

Sergio BUONCRISTIANO

Francesca PACE

Ignacio BOTELLA RODRIGUEZ

REMUNERATION AND NOMINATIONS COMMITTEE

Massimo ROMANO (*Chair*)

Gianluca RICCI

Christoph HOLZER

Andrea VALERI

(1) The Annual General Meeting of shareholders held on 20 April 2023 confirmed the appointment of Mr. Gianluca Ricci (co-opted on 6 October 2022) as a Director of the Company through to approval of the financial statements for the year ended 31 December 2024. Mr. Ricci was also appointed Deputy Chairman of the Company's Board of Directors and confirmed as a member of the Company's Major Works Committee, the Control, Risk, Audit and Related Parties Committee and the Remuneration and Nominations Committee at the Board meeting held on 11 May 2023.

(2) Following the resignation of Ms. Roberta Battaglia, on 8 February 2024, the Company's Board of Directors co-opted Mr. Fabio Barchiesi as a Director. The Board of Directors' meeting of 8 February 2024 also appointed Mr. Barchiesi to replace Ms. Battaglia as a member of the Major Works Committee.

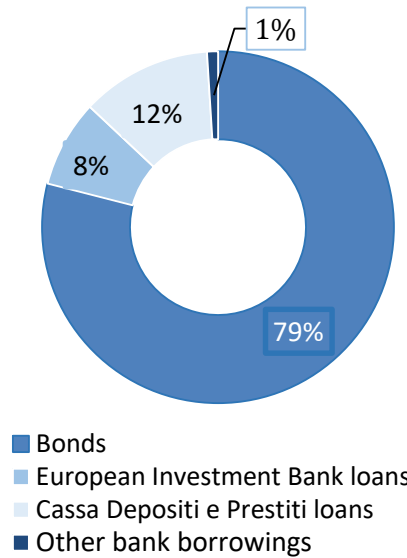
(3) Following the resignation of Mr. Hongcheng Li, on 11 May 2023, the Company's Board of Directors co-opted Mr. Zhiping Chen and appointed him to replace Mr. Hongcheng Li as a member of the Control, Risk, Audit and Related Parties Committee. The Board also took note of Mr. Chen's appointment as of right as a member of the Major Works Committee pursuant to the combined provisions of articles 28.2 and 39.1 of the Articles of Association.

(4) Following the resignation of Mr. Robert Edward William Desmond Watt, on 27 July 2023, the Company's Board of Directors first co-opted Mr. Gordon Ian Winston Parsons to serve as a Director. On 27 July 2023, the Board also appointed Mr. Parsons to replace Mr. Watt as a member of the Major Works Committee and the Environmental, Social and Governance & Health and Safety Committee. Moreover, following the resignation of Gordon Ian Winston Parsons, on 14 March 2024, the Company's Board of Directors appointed Mr. Ignacio Botella Rodriguez as a new Director. On 14 March, the Board also appointed Mr. Rodriguez to replace Mr. Parsons as a member of the Major Works Committee and the Environmental, Social and Governance & Health and Safety Committee.

1.6 Financial profile and ratings

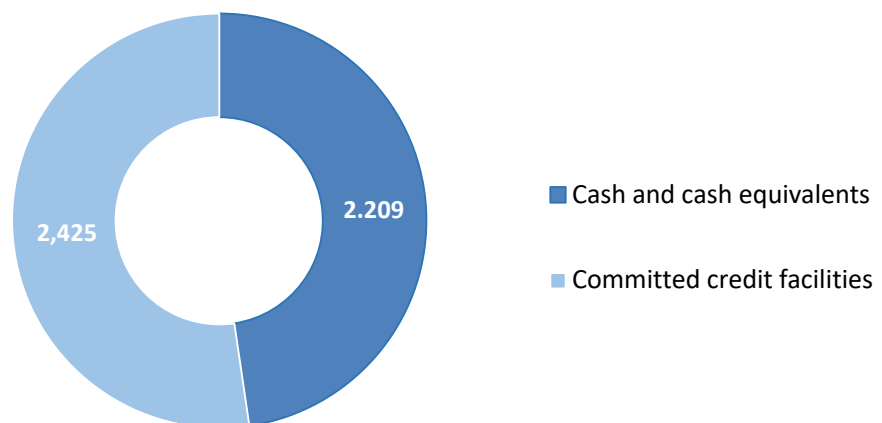
Structure of the Group's debt as at 31 December 2023

The Group's gross debt (nominal value) amounts to €11,726 million and primarily consists of fixed rate bonds .






- Average cost of medium/long-term debt is approx. 3.3%
- Average residual term to maturity is 5 years
- 91% of debt is fixed rate

As at 31 December 2023, the Group has cash reserves of €4,634 million, consisting of:








Financial ratings

Autostrade per l'Italia's financial strength is confirmed by the credit ratings assigned to it by the leading international rating agencies.

Agency	Rating (at the date of publication of the Annual Report)
	BBB- / Stable Outlook
	BBB / Stable Outlook
	Baa3 / Stable Outlook

ESG ratings

The ASPI Group's commitment and effective delivery of the sustainability strategy and its environmental, social and governance performance have been confirmed by its receipt of excellent ESG ratings from leading, internationally recognised agencies.

Agency	ESG Score	Rating Scale
	90/100 (Oct 2023)	100 0
	BBB (Apr 2023)	AAA DDD
	4.7 Negligible Risk (Aug 2023)	Negligible/ Low / Medium / High / Severe risk
	A- (Jan 2024)	A D
	EE (Nov 2023)	EEE F

2

Report on operations

autostrade // *per l'italia*



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2.1 Business overview

Financial highlights

Consolidated key performance indicators

(€m)

€m	2023	2022
Total operating revenue	4,328	4,175
Gross operating profit (EBITDA)	2,401	2,459
Profit for the year	875	1,149
Profit for the year attributable to owners of the parent	878	1,130
Cash EBITDA ^(*)	2,357	1,896
Operating cash flow	1,720	1,250
Capital and maintenance expenditure ^(**)	2,129	1,828

€m	31 December 2023	31 December 2022
Equity	2,915	3,469
Equity attributable to owners of the parent	2,606	3,146
Net debt	9,280	8,117

(*) To improve presentation, the calculation of cash EBITDA has been revised. The computation of costs now also takes into account all uses of provisions for risks and charges made in previous years and not only those to cover discounted tolls. Details of how Cash EBITDA is calculated are provided in “Consolidated financial position” in the following section 2.4, “Group financial review”.

(**) This amount includes capital expenditure of €1,630 million in 2023 and €1,094 million in 2022, maintenance costs of €469 million in 2023 and €396 million in 2022, and unremunerated investment of €30 million in 2023 and €338 million in 2022. The cost of unremunerated investment includes amounts linked to certain types of work carried out by Autostrade per l’Italia and not covered by tolls, as provided for in the Settlement Agreement entered into with the Grantor in order to settle the dispute over alleged serious breaches initiated by the Grantor following the collapse of a section of the Polcevera road bridge. These costs are covered by provisions for risks and charges made in previous years and their incurrence does not therefore have any impact on profit or loss.

- Operating revenue of €4,328 million is up €153 million compared with 2022, reflecting an improvement in traffic using the network managed by the Group's operators.
- Gross operating profit (EBITDA¹) of €2,401 million is down €58 million compared with 2022, reflecting higher maintenance costs and the negative effect of the sharp fall in the rates used to discount provisions registered in December 2023.
- Consolidated profit for the year of €875 million is down €274 million compared with 2022, which included financial income of €75 million following fair value gains on interest rate swaps redesignated as cash flow hedges from 2022, as well as recognition of the impact of the exemption from taxation of off-balance sheet amortisation of goodwill attributable to Autostrade per l'Italia (reducing tax expense by €96 million).
- Cash EBITDA and operating cash flow² are up €461 million and €470 million compared with 2022.
- Sustainability-linked bonds amounting to €1.5 billion were issued in 2023 to fund investment and the network modernisation plan, accompanied by the collection of €282 million following the unwinding of certain Forward-starting IRSs.
- Repayment of retail bonds amounting to €750 million in June 2023.

Non-financial highlights

Network modernisation and upgrade

- Maintenance and capital expenditure amounted to approximately €2.1 billion under plans to extend the useful life of our assets, boost infrastructure resilience and upgrade the country's motorway hubs to cut journey times and help drive decarbonisation and the energy transition.
- The A8 Milan Lakes has become the first five-lane motorway in Italy following the opening of the section of approximately 4.4 kilometres between the Milan North toll station and link road to the A9 Lainate-Como-Chiasso motorway.
- The first 6 km of the fourth free-flow lane on the A4 in the Milan area between the Certosa junction and the Lambro service area (around 70% of the section to be upgraded) were opened to traffic.
- On 13 January 2024, one of the most important lots for the San Benigno hub was opened to traffic, with the aim of rationalising traffic flow between the Genoa West and Genoa Airport toll stations.
- As part of the upgrade plan, preparations are underway for work to begin on other projects of major importance for the country, such as the Bologna Bypass, the Genoa Interchange, the tunnel under the Port of Genoa and the widening of the A11 from Florence to Pistoia, of the A14 between Bologna and the Ravenna link road and of the A13 between Bologna and Ferrara.

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".

² Details of how Cash EBITDA and operating cash flow are calculated are provided in "Consolidated financial position" in the following section 2.4, "Group financial review".

Innovation

- Following the entry into service of the first 50 km of Intelligent Roads on the A1 between Florence South and Florence North and at the Bologna urban hub, Autostrade per l'Italia has begun trials of a system enabling vehicles to communicate with infrastructure, maintaining the same level of autonomous driving even when there is no satellite signal.
- Trials have begun of the Road Zipper System and network surveillance using drones to monitor traffic conditions, including traffic flow, worksites, road signage and the state of road surfaces and greenery.
- Launch of the Muovy app, the single digital hub bringing together all ASPI's customer services (traffic information, cashback, billing, prepaid viacards and other services).
- Movyon has begun trials of a system for converting the kinetic energy generated by vehicles using motorways into green electricity to power service areas.

Safety

- The Group's is continuing its commitment to raising safety levels for roads, infrastructure and the personnel who every day work on our motorways:
 - The latest round of inspections of bridges, viaducts and tunnels was completed using the multi-level approach provided for in the new guidelines, which involves the deployment of increasingly effective infrastructure monitoring and maintenance systems.
 - Definition of the Alert Levels (Level 2) for infrastructure assets operated under concession, in line with the timing set out in the monitoring guidelines established by the Grantor.
 - The Tunnel Management System module for the ARGO system has been developed, including use of a high-definition 3D laser scanner for tunnels on the network.
 - The new IRIS vehicle, equipped with laser scanners and 360° cameras for the 3D survey of the entire motorway system, entered operation.
 - A latest generation system for controlling the transport of exceptional loads and the weight of heavy vehicles using a 3D laser scanner and a static weighing system entered operation, enabling the traffic police to intervene immediately in the case of a violation.
- Active Safety Value initiatives:
 - a safety week was held in February 2023;
 - a corporate advertising campaign in the national media was launched in November 2023 to promote behaviour designed to achieve the goal of reducing workplace injuries to zero.

Sustainability

- In January 2023, ASPI was admitted to the United Nations Global Compact, the network whose membership consists of businesses around the world committed to creating an economic, social and environmental framework to support a healthy and sustainable global economy.
- The planned rollout, by Free To X, of 100 ultrafast charging stations at the same number of service areas has been completed; tenders will be called in 2024 with the aim of increasing coverage to a further 108 areas.
- The plan to install LED lighting in tunnels and at motorway junctions, replacing the traditional sodium lamps has been launched. This innovation is due to be completed in 2024 and will

enable the Group to save around 2 GWh per year of energy, cutting Co2 emissions by over 520 tonnes a year.

- The ASPI Group's "ESG Charter" was published in October 2023, setting out the Group's strategy for adopting sustainable initiatives and behaviours, in line with the Sustainable Development Goals in the UN's 2030 Agenda.

Sustainable finance

- The placement, in January and June, of the first two Sustainability-linked bond issues worth €1.5 billion, with the spreads linked to the achievement of specific targets for cuts in greenhouse gas emissions and the installation of charging points for electric vehicles on the motorway network.
- The two Sustainability-Linked bonds issued by Autostrade per l'Italia have been admitted to trading on the Luxembourg Stock Exchange's LGX platform that specialises in sustainable debt securities.
- New sustainability-linked bilateral revolving credit facilities amounting to €725 million were obtained from leading Italian and international banks, with margin adjustments tied to the achievement of specific ESG goals.

Control frameworks, ISO certification and combatting corruption

- The Integrated Management System received a Class A rating in accordance with the IMQ-IMS standard and was awarded a certificate of excellence by the external certification body, in recognition of the quality and high number of the Company's certified standards.
- Development of a high-level training framework, recognised as best practice by the OECD in its paper, "Shaping the values - Education for the fight against corruption", for a sustainable future.
- A third-party management framework has been implemented by ASPI. Using a structured monitoring process, the framework enables the Company (i) to boost its capacity to manage third-party relations, (ii) to ensure positive business relationships in the form of partnerships, (iii) to establish relationships based on loyalty, fairness, transparency and efficiency, and (iv) to promote free and fair competition in the selection of partners/suppliers/contractors.

Human resources

- The Group continued its recruitment drive, hitting the target of 2,900 new hires in 2023, ahead of the deadline set in the 2021-2024 Transformation Plan (1,100 hires in 2023 alone).
- Autostrade per l'Italia has published its first Gender Report, produced in line with the Gender Equality Plan.
ASPI was again awarded Top Employers certification by the Top Employers Institute, which each year rewards the best companies based on the quality of their workplaces and policies).
- The national collective labour agreement for motorway and tunnel workers has been renewed and will be valid until 30 June 2025. This marks a further key step in the process of changing and transforming the Autostrade per l'Italia Group, strengthening the industrial relations system based on a participatory approach and relaunching the Company as a provider of sustainable mobility, capable of accelerating the country's development and the free movement of people.

2.2 Events after 31 December 2023

EIB loan to fund ASPI's modernisation plan

On 15 February 2024, Autostrade per l'Italia agreed a loan of €1.2 billion with the European Investment Bank ("EIB"). The proceeds from the EIB loan include at least €800 million backed by InvestEU with a term of 15 years (in line therefore with the expiry of the concession) and to be disbursed directly. The funds will contribute to funding for modernisation of the network, making it more sustainable and resilient, including in respect of any future climate events. The EIB has committed to providing a further €400 million in indirect funding via a bank that has yet to be selected, with the aim of supporting progress on Autostrade per l'Italia's modernisation plan.

Liquidation and unwinding of Autostrade Meridionali

On 21 February 2024, the board of directors of the subsidiary, Autostrade Meridionali, decided to propose the company's voluntary liquidation and subsequent liquidation to the extraordinary general meeting of shareholders to be held on 8 April 2024.

Bond issue

On 28 February 2024, Autostrade per l'Italia placed two new tranches of Sustainability-Linked Bonds worth €500 million each with terms of 8 and 12 years and paying coupon interest of 4.25% and 4.625%, respectively.

In line with the commitments set out in the Sustainability-Linked Financing Framework published in December 2022, interest payable on the new bonds is linked to the achievement of specific medium- to long-term targets for cuts in greenhouse gas emissions and the installation of EV charging points on the motorway network.

The issue was accompanied by the unwinding of derivative assets with the same nominal value (€1,000 million) and the collection of approximately €170 million in fair value gains.

Approval of the design for the tunnel under the Port of Genoa

On 2 March 2024, the Ministry of Infrastructure and Transport (the "MIT") announced approval of the design for the construction of a tunnel under the Port of Genoa. This project was included in the undertakings given by Autostrade per l'Italia in the settlement agreement entered into with the MIT in October 2021 up to an amount of €700 million, already covered by provisions for risks and charges made in previous years.

2.3 Outlook

In 2024, the year in which Italy's first motorway will be one hundred years old, our role is to proceed with modernisation and upgrade of the network, improving the quality and safety of the infrastructure and laying the groundwork for the sustainable mobility of the future. This will require us to significantly step up investment that will benefit both travellers and all the stakeholders in the areas crossed by the network.

We expect a significant increase in investment and maintenance work in 2024, with approximately €2.3bn due to be spent with the aim of proceeding with the modernisation and upgrade of the infrastructure we operate. This will increase the useful life of our assets and boost their resilience, including their ability to withstand adverse climate events.

2024 is also the last year of Autostrade per l'Italia's five-year regulatory period. As part of the process of updating the regulatory framework for the next five years from 2025 to 2029, it will be essential to identify all the investments required to meet Italy's mobility needs. This will involve finding appropriate forms of funding that will ensure financial metrics appropriate to a solid financial structure.

Despite ongoing macroeconomic uncertainty, in part caused by the prolonged geopolitical crisis, after having fully returned to pre-pandemic levels, we expect traffic using Autostrade per l'Italia's network to register a slight increase compared with 2023. As in the past, we will pursue our business objectives whilst maintaining a healthy, stable financial structure.

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 section, "Consolidated financial statements as at and for the year ended 31 December 2023", in this Annual Report, determined applying the international financial reporting standards (IFRS) described therein.

This section includes reclassified financial statements that 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 2023 (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, if material, 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.

There has been no material change in the scope of consolidation as at 31 December 2023 with respect to 31 December 2022. However, in December 2023, Free To X SpA was established via the transfer of Free To X Srl's e-mobility business unit, which produces and operates charging stations for electric and hybrid vehicles, to the new company.

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

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

€m	2023	2022	Increase/(Decrease)	
			Absolute	%
Toll revenue	3,838	3,709	129	3
Other operating income	490	466	24	5
Total operating revenue	4,328	4,175	153	4
Maintenance costs	(469)	(396)	(73)	18
Cost of other external services	(356)	(380)	24	(6)
Concession fees	(474)	(462)	(12)	3
Net staff costs	(604)	(554)	(50)	9
Operating change in provisions	(24)	76	(100)	n/s
Total net operating costs	(1,927)	(1,716)	(211)	12
Gross operating profit (EBITDA)	2,401	2,459	(58)	(2)
Amortisation, depreciation, impairment losses, reversals of impairment losses and provisions for renewal work	(739)	(647)	(92)	14
Operating profit/(loss) (EBIT)	1,662	1,812	(150)	(8)
Financial income/(expenses), net	(399)	(311)	(88)	28
Share of profit/(loss) of investees accounted for using the equity method	(7)	(3)	(4)	n/s
Profit/(Loss) before tax from continuing operations	1,256	1,498	(242)	(16)
Income tax benefit/(expense)	(381)	(349)	(32)	9
Profit/(Loss) for the year	875	1,149	(274)	(24)
(Profit)/Loss for the year attributable to non-controlling interests	(3)	19	(22)	n/s
(Profit)/Loss for the year attributable to owners of the parent	878	1,130	(252)	(22)

“**Total operating revenue**” for 2023 amounts to €4,328 million, an increase of €153 million compared with 2022 (€4,175million). This includes:

- a) “**Toll revenue**” of €3,838 million, up €129 million compared with 2022 (€3,709 million), primarily reflecting traffic growth of 3.6% (3.1% after also taking into account the negative change in the traffic mix), and the toll increase of 1.59% granted to Autostrade per l’Italia. This item includes a non-cash component linked to the discounts and exemptions granted to road users, amounting to €69 million in 2023 (€102 million in 2022)¹. Toll revenue also includes the surcharges added to the concession fee payable to ANAS, amounting to €382

¹ Amounts for discounts and exemptions, included in the commitments assumed by the Company in the Settlement Agreement of October 2021, have no impact on profit and loss due to the use of provisions for risks and charges made in previous years.

million (€375 million in 2022)¹, and accounted for in operating costs under the item “concession fees”. After stripping out the above surcharges, toll revenue is up €122 million;

- b) **“Other operating income”** of €490 million, up €24 million compared with 2022 (€466 million), due primarily to recognition of insurance proceeds of €29 million paid to Autostrade per l’Italia following the claim made under the All-Risks policy for the period of insurance in which the Polcevera road bridge event took place.

“Net operating costs” of €1,927 million are up €211 million compared with 2022 (€1,716 million).

This reflects:

- a) **“Maintenance costs”** of €469 million, an increase of €73 million compared with 2022 (€396 million), primarily reflecting the greater volume of resurfacing work carried out, the rising cost of raw materials and the cost of motorway repairs following the damage caused by the floods in Emilia-Romagna in May 2023;
- b) **“Net staff costs”** of €604 million, an increase of €50 million compared with 2022 (€554 million). The change primarily reflects recognition of the effects of the early retirement scheme² implemented by Autostrade per l’Italia and the subsidiary, EssediEsse (totalling €59 million);
- c) the **“Operating change in provisions”**, amounting to a net expense of €24 million, primarily due to the negative impact of the reduction in the interest rates used to discount the value of provisions for risks and charges and provisions for the repair and replacement of motorway infrastructure. There was a net use of provisions in 2022, resulting in income of €76 million, reflecting a significant rise in the discount rates used.

“Gross operating profit” (EBITDA) of €2,401 million is down €58 million compared with 2022 (€2,459 million) as a result of the above performance.

“Amortisation and depreciation, impairment losses, reversals of impairment losses and provisions for renewal work” amount to €739 million, an increase of €92 million compared with 2022. This essentially reflects the increased value of concession rights due to investment during 2022.

The resulting **“Operating profit” (EBIT)** of €1,662 million is down €150 million compared with 2022 (€1,812 million).

“Net financial expenses” of €399 million are up €88 million compared with 2022, which included fair value gains of €75 million on IRS derivative financial instruments redesignated as cash flow hedges in 2022.

¹ From 1 January 2011, the surcharges added to the concession fee payable to ANAS pursuant to laws 102/2009 and 122/2010, computed on the distance travelled by each vehicle, 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.

² Further details are provided in section 2.10, “Workforce”.

“Profit before tax from continuing operations” of €1,256 million is down €242 million compared with 2022 (€1,498 million).

“Income tax expense” amounts to €381 million (€349 million for 2022). Despite the reduction in profit before tax, this item is up €32 million compared with 2022, which benefitted from recognition of the impact of the exemption from taxation of off-balance sheet amortisation of goodwill attributable to Autostrade per l’Italia (Law 244/2007), totalling €96 million (including €219 million resulting from the use of deferred tax assets offset by €123 million in substitute tax paid).

“Profit for the year”, amounting to €875 million, is down €274 million compared with 2022 (€1,149 million).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€m	2023	2022
Profit/(Loss) for the year (A)	875	1,149
Fair value gains/(losses) on cash flow hedges	(96)	520
Tax effect of fair value gains/(losses) on cash flow hedges	23	(125)
Other comprehensive income from investments accounted for using the equity method	5	2
Other comprehensive income/(loss) reclassifiable to profit or loss for the year (B)	(68)	397
Gains/(losses) from actuarial valuations of provisions for employee benefits	13	8
Tax effect of gains/(losses) from actuarial valuations of provisions for employee benefits	(3)	(2)
Other comprehensive income/(loss) not reclassifiable to profit or loss for the year (C)	10	6
Other reclassifications of other comprehensive income to profit or loss for the year	-	22
Tax effect of other reclassifications of other comprehensive income to profit or loss for the year	-	(5)
Reclassifications of other comprehensive income to profit or loss for the year (D)	-	17
Total other comprehensive income/(loss) for the year (E=B+C+D)	(58)	420
<i>of which attributable to discontinued operations</i>	-	-
Comprehensive income/(loss) for the year (A+E)	817	1,569
<i>Of which attributable to owners of the parent</i>	<i>819</i>	<i>1,550</i>
<i>Of which attributable to non-controlling interests</i>	<i>(2)</i>	<i>19</i>

The “Total other comprehensive loss for the year” amounts to €58 million, essentially reflecting a significant reduction in fair value gains on cash flow hedges. In contrast, comprehensive income for 2022 amounted to €420 million, reflecting rising interest rates.

Consolidated financial position

RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€m	31 December 2023	31 December 2022	Increase/ (Decrease)
Property, plant and equipment	225	202	23
Intangible assets	16,659	15,813	846
Investments	73	78	(5)
Deferred tax assets not eligible for offset	135	122	13
Other non-financial assets	-	3	(3)
Non-financial assets held for sale	24	-	24
Non-financial assets (A)	17,116	16,218	898
Trading assets	856	833	23
Trading liabilities	(1,890)	(1,830)	(60)
Net tax assets/(liabilities)	(136)	(21)	(115)
Other net assets/(liabilities)	(354)	(290)	(64)
Net working capital (B)	(1,524)	(1,308)	(216)
Gross invested capital (C=A+B)	15,592	14,910	682
Provisions	(2,752)	(2,781)	29
Deferred tax liabilities net of deferred tax assets eligible for offset	(611)	(513)	(98)
Other non-financial liabilities	(22)	(30)	8
Non-financial liabilities held for sale	(12)	-	(12)
Non-financial liabilities (D)	(3,397)	(3,324)	(73)
NET INVESTED CAPITAL (E=C+D)	12,195	11,586	609
Equity attributable to owners of the parent	2,606	3,146	(540)
Equity attributable to non-controlling interests	309	323	(14)
Total equity (F)	2,915	3,469	(554)
Net debt (G)	9,280	8,117	1,163
NET DEBT AND EQUITY (H=F+G)	12,195	11,586	609

As at 31 December 2023, “**Non-financial assets**”, totalling €17,116 million, are up €898 million compared with 31 December 2022 (€16,218 million). This primarily reflects capital expenditure of €1,630 million (of which investment in motorway infrastructure totals €1,468 million), partially offset by depreciation for the period (€714 million).

“**Net working capital**” reports a negative balance of €1,524 million as at 31 December 2023, an increase of €216 million compared with 31 December 2022 (a negative €1,308 million). The change essentially reflects a combination of the following:

- a) an increase in net tax liabilities (€115 million) due to the recognition of income tax for the period (€282 million), net of payments on account for the current year (€82 million) and payment of the accrued amount due (€49 million) due as substitute tax relating to the exemption from taxation of off-balance sheet amortisation of goodwill attributable to Autostrade per l’Italia;
- b) an increase in other net liabilities (€64 million), due primarily to an increase in VAT payable following the introduction of the “split payment” regime for VAT from 1 January 2023, as required by the legislation in force.

“**Non-financial liabilities**”, totalling €3,397 million, are up €73 million compared with 31 December

2022 (€3,324 million). This primarily reflects an increase of €98 million in deferred tax liabilities (after deferred tax assets eligible for offset), reflecting off-balance sheet amortisation of goodwill by Autostrade per l'Italia.

“Equity” of €2,915 million is down €554 million compared with 31 December 2022 (€3,469 million). **“Equity attributable to owners of the parent”** of €2,606 million is down €540 million overall compared with 31 December 2022 (€3,146 million), reflecting the payment of dividends to Autostrade per l'Italia's shareholders, including the final dividend for 2022 (€924 million) and the interim dividend for 2023 (€434 million), and comprehensive income for the year of €819 million.

“Equity attributable to non-controlling interests” of €309 million is down €14 million compared with 31 December 2022 (€323 million), reflecting the payment of dividends to non-controlling shareholders (€11 million) and the comprehensive loss for the year of €2 million.

Changes in “Net debt”, amounting to €9,280 million as at 31 December 2023, are shown below:

€m		2023	2022	Increase/ (Decrease)
NET DEBT AT THE BEGINNING OF THE YEAR	A	(8,117)	(8,246)	129
Reported EBITDA		2,401	2,459	(58)
Operating change in provisions recognised in profit or loss and other non-cash changes		76	(81)	157
Costs linked to use of provisions for risks and charges		(120)	(482)	362
Cash EBITDA		2,357	1,896	461
Cash net financial expenses		(361)	(372)	11
Current tax expense		(276)	(274)	(2)
Operating cash flow		1,720	1,250	470
Change in working capital and other non-financial items		197	100	97
Capital expenditure		(1,630)	(1,094)	(536)
Grants for investment		41	1	40
ECF - Equity free cash flow		328	257	71
Other changes		6	(4)	10
Net cash flow for the year after cash used in investment in non-financial assets	B	334	253	81
Distribution of reserves		-	(682)	682
Dividends declared by Autostrade per l'Italia and the Group		(1,369)	(66)	(1,303)
Net equity cash inflows/(outflows)	C	(1,369)	(748)	(621)
Increase/(Decrease) in cash and cash equivalents during year	D=B+C	(1,035)	(495)	(540)
Change in fair value of hedging derivatives and other change in net debt	E	(128)	624	(752)
CHANGE IN NET DEBT DURING THE YEAR	F=D+E	(1,163)	129	(1,292)
NET DEBT AT THE END OF THE YEAR	A+F	(9,280)	(8,117)	(1,163)

The composition of net debt as at 31 December 2023 is shown below:

€m	31 December 2023	31 December 2022	Increase/ (Decrease)
Net debt			
Financial liabilities (A)	12,117	11,456	661
Bond issues	9,272	8,530	742
<i>short-term portion</i>		999	749
Medium/long-term borrowings	2,594	2,700	(106)
<i>short-term portion</i>		152	177
Derivative liabilities	39	7	32
Bank overdrafts repayable on demand	11	33	(22)
Short-term borrowings	16	19	(3)
Other financial liabilities	183	167	16
Financial liabilities held for sale	2	-	2
Cash and cash equivalents (B)	(2,209)	(2,313)	104
Financial assets (C)	(628)	(1,026)	398
Financial assets deriving from concession rights	(14)	(33)	19
Financial assets deriving from government grants	(155)	(179)	24
Term deposits	(138)	(175)	37
Financial assets held for sale	(3)	-	(3)
Non-current derivative assets	(155)	(518)	363
Other financial assets	(163)	(121)	(42)
Net debt (D=A+B+C)	9,280	8,117	1,163

With regard to Autostrade per l'Italia's bond issues, the following events took place:

- a) the issue of two Sustainability-linked bonds, completed in January and June, under the Company's Euro Medium Term Notes programme, amounting to €750 million each, maturing in 2031 and 2033 and paying coupon interest of 4.75% and 5.125%, respectively;
- b) repayment, on 12 June 2023, of retail bonds amounting to €750 million.

The reduction in fair value gains on derivatives (€363 million) primarily reflects the unwinding of certain derivatives following the two bond issues above.

As at 31 December 2023, 1% of the Group's debt is denominated in currencies other than the euro (yen). Taking account of the Cross Currency Swaps linked to Autostrade per l'Italia's yen-denominated bonds, none of the Group's net debt is exposed to currency risk on translation into euro.

The residual average term to maturity of the Group's interest-bearing debt as at 31 December 2023 is approximately five years. In terms of type of interest rate, after taking into account hedging derivatives, 91% of debt is fixed rate. The average cost of the Group's medium/long-term borrowings in 2023 was approximately 3.26%.

As at 31 December 2023, the Group has cash reserves of €4,634 million, consisting of cash (€2,209 million) and unused committed credit facilities (€2,425 million).

2.5 Financial review for Autostrade per l'Italia SpA

RECLASSIFIED INCOME STATEMENT

€m	2023	2022	Increase/(Decrease)	
			Absolute	%
Toll revenue	3,638	3,491	147	4
Other operating income	305	265	40	15
Total operating revenue	3,943	3,756	187	5
Maintenance costs	(442)	(360)	(82)	23
Cost of other external services	(321)	(305)	(16)	5
Concession fees	(463)	(449)	(14)	3
Net staff costs	(424)	(382)	(42)	11
Operating change in provisions	(19)	33	(52)	n.s.
Total net operating costs	(1,669)	(1,463)	(206)	14
Gross operating profit (EBITDA)	2,274	2,293	(19)	(1)
Amortisation, depreciation, impairment losses, reversals of impairment losses and other adjustments	(658)	(578)	(80)	14
Operating profit/(loss) (EBIT)	1,616	1,715	(99)	(6)
Financial income/(expenses), net	(370)	(191)	(179)	94
Profit/(Loss) before tax from continuing operations	1,246	1,524	(278)	(18)
Income tax benefit/(expense)	(373)	(326)	(47)	14
Profit/(Loss) from continuing operations	873	1,198	(325)	(27)
Profit/(Loss) for the year	873	1,198	(325)	(27)

“Total operating revenue” for 2023 amounts to €3,943 million, an increase of €187 million compared with 2022 (€3,756). This includes :

- a) “Toll revenue” of €3,638 million, up €147 million compared with 2022 (€3,491 million), primarily reflecting traffic growth of 3.7% (3.2% after also taking into account the negative change in the traffic mix), and the toll increase of 1.59% granted to the Company. This item includes a non-cash component linked to the discounts and exemptions granted to road users, amounting to €69 million in 2023 (€102 million in 2022)¹. Toll revenue also includes the surcharges added to the concession fee payable to ANAS, amounting to €375 million

¹ Amounts for discounts and exemptions, included in the commitments assumed by the Company in the Settlement Agreement of October 2021, have no impact on profit and loss due to the use of provisions for risks and charges made in previous years.

(€365 million in 2022)¹, and accounted for in operating costs under the item “concession fees”. After stripping out the above surcharges, toll revenue is up €137 million;

- b) **“Other operating income”** of €305 million, up €40 million compared with 2022 (€265 million), due primarily to recognition of insurance proceeds of €29 million paid to Autostrade per l’Italia following the claim made under the All-Risks policy for the period of insurance in which the Polcevera road bridge event took place.

“Net operating costs” of €1,669 million are up €206 million compared with 2022 (€1,463 million).

This reflects:

- a) **“Maintenance costs”** of €442 million, an increase of €82 million compared with 2022 (€360 million), primarily reflecting the greater volume of resurfacing work carried out, the rising cost of raw materials and the cost of motorway repairs following the damage caused by the floods in Emilia-Romagna in May 2023;
- b) **“Net staff costs”** of €424 million, an increase of €42 million compared with 2022 (€382 million). The change reflects:
 - 1) recognition of the effects of the early retirement scheme (€35 million), described below in section 2.10, “Workforce”;
 - 2) an increase in the average workforce and in the costs linked to renewal of the national collective labour agreement.
- c) the **“Operating change in provisions”**, amounting to a net expense of €19 million, primarily due to the negative impact of the reduction in the interest rates used to discount the value of provisions for risks and charges and provisions for the repair and replacement of motorway infrastructure. There was a net use of provisions in 2022, resulting in income of €33 million, reflecting a significant rise in the discount rates used.

As a result of the above performance, **“Gross operating profit” (EBITDA)** of €2,274 million is down €19 million compared with 2022 (€2,293 million).

“Amortisation and depreciation, impairment losses, reversals of impairment losses and provisions for renewal work” amount to €658 million (€578 million in 2022), essentially reflecting the increased value of concession rights due to investment during 2022.

The resulting **“Operating profit” (EBIT)** of €1,616 million is down €99 million compared with 2022 (€1,715 million).

“Net financial expenses” of €370 million are up €179 million compared with 2022 (€191 million), which included:

- a) fair value gains of €75 million on IRS derivative financial instruments redesignated as cash flow hedges in 2022;

¹ From 1 January 2011, the surcharges added to the concession fee payable to ANAS pursuant to laws 102/2009 and 122/2010, computed on the distance travelled by each vehicle, 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.

- b) the proceeds from the distribution of Autostrade Meridionali's extraordinary reserve (€83 million).

“Profit before tax from continuing operations” of €1,246 million is down €278 million compared with 2022 (€1,524 million).

“Income tax expense” amounts to €373 million (€326 million for 2022). Despite the reduction in profit before tax, this item is up €47 million compared with 2022, which benefitted from recognition of the impact of the exemption from taxation of off-balance sheet amortisation of goodwill attributable to Autostrade per l'Italia (Law 244/2007), totalling €96 million (including €219 million resulting from the use of deferred tax assets offset by €123 million in substitute tax paid).

“Profit for the year” of €873 million is down €325 million compared with 2022 (€1,198 million).

STATEMENT OF COMPREHENSIVE INCOME

€m		2023	2022
Profit/(Loss) for the year	(A)	873	1,198
Fair value gains/(losses) on cash flow hedges		(97)	519
Tax effect of fair value gains/(losses) on cash flow hedges		23	(125)
Other comprehensive income/(loss) reclassifiable to profit or loss for the year	(B)	(74)	394
Gains/(losses) from actuarial valuations of provisions for employee benefits		11	6
Tax effect of gains/(losses) from actuarial valuations of provisions for employee benefits		(3)	(1)
Other comprehensive income/(loss) not reclassifiable to profit or loss for the year	(C)	8	5
Other reclassifications of other comprehensive income to profit or loss for the year		-	22
Tax effect of other reclassifications of other comprehensive income to profit or loss for the year		-	(5)
Reclassifications of other comprehensive income to profit or loss for the year	(D)	-	17
Total other comprehensive income/(loss) for the year	(E=B+C+D)	(66)	416
Comprehensive income/(loss) for the year	(A+E)	807	1,614

The “Total other comprehensive loss for the year” amounts to €66 million, essentially reflecting a significant reduction in fair value gains on cash flow hedges. In contrast, comprehensive income for 2022 amounted to €416 million, reflecting rising interest rates.

“Comprehensive income for the year” amounts to €807 million (€1,614 million in 2022).

Financial position

RECLASSIFIED STATEMENT OF FINANCIAL POSITION

€m	31 December 2023	31 December 2022	Increase/ (Decrease)
Property, plant and equipment	94	95	(1)
Intangible assets	15,650	14,895	755
Investments	375	350	25
Non-financial assets (A)	16,119	15,340	779
Trading assets	805	720	85
Net tax assets/(liabilities)	(142)	(22)	(120)
Investments held for sale or discontinued operations	1	-	1
Trading liabilities	(1,760)	(1,811)	51
Other net assets/(liabilities)	(190)	(146)	(44)
Total working capital (B)	(1,286)	(1,259)	(27)
Gross invested capital (C=A+B)	14,833	14,081	752
Provisions	(2,494)	(2,555)	61
Deferred tax liabilities, net	(611)	(511)	(100)
Other non-financial liabilities	(21)	(28)	7
Non-financial liabilities (D)	(3,126)	(3,094)	(32)
NET INVESTED CAPITAL (E=C+D)	11,707	10,987	720
Issued capital	622	622	-
Reserves and retained earnings	1,149	941	208
Profit/(Loss) for the year	439	1,198	(759)
Total equity (F)	2,210	2,761	(551)
Net debt (G)	9,497	8,226	1,271
NET DEBT AND EQUITY (H=F+G)	11,707	10,987	720

As at 31 December 2023, “**Non-financial assets**”, totalling €16,119 million, are up €779 million compared with 31 December 2022 (€15,340 million).

This item primarily refers to “**Intangible assets**” of €15,650 million (€14,895 million as at 31 December 2022). The increase in this item compared with 31 December 2022, amounting to €755 million, primarily reflects the balance of:

- a) investment of €1,403 million, relating to motorway infrastructure (€1,318 million) and other intangible assets (€85 million);
- b) amortisation for the year (€615 million).

As at 31 December 2023, “**Investments**” amount to €375 million, an increase of €25 million compared with 31 December 2022. This reflects the combined effect of increases in the issued capital of certain subsidiaries (€38 million) and impairment losses on the investments in SPEA and EssediEsse (€13 million).

“**Net working capital**” reports a negative balance of €1,286 million as at 31 December 2023 (€1,259 million as at 31 December 2022). The increase of €27 million is primarily due to a combination of the following:

- a) an increase in net tax liabilities (€120 million) due to the recognition of income tax for the period (€253 million), net of payments on account for the current year (€652 million) and payment of the accrued amount due (€49 million) due as substitute tax relating to the exemption from taxation of off-balance sheet amortisation of goodwill;

- b) an increase in trading assets of €85 million, linked to increased payments of advances and down payments to suppliers in relation to motorway maintenance and investment.

“**Non-financial liabilities**”, totalling €3,126 million, are up €32 million compared with 31 December 2022 (€3,094 million). This primarily reflects a combination of the following:

- a) an increase of €100 million in deferred tax liabilities, primarily reflecting off-balance sheet amortisation of goodwill;
- b) a reduction in provisions (€61 million), essentially due to uses of provisions for charges relating to the settlement agreement with the MIT, amounting to €113 million, partially offset by the provisions made for the early retirement scheme, amounting to €35 million.

“**Net invested capital**” of €11,707 million is thus up €720 million compared with 31 December 2022 (€10,987 million).

“**Equity**” of €2,210 million is down €551 million compared with 31 December 2022 (€2,761 million), due to the combined effect of:

- a) payment of the final dividend for 2022 (€924 million) and the interim dividend for 2023 (€434 million);
- b) comprehensive income for the year (€807 million).

Changes in “**Net debt**”, amounting to €9,497 million as at 31 December 2023, are shown below:

€m		2023	2022	Increase/ (Decrease)
NET DEBT AT THE BEGINNING OF THE YEAR	A	(8,226)	(8,437)	211
Reported EBITDA		2,274	2,293	(19)
Operating change in provisions recognised in profit or loss and other non-cash changes		54	(33)	87
Costs linked to use of provisions for risks and charges		(118)	(481)	363
Cash EBITDA		2,210	1,779	431
Cash net financial expenses		(338)	(248)	(90)
Current tax expense		(252)	(261)	9
Operating cash flow		1,620	1,270	350
Change in working capital and other non-financial items		13	69	(56)
Capital expenditure		(1,426)	(1,018)	(408)
Grants for investment		32	-	32
ECF - Equity free cash flow		239	321	(82)
Other changes		(36)	(31)	(5)
Net cash flow for the year after cash used in investment in non-financial assets	B	203	290	(87)
Distribution of reserves		-	(682)	682
Dividends declared		(1,358)	-	(1,358)
Net equity cash inflows/(outflows)	C	(1,358)	(682)	(676)
Increase/(Decrease) in cash and cash equivalents during year	D=B+C	(1,155)	(392)	(763)
Change in fair value of hedging derivatives and other change in net debt	E	(116)	603	(719)
CHANGE IN NET DEBT DURING THE YEAR	F=D+E	(1,271)	211	(1,482)
NET DEBT AT THE END OF THE YEAR	A+F	(9,497)	(8,226)	(1,271)

The composition of net debt as at 31 December 2023 is shown below:

€m	31 December 2023	31 December 2022	Increase/ (Decrease)
Net debt			
Financial liabilities (A)	12,250	11,446	804
Bond issues	9,272	8,530	742
<i>short-term portion</i>		999	749
Medium/long-term borrowings	2,510	2,642	(132)
<i>short-term portion</i>		125	151
Derivative liabilities	39	7	32
Intercompany current account payables due to related parties	165	44	121
Other financial liabilities	264	223	41
Cash and cash equivalents (B)	(2,045)	(2,087)	42
Financial assets (C)	(708)	(1,133)	425
Financial assets deriving from government grants	(151)	(175)	24
Term deposits	(137)	(174)	37
Non-current derivative assets	(154)	(517)	363
Other financial assets	(266)	(267)	1
Total net debt (D=A+B+C)	9,497	8,226	1,271

With regard to bond issues, the following events took place :

- the issue of two Sustainability-linked bonds, completed in January and June, under the Company's Euro Medium Term Notes programme, amounting to €750 million each, maturing in 2031 and 2033 and paying coupon interest of 4.75% and 5.125%, respectively;
- repayment, on 12 June 2023, of retail bonds amounting to €750 million.

The reduction in fair value gains on derivatives (€363 million) primarily reflects the unwinding of certain derivatives following the two bond issues above.

As at 31 December 2023, 1% of the Company's debt is denominated in currencies other than the euro (yen). Taking account of the Cross Currency Swaps linked to the yen-denominated bonds, none of the Company's net debt is exposed to currency risk on translation into euro.

The residual average term to maturity of interest-bearing debt as at 31 December 2023 is approximately five years. In terms of type of interest rate, after taking into account hedging derivatives, 90% of debt is fixed rate.

The average cost of medium/long-term borrowings in 2023 was approximately 3.27%.

As at 31 December 2023, the Company has cash reserves of €4,123 million, consisting of:

- a) €1,798 million in cash and/or investments maturing in the short term, including net short-term liabilities to Group companies (€153 million), essentially due to centralised treasury management carried out by Autostrade per l'Italia;
- b) €2,325 million in unused sustainability-linked credit facilities, with a weighted average residual term to maturity of approximately three years and a weighted average residual drawdown period of two years and seven months.

2.6 Operating segments

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 within the Autostrade per l'Italia Group:

- 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 Giovia to other Group companies. Details of the companies included in each segment are provided in the table at the end of this section.

Segment information

€m	MOTORWAYS			ENGINEERING & CONSTRUCTION			INNOVATION & TECHNOLOGY			OTHER SERVICES			CONSOLIDATION ADJUSTMENTS		TOTAL AUTOSTRADe PER L'ITALIA GROUP	
	2023	2022	Var.	2023	2022	Var.	2023	2022	Var.	2023	2022	Var.	2023	2022	2023	2022
REPORTED AMOUNTS																
Operating revenue	4,156	3,989	167	839	627	212	196	151	45	55	48	7	(918)	(640)	4,328	4,175
EBITDA	2,353	2,428	(75)	51	25	26	17	6	11	(20)	2	(22)	-	(2)	2,401	2,459
Operating cash flow	1,666	1,222	444	35	23	12	16	4	12	3	1	2	-	-	1,720	1,250
Capital expenditure	1,504	1,058	446	24	16	8	28	33	(5)	-	-	-	74	(13)	1,630	1,094
Average workforce	5,526	5,519	7	2,619	2,229	390	340	252	88	632	608	24	-	-	9,117	8,608

2.7 Operating review for the Group's segments

An operating review for the Autostrade per l'Italia Group's main operating segments is provided below.

2.7.1 Motorways

Operating revenue for 2023 amounts to €4,156 million, an increase of €167 million with respect to the comparative period (€3,989 million). This essentially reflects traffic growth, as described below. EBITDA, amounting to €2,353 million, is down €75 million compared with 2022 (€2,428 million). Operating cash flow for 2023 amounts to €1,666 million, an increase of €444 million compared with 2022 (€1,222 million), essentially due to the above-mentioned increase in toll revenue and a reduction in unremunerated investment (covered by the use of provisions for risks and charges made in previous years), reflecting the fact that the provisions of €1.2 billion included in the Settlement Agreement with the MIT were almost completely used up at the end of December 2022.

Traffic

Traffic on the Group's network rose by a total of 3.6% compared with 2022, making a full return to pre-pandemic levels (1.5% up in terms of kilometres travelled compared with 2019).

Kilometres travelled by vehicles with "2 axles" rose 4.1% compared with 2022 (up 1.1% on 2019), whilst vehicles with "3 or more axles" rose 0.6% compared with the previous year (up 4.2% on 2019).

There was an improvement with respect to 2022 across all sections of motorway. Closure of the Mont Blanc tunnel for maintenance over most of the last quarter of 2023 affected the performance of Traforo del Monte Bianco and Raccordo Autostradale Valle d'Aosta.

TRAFFIC ON THE GROUP'S NETWORK IN 2023

Motorway section	Vehicles per km (in millions) ¹			% change		ATVD 2023 *
	Vehicles with 2 axles	Vehicles with 3 or more axles	Total vehicles	vs 2022	vs 2019	
A1 Milan-Naples	16,036	3,237	19,273	3.1	3.1	65,716
A4 Milan-Brescia	3,337	451	3,788	4.0	0.5	110,996
A7 Serravalle-Genoa	499	83	582	1.9	-2.4	31,890
A8/A9 Milan-Lakes	2,323	145	2,468	3.4	-3.3	87,022
A8/26 spur	481	32	514	3.8	0.1	58,676
A10 Genoa-Savona	689	103	792	3.6	3.5	47,689
A11 Florence to the coast	1,412	117	1,529	1.7	-2.3	51,273
A12 Genoa-Sestri	760	59	819	2.1	-0.1	46,075
A12 Rome-Civitavecchia	639	42	681	4.2	3.2	28,528
A13 Bologna-Padua	1,699	345	2,044	4.4	-1.7	43,991
A14 Bologna-Taranto	9,084	1,671	10,755	4.2	1.8	37,709
A16 Naples-Canosa	1,279	170	1,450	5.0	4.3	23,056
A23 Udine-Tarvisio	503	152	655	5.6	9.8	17,732
A26 Genoa Voltri-Gravellona Toce	1,767	309	2,076	4.4	0.3	23,224
A27 Venice-Belluno	757	63	821	7.9	3.5	27,364
A30 Caserta-Salerno	777	131	908	3.7	2.4	44,985
Mestre Interchange	40	6	46	5.8	-2.3	-
TOTAL AUTOSTRADE PER L'ITALIA	42,082	7,116	49,198	3.7	1.7	47,218
Tangenziale di Napoli ⁽²⁾	818	14	832	1.7	-9.8	112,844
Autostrada Tirrenica	294	27	321	2.7	6.1	19,371
Raccordo Autostradale Valle d'Aosta	92	18	110	-1.8	-4.7	9,418
Mont Blanc tunnel ⁽³⁾	7	3	10	-3.2	-14.6	4,724
TOTAL	43,293	7,178	50,471	3.6	1.5	46,747

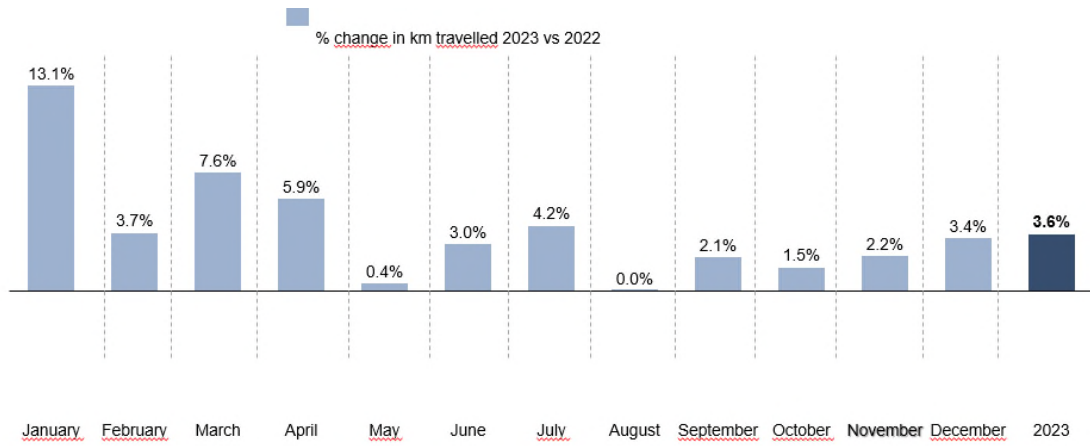
(1) Figures expressed in millions of kilometres travelled, rounded to the first decimal place. The figures for the Mont Blanc tunnel refer to paying traffic.

(2) From 1 January 2021, Tangenziale di Napoli has altered the conventional distance applied to vehicles at toll stations from 10.88 to 10 km.

(3) The Mont Blanc tunnel was closed from 16 October to 15 December 2023 and from 17 October to 7 November 2022.

* 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 2023



	January	February	March	April	May	June	July	August	September	October	November	December	2023
Total	13.1%	3.7%	7.6%	5.9%	0.4%	3.0%	4.2%	0.0%	2.1%	1.5%	2.2%	3.4%	3.6%
<u>2 axles</u>	15.3%	4.8%	9.6%	7.7%	0.3%	3.2%	4.4%	-0.0%	2.6%	0.6%	2.2%	4.2%	4.1%
<u>3 axles</u>	2.2%	-1.1%	-1.2%	-5.1%	1.1%	1.6%	2.4%	0.5%	-0.8%	6.6%	2.2%	-2.0%	0.6%

Capital expenditure

The Group's operators continued to invest in modernisation and upgrade of the network in 2023. Total capital expenditure in 2023 amounts to €1,504 million under plans to build infrastructure combining sustainability with local development.

	2023	2022
Autostrade per l'Italia SpA		
Piano di Sviluppo e Ammodernamento della rete ⁽¹⁾	1,273	857
Oneri Capitalizzati	45	40
Totale Investimenti di Autostrade per l'Italia ⁽²⁾ (compresi oneri capitalizzati)	1,318	897
Totale Altre Concessionarie (compresi oneri capitalizzati)	77	40
Investimenti in beni materiali	23	31
Investimenti in beni immateriali	86	90
Totale Investimenti operativi	1,504	1,058

(1) Includes investment in major works, other modernisation work and investment in the noise abatement plan and in the extraordinary maintenance plan.

(2) This amount does not include unremunerated investment included in the settlement agreement or work on the road network in Genoa, amounting to approximately €30 million in 2023 (€338 million in 2022). These sums are accounted for in cash outflows represented by operating uses of provisions.

Further details are provided in section 2.9, "Operating review for the network".

2.5.2 Engineering and construction

Operating revenue for 2023, amounting to €839 million, is up €212 million compared with 2022 (€627 million). This primarily reflects revenue growth at Amplia Infrastructures (hereinafter also "Amplia") and Tecne as a result of an increase in the volume of work carried out for the Parent Company, Autostrade per l'Italia. EBITDA for 2023 amounts to €51 million (up €26 million on 2022).

Operating cash flow of €35 million is up €12 million compared with 2022, reflecting the improvement in EBITDA.

2.5.3 Innovation and technology

Operating revenue for 2023, amounting to €196 million, is up €45 million compared with 2022 (€151 million). This primarily reflects the contributions from Movyon, which registered an increase in the volume of work carried out for the Parent Company, Autostrade per l'Italia, and Free to X, due to increased revenue from the charging stations that entered service on the motorway network.

EBITDA for 2023, amounting to €17 million, is up €11 million on 2022 (€6 million), primarily due to the contributions from Movyon and Free to X. Operating cash flow of €16 million is up €12 million compared with 2022.

KEY PERFORMANCE INDICATORS BY OPERATING SEGMENT

€m	OPERATING REVENUE		
	2023	2022	Increase/ (Decrease)
	Absolute		
ITALIAN MOTORWAYS			
Autostrade per l'Italia	3,943	3,756	187
Autostrade Meridionali	8	32	(24)
Tangenziale di Napoli	70	69	1
Società Italiana per il Traforo del Monte Bianco	60	58	2
Società Autostrada Tirrenica	48	46	2
Raccordo Autostradale Valle d'Aosta	29	30	(1)
<i>Intrasegment adjustments</i>	(2)	(2)	-
TOTAL ITALIAN MOTORWAYS	4,156	3,989 -	167
ENGINEERING AND CONSTRUCTION			
Amplia Infrastructures	619	485	134
C.I.E.L. Costruzioni Impianti	20	4	16
Pavimental Polska	37	16	21
Tecne Gruppo Autostrade per l'Italia	169	124	45
<i>Intrasegment adjustments</i>	(6)	(2)	(4)
TOTAL ENGINEERING AND CONSTRUCTION	839	627	212
INNOVATION AND TECHNOLOGY			
Movyon	166	129	37
Free to X	23	16	7
Infomobility	9	5	4
Control Card	5	4	1
<i>Intrasegment adjustments</i>	(7)	(3)	(4)
TOTAL INNOVATION AND TECHNOLOGY	196	151	45
OTHER SERVICES			
Essediesse ⁽¹⁾	27	26	1
Giovia	18	16	2
Ad Moving	6	4	2
Elgea	4	1	3
<i>Intrasegment adjustments</i>	-	1	(1)
TOTAL OTHER SERVICES	55	48 -	7
<i>Consolidation adjustments</i>	(918)	(640)	(278)
TOTAL AUTOSTRADALE PER L'ITALIA GROUP	4,328	4,175 -	153

(1) L'Ebitda negativo di Essediesse risente della sopracitata rilevazione, nel costo del lavoro, degli effetti connessi al piano straordinario di uscite attivato mediante lo strumento contrattuale dell'isopensione (24 million).

EBITDA			CAPEX		
2023	2022	Increase/ (Decrease)	2023	2022	Increase/ (Decrease)
		Absolute			Absolute
2,274	2,293	(19)	1,426	1,017	409
3	20	(17)	-	-	-
26	25	1	43	19	24
10	36	(26)	14	8	6
27	27	-	4	5	(1)
13	27	(14)	17	9	8
-	-	-	-	-	-
2,353	2,428 -	(75) -	1,504	1,058 -	446
20	11	9	21	12	9
-	-	-	-	-	-
11	2	9	-	1	(1)
20	12	8	3	3	-
-	-	-	-	-	-
51	25	26	24	16	8
13	9	4	10	8	2
-	(5)	5	18	25	(7)
2	-	2	-	-	-
2	2	-	-	-	-
-	-	-	-	-	-
17	6	11	28	33	(5)
(22)	1	(23)	-	-	-
2	1	1	-	-	-
-	1	(1)	-	-	-
-	(1)	1	-	-	-
-	-	-	-	-	-
(20)	2 -	(22) -	-	-	-
(0)	(2)	2	74	(13)	87
2,401	2,459	(58)	1,630	1,094	536

2.8 Regulatory aspects

As at 31 December 2023, the Group consists of five separate companies that hold the same number of 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 214 service areas.

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
Raccordo Autostradale Valle d’Aosta	A5 Aosta – Mont Blanc	32.3	2032
Tangenziale di Napoli	Naples ring road	20.2	2037
Società Autostrada Tirrenica ⁽¹⁾	A12 Livorno – Civitavecchia	54.8	2028
Società Italiana per azioni per il Traforo del Monte Bianco	Mont Blanc tunnel	5.8	2050

The concession relationship is governed by a Single Concession Arrangement between the Grantor (the Ministry of Infrastructure and Transport or “MIT”) and each operator.

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 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 provided for.

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 come 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.

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 system, based on determinations 39 of 15 June 2007 and 68 of 7 August 2017 issued by the Interministerial Committee for Economic Planning and Sustainable Development (*CIPESS*), applied to arrangements relating to concessions for which the addenda and related financial plans, based on the new regulatory framework drawn up by ART in the specific determinations published in 2019, have yet to be agreed or come into effect (Autostrada Tirrenica-SAT and Raccordo Autostradale Valle d’Aosta - RAV);
- a new regulatory system based on the price cap method, determining the productivity factor X on a five-yearly basis, applied to Autostrade per l’Italia and Tangenziale di Napoli (“TANA”) (under ART determinations 71 and 79/2019) following effectiveness, on 29 March 2022 in ASPI’s case and on 4 May 2023 in TANA’s case, of the related Addenda, as explained in more detail below.

Both systems 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.

Società per il Traforo del Monte Bianco has a concession arrangement based on a bilateral agreement between Italy and France, providing for tariff increases based on the average inflation rates recorded in France and Italy, to be applied in equal measure by the company itself and by Società Traforo del Frejus.

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. With reference to ASPI, the III Addendum to the Single Concession Arrangement of 2007, covering the regulatory period from 2020 to 2024, was signed on 21 March 2022 and became effective on 29 March 2022. In the case of TANA, on the other hand, the II Addendum to the operator’s Concession Arrangement, covering the regulatory period from 2019 to 2023, was signed on 28 December 2022 and came into effect from 4 May 2023.

It should also be noted that TANA, whose Financial Plan expired on 31 December 2023, submitted an updated plan for the regulatory period from 2024 to 2028 on 7 December 2023. This is currently under consideration by the Grantor.

In terms of Autostrada Tirrenica (“SAT”) and Raccordo Autostradale Valle d’Aosta (“RAV”), as described in greater detail in the section on key developments in regulatory and concession-related aspects during the year, approval of the updates of the respective Financial Plans is still awaited.

Commitments provided for in Autostrade per l’Italia’s Settlement Agreement

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 initiated by the Grantor following the collapse of a section of the Polcevera road bridge. This commitment, which thus represents the total cost of the agreement consists of the following individual items of expenditure:

- 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.

As at 31 December 2023, the remaining balance of provisions for risks and charges, set aside by ASPI in previous years to cover the overall commitment, amounts to €1,395 million, without considering the impact of discounting. This amount also includes remaining provisions for repair and replacement (€10 million) set aside to fund reconstruction of the San Giorgio road bridge.

2.8.1 ASPI's tariff systems and regulatory net invested capital

Autostrade per l'Italia's tariff system involves a "rebalancing" mechanism using a price cap, with determination of the productivity factor X on a five-yearly basis. This aims to provide a return on invested capital, based on the tariff framework set out by ART in Determination 71/2019. The tariff has the following specific components:

- (i) an "operational" charge, to remunerate operating costs and investment in non-reversible assets deemed eligible by the Grantor; the rebalancing of operating costs takes into account, in accordance with ART determination 71/2019, any excess profit from ancillary activities;
- (ii) a "construction" charge, remunerating investment in reversible assets built and 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:

- regulatory NIC has been divided into (i) "construction services completed or in progress" – to which a "safeguard mechanism" applies under the tariff system provided for in the concession arrangement in force at the date of publication of the relevant determination, thereby guaranteeing remuneration at an internal rate of return (IRR) calculated on the basis of the pre-existing tariff system - and (ii) "construction services to be performed", remunerated at the WACC set by ART for each five-year regulatory period;
- goodwill, recognised by ASPI at the time of the business combination 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 2023, derived from the Regulatory Financial Plan submitted to the Grantor on 14 November 2023, together with the proposed toll increase for 2024, amounts to €14.7 billion.

Autostrade per l'Italia's investment programme included in the financial plan and confirmed in the latest version of the Regulatory Financial Plan involves an overall commitment of €27.4 billion, of which approximately €14.1 billion relating to the period between 2020 and 2038 (€10.9 billion in the period 2024-2038).

Finally, it should be noted that ASPI – as specified in Annex E (Financial Plan) to the Single Concession Arrangement, as amended by the III Addendum – has drawn up a further package of works with an estimated value of €1.3 billion, which it has committed to include, at the Grantor's request, in the next five-yearly update of the Financial Plan.

2.8.2 Update of the Financial Plan

The Financial Plans of operators (with the exception of Società Italiana per Azioni per il Traforo del Monte Bianco) are updated every five years. With regard to Autostrade per l'Italia, in accordance with what was established in point 2.5 of ART determination 71/2019 and in specific requests from the Grantor, talks have already begun with the latter with regard to updating the Company's Financial Plan for the next five-year regulatory period 2025-2029, given the imminent expiry of the Plan currently in force for the first period from 2020 to 2024, which in any event also regulates the rebalancing of the concession through to its expiry in 2038. Under the regulatory framework, this update should be agreed by the end of 2024.

Key metrics used in updating the Financial Plan are:

- traffic estimates;
- inflation (official Government projections for 2024);
- WACC (set by ART) for the remuneration of investment;
- updated operating costs and an updated estimate of the cost of the investment programme.

With regard to this latter aspect, the general increase in costs in recent years (partly due to the impact of the COVID-19 pandemic and current geopolitical crises, with a series of ongoing conflicts),

and the major impact of new legislation and guidelines on the safety, surveillance and maintenance of infrastructure, in addition to changes to certain capex projects, has meant that the Group has had to significantly increase the size of its investment programmes and has seen a rise in operating costs.

Against this backdrop, on 18 January 2024, the Grantor requested all operators, including ASPI, to update their capex projections “for all the works to be included in the proposed update of the concession arrangement” and “updated in the light of current spending projections”. In addition, the Grantor’s letter also requested “information on the tariff increase needed to ensure the feasibility of the Financial Plan, quantified on the basis of existing contractual constraints”. In February 2024 ASPI, in common with the Group’s other operators, provided the Grantor with an investment plan updated “in the light of current spending projections” with the estimated adjustment to tariffs required.

In response to this request, ASPI conducted a preliminary update of the estimated costs to be incurred through to completion of the investment programme for the period 2020-2038 which, based on this preliminary assessment, will be significantly higher than the €14.1 billion provided for in the current Financial Plan. This reflects:

- significant rises in the prices of the raw materials used in construction due to rising inflation in 2021;
- the above impact of the new guidelines for the modernisation of infrastructure, designed to extend the useful lives of the assets and improve safety levels;
- changes to final designs requested by local and national authorities;
- additional capex.

Whilst awaiting the update of operators’ new Financial Plans, in a specific note sent to all the companies at the beginning of January 2024, the Grantor communicated the *“need to ensure that the additional financial requirements can be met within the context of the flows linked to the Financial Plan annexed to the Concession Arrangement in force.*

As a result, to ensure the seamless continuation of the motorway upgrade works deemed to be priority, whilst also safeguarding the sustainability and bankability of the Financial Plans, the increased financial needs notified may be temporarily covered through a matching reduction in the financial resources earmarked for works to be carried out under the concession arrangement but that are not classed as immediately necessary. In any event, to avoid the need for substantial amendments to the concession, the overall resources employed must fall within the total capex spending established in the Financial Plan annexed to the existing Concession Arrangement.

At the time of a future update of the concession arrangement, it will be possible to: a) adjust commitments under the arrangement, with the inclusion of additional services; b) restore the funding for works for which funding has been temporarily redirected; c) redetermine the financial feasibility of the Financial Plans in the light of the changed operating environment, within the constraints established by existing legislation”.

It should also be noted that, following its assessment of the impact of regulation on the method used to set tolls under the motorway concession arrangements, initiated with determination 181/2023 and completed on 24 January 2024, ART has deemed it necessary to adjust the method. This will involve adopting operational indications and taking into account the potential need for amendments, to be submitted for public consultation, to reflect intervening changes in the sector. In this regard, the regulator has issued the following:

- on 8 February, determination 15/2024 with operational indications specifically regarding the application of mechanisms relating to (i) figurative items and (ii) the annual adjustment to the construction component of tariffs following the operator's failure to carry out planned investment;
- on 29 February, determination 29/2024 launching a survey, to be completed by 22 March 2024, on (i) the effective use of reversible assets built, under construction or to be built and (ii) components of the cost of debt and their quantification.

2.8.3 Key developments in regulatory and concession-related aspects during the year

Autostrade per l'Italia's toll increase with effect from 1 January 2023

Following the request for a toll increase submitted by ASPI for 2021, 2022 and 2023, amounting to 4.71% (3.12% for 2021 and 2022 and 1.59% for 2023), on 31 December 2022, the Grantor published the Interministerial Decree issued by the MIT and the Ministry of the Economy and Finance (the "MEF") on 30 December 2022, marking the conclusion of the tariff adjustment procedure. The Grantor concluded that the overall toll increase applicable from 1 January 2023, after compounding, would be 4.69%, including the increase of 3.10% for 2021 and 2022 and the increase of 1.59% for 2023. As provided for in the concession arrangement and in the Settlement Agreement with the Grantor dated 21 October 2021, the Grantor then applied a discount of 1.35%, thus reducing the effective toll increase to be paid by road users, in 2023, to 3.34%. In the same Decree, the Grantor, after noting ASPI's declared willingness to bring forward to 2023 application of a part of the general toll discounts for all road users, by spreading the toll increase resulting from application of the terms of the concession arrangement over an extended period of time, stated that *"it is hereby established that, with effect from 1 January 2023, tolls will increase by 2.00%. It is hereby established that, with effect from 1 July 2023, tolls will rise by the full amount of the awarded increase of 3.34%."*

Autostrade per l'Italia's toll increase with effect from 1 January 2024

The Interministerial Decree issued by the MIT and MEF on 29 December 2023 granted ASPI an increase of 1.51% from 1 January 2024, in line with the request made by the Company in October 2023. General discounts will continued to be applied to road users in 2024.

Toll increase for subsidiaries with effect from 1 January 2023

With regard to Raccordo Autostradale Valle d'Aosta ("RAV"), Autostrada Tirrenica ("SAT") and Tangenziale di Napoli ("TANA"), in response to the requests for toll increases for 2023 – 2.00% for SAT, 21.51% for RAV and 0.23% for TANA, including the increases not granted for the years 2020-2022, the Grantor, in line with art. 13(c.3) of Law Decree 162/2019, as amended (the *Milleproroghe* Decree), did not grant the toll increases for 2023, whilst awaiting finalisation of the processes involved in updating the operators' financial plans, drawn up in compliance with ART's determinations. In the case of SAT and RAV, the process of updating the financial plans, initiated with the submission of various proposals over the years by SAT and RAV, in line with ART's determinations, has yet to be completed.

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, the requested increase of 7.36% was applied from 1 January 2023.

The supplementary toll increase of 0.95%, to fund construction of a second bore for the Frejus tunnel, was instead not granted as *“the Italian and French administrations have not completed the process of assessing the need to fund the additional cost of the second bore for the Fréjus. As a result, the additional component may not be taken into account”*.

Toll increase for subsidiaries with effect from 1 January 2024

With regard to RAV and SAT, whilst awaiting the update of the respective concession arrangements, the Grantor responded separately to the companies requests for increases (17.96% for RAV and 4.06% for SAT) on 30 December 2023. The two responses, identical in terms of content, stated that, in implementation of art. 8, paragraph 10 of the *Milleproroghe* Law Decree for 2024, on 28 December 2023 it granted both operators an increase of 2.3%. The above legislation also requires companies whose regulatory periods have expired to submit proposed updates of their financial plans, drawn up in compliance with the ART determination, by 30 March 2024.

With regard to Tangenziale di Napoli, the MIT has awarded an increase for 2024 of 0.76%, in line with the company’s proposal.

Società Italiana per il Traforo del Monte Bianco (SITMB), on the other hand, has been awarded a toll increase for 2024 of 5.1%, which, as noted with regard to 2023, does not take into account the supplementary increase to fund construction of the second bore for the Frejus tunnel, but only the average rate of inflation in Italy and France between September 2022 and August 2023.

Tangenziale di Napoli’s Addendum

On 14 June 2023, the Grantor informed Tangenziale di Napoli that the interministerial decree approving the II Addendum to Tangenziale di Napoli’s concession arrangement had been registered with the Court of Auditors on 4 May 2023, and that the Addendum, containing the financial plan for the regulatory period 2019-2023, was thus effective from this latter date.

Subsidiaries’ financial plans

With regard to subsidiaries’ financial plans, the following should be noted:

- on 7 December 2023, TANA submitted its proposal to the MIT for the new Addendum and the related financial plan for the regulatory period 2024—2028, drawn up in compliance with the Transport Regulator’s determinations introducing a new tariff framework;
- on 29 December 2023, RAV and SAT submitted their proposals for new Addenda and financial plans (drawn up in accordance with the new tariff framework set out in ART’s determinations), both for the regulatory period 2024-2028.

In this regard, as noted above, the Milleproroghe Decree of the end of 2023 set 30 March 2024 as the deadline for submitting proposals for the update of operators’ financial plans following the expiry of their five-year regulatory periods. In the light of the toll increases awarded to the

two companies in application of the *Milleproroghe* Decree, the two companies will decide on the submission of new proposals for updates of their respective financial plans.

Quantification of financial support for motorway operators to cover losses incurred as a result of the health emergency caused by Covid-19 for 2020 and 2021

This regards the administrative process relating to quantification of the financial support due to operators to compensate for losses incurred as a result of the health emergency caused by Covid-19, in the period after June 2020 (the amount recoverable for the period March-June 2020 was awarded to ASPI in the revised financial plan that came into effect from 29 March 2022). Following sent numerous requests for the process to be completed, on 27 January 2023, ASPI sent ART (providing a copy to the MIT) a note in which it highlighted the necessity to finalise all the elements needed to complete the complex process of updating the next Financial Plan and Regulatory Financial Plan, also in view of the imminent expiry of the current regulatory cycle, and requested prompt finalisation of the procedure.

On 20 February 2023, the MIT requested ASPI to review the amounts involved based on a note issued by ART on 30 January 2023, with further details regarding the method of calculation. The MIT asked ASPI to provide an adequate response to ART's observations, which are not reflected in the method defined by the regulator. On 13 April 2023, ASPI replied to the MIT's note (providing a copy to ART), in part accepting the regulator's observations, recalculating the amount of the support originally requested and, in particular, contesting ART's concerns regarding quantification of the lost revenue. ASPI thus noted that it was awaiting completion of the procedure in order to quickly recover its losses as a result of COVID-19, as revised, without prejudice to any further action.

In the absence of a response from the MIT and ART, on 21 April 2023, ASPI appealed the above decisions before the Regional Administrative Court.

With regard to Tangenziale di Napoli, following effectiveness of the Financial Plan in the first half of 2023, the recoverable amount for the period March-June 2020 was awarded to the operator.

In terms of the Group's other operators – with the exception of Traforo del Monte Bianco - the financial support to compensate for the net losses incurred as a result of the health emergency caused by Covid-19, to be collected through tolls, may only be quantified following finalisation of the addenda to the respective single concession arrangements. This is currently in progress.

General expenses for investment provided for in the Concession Arrangement

On 11 August 2023, the MIT issued Ministerial Decree 201, updating and replacing Ministry of Public Works decree 1334 of 22 May 1992, relating to limits on the admissibility of the general expenses included in the details of overall expenses shown in the investment plans provided for in the Concession Arrangement. The Decree has established that "the item 'General expenses' referred to in the details of overall expenses for projects planned by motorway operators is recognised, for the purposes of the arrangements, within a range of between 13% and 17% of the value of the works". On 25 October 2023, the MIT sent operators an explanatory circular clarifying the limits and the method for applying the measures contained in the Decree.

New Public Contracts Code and art. 186 on the award of contracts by the holders of concessions

The new Public Contracts Code came into force on 1 April 2023 and was effective from 1 July 2023, except for the legislation governing digitalisation, transparency and documentary access, which were effective from 1 January 2024.

Significant changes include art. 186 governing the procedure for awarding contracts by the holders of concessions. Under this article, outsourcing must account for between 50% and 60% of contracts awarded for works, services and goods. This percentage must be set by the Grantor in consultation with the holder of the concession, based on certain legislative criteria, including i) the economic scale and nature of the enterprise; ii) the period in which the concession was awarded; iii) its residual duration; iv) purpose; v) economic value; vi) investment carried out.

In implementation of paragraphs 2 and 5 of art. 186 of the new Public Contracts Code, on 20 June 2023, ANAC, Italy's National Anti-corruption Authority, finalised the *"Indications on the method for calculating the percentage of contracts for works, services and goods to be outsourced by the holders of public works and service concessions not awarded in compliance with EU law"*.

On 6 November 2023, ASPI challenged the decisions taken by the MIT and ANAC Determination 265, on the basis of which the Grantor had requested a significant quantity of data and information for the purpose of calculating the share of outsourced contracts referred to in paragraph 2 of art. 186.

ASPI's challenge is based on the following aspects: (i) the lack of any basis for initiating the process of identifying share represented by outsourcing, (ii) the inapplicability of the ANAC Determination to motorway concessions, due to the erroneous application of paragraph 5 and 6 of art. 186 of the Public Contracts Code.

Other information on regulatory and concession-related aspects

Legal challenge filed by the associations AIPE, CONFIMI Abruzzo and ADUSBEF

On 27 May 2022, AIPE, CONFIMI Abruzzo and ADUSBEF filed a legal challenge, accompanied by an application for injunctive relief, against the actions and opinions of the public bodies involved (CIPESS, the Cabinet Office, the MEF, the MIT, ART, the NARS, the Court of Auditors and the Attorney General) in the process that resulted in signature of the agreement entered into by ASPI and the Grantor on 14 October 2021, and formal approval of the Third Addendum to ASPI's Single Concession Arrangement of 2007.

The associations have also extended the challenge brought against the above public bodies to include ASPI, Atlantia (now Mundys), CDP, CDP Equity, Blackstone and Macquarie as nominal opponents.

On 19 October 2022, Lazio Regional Administrative Court handed down a non-final ruling, in which – having rejected the application for an adjournment and excluded AIPE and CONFIMI ABRUZZO from the proceeding (but not ADUSBEF, whose legal standing to bring the action was upheld) – it raised three preliminary matters to be referred to the European Court of Justice regarding the applicability of art. 43 of Legislative Decree 201/2011 (Law 214/2011), in relation to the regulations provided for in articles 38, 43 and 44 of Directive 2014/23. The Court thus adjourned the case whilst awaiting a ruling from the Court of Justice, which has been asked to apply the accelerated procedure.

On 26 October 2022, the Attorney General appealed the ruling before the Council of State, requesting injunctive relief. The appeal argues that ADUSBEF has no legal standing in the case as it is an association representing the consumers of banking and financial services, without any connection with motorway concessions. ASPI, HRA and Atlantia (now Mundys) then filed cross-appeals. At the hearing held on 17 November 2022, a public hearing on the merits was scheduled for 27 April 2023. On 23 December 2022, AIPE and CONFIMI ABRUZZO also lodged a cross-appeal against the judgement at first instance in order to have their legal standing recognised.

At the same time, in a ruling dated 19 December 2022, the European Court of Justice turned down the request for application of the above procedure. On 1 March 2023, ASPI, HRA and Atlantia (now Mundys) filed their briefs, as requested by the court.

On 13 June 2023, the chancery division of the Court of Justice notified the observations submitted by the other parties (ADUSBEF, CONFIMI and AIPE), in addition to those of further bodies (the European Commission, the German Republic, the Republic of Estonia). From this date, the parties have three weeks to apply for a hearing date.

On 24 July 2023, the European Court of Justice halted the procedure pursuant to article 55, paragraph 1.b) of the Court's Rules of Procedure.

On 23 August 2023, the Council of State filed its ruling on the challenge, only in part upholding the appeals brought by the Cabinet Office, the MEF, the MIT, Atlantia (now Mundys), HRA and ASPI against the non-final ruling issued by Lazio Regional Administrative Court on 19 October 2022. The Council of State has ruled that Adusbef has legal standing, whilst deciding that the actions brought by Codacons and another association are inadmissible, confirming the lack of legal standing for AIPE and Confimi Abruzzo.

On 8 September 2023, Mundys appealed to the Council of State against the above ruling of 23 August and the consequent cancellation and/or review of Lazio Regional Administrative Court's non-final ruling, dated 19 October 2022. ASPI, the Cabinet Office, the MEF, the MIT and Codacons filed appearances and a date for the relevant hearing is awaited.

The case was discussed at a hearing on 11 January 2024 and the Council of State reserved its decision.

On 2 October 2023, it was notified by the chancery division of the Court that the procedure was to restart. During the hearing to discuss the case before the European Court of Justice, the Attorney General announced that the conclusions reached would be communicated to the parties in writing on 30 April 2024. The Court reserved its decision, which will be announced within the non-peremptory deadline of six months from the date of the hearing.

Autostrada Tirrenica (SAT)

Toll increases for 2013, 2015, 2016, 2017, 2018, 2019, 2020 and 2021

With regard to the legal actions brought by SAT in relation to the failure to grant toll increases for the years from 2013 to 2021, with the exclusion of 2014, the following events have occurred:

- tolls for 2013: on 6 February 2023, a judgement was handed down ordering the MIT and MEF, jointly and severally, to pay the sum of €186,877.00 for the period covered by the unlawful suspension of tolls for 2013, being the period from 1 January 2013 to 9 April 2013 (the date on which the suspension was revoked), plus legal interest.

- toll increases for 2015 and 2018: Lazio Regional Administrative Court judgement 10572 of 25 July 2022 partially upheld Autostrada Tirrenica's claim against the Acting Commissioner, cancelling the decree issued by the latter on 28 October 2020 insofar as it: (i) "sets a percentage of zero for the K component in place of 1.32%" and (ii) "does not recognise SAT's right to recoup the increase for 2015 by applying an increase of 5.68%".
- tolls for 2016, 2017 and 2018: the Council of State upheld Autostrade Tirrenica's appeal requesting partial cancellation of the earlier Lazio Regional Administrative Court judgement. As a result, in October 2023, the MIT informed SAT that it had approved a toll increase of 12.44% for 2017 and 2018. SAT and the MIT then agreed to spread the increase as follows: (i) a toll increase of 6.22% to be applied from 1 December 2023; (ii) an annual increase of up to 2.3% from 1 January 2024.
- litigation regarding tolls for 2019, 2020 and 2021 is still in progress.

In implementation of the judgements handed down by the Council of State, the company specified that, in order to ease the effect of the toll increases on road users, from 1 December 2023, it would apply an increase of 6.22%, equal to half of the 12.44% increase granted (including 6.85% for 2017 and 5.59% for 2018) and, from 1 July 2024, it would apply the further portion of the increase approved by the Acting Commissioner (equal to 6.22%) unless, by that date, all the concession-related and regulatory documents have been finalised, allowing for recognition of the toll increases provided for in the financial plan in the process of being completed.

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, 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.

The impact of the above elements (the sale of designs and the Government grant) has been included in the proposed financial plan submitted by Autostrade Tirrenica at the end of December 2023.

Action to ascertain the validity of the contractual provisions and the constitutional illegitimacy of art. 35, paragraph 1-ter of the Milleproroghe Law Decree

On 27 April 2023, Lazio Regional Administrative Court unexpectedly declared the appeal annulled due to the failure to file a request for a hearing within the deadline of one year from the removal of the case from the register, thereby failing to observe the agreements reached at the last hearing on 12 January 2022. On this occasion, as the court records show, it was agreed that – given the pending process for approving the financial plan and the inclusion of the appeal in question among those to be waived – there would be a “public hearing scheduled by a separate order, following submission of a reasoned request by the appellant”. The annulment does not, in any event, mean that the action has been lost as, given that it regards rights not subject to expiry, the appeal may be resubmitted at any time within the statute of limitations (10 years).

Raccordo Autostradale Valle d’Aosta’s legal action relating to toll increases for 2021

With regard to the appeal lodged by the company against the ruling of 31 December 2020, which rejected its application for increases in 2021, following the Valle d’Aosta Regional Administrative Court ruling that dismissed the company’s appeal, the company lodged an appeal with the Council of State on 17 March 2022. The case is currently pending.

Expiry of Autostrade Meridionali’s concession

Following signature of the of the First Addendum to Autostrade Meridionali’s concession arrangement, the transfer of the concession to operate the A3 Naples-Pompeii-Salerno from Autostrade Meridionali to the incoming operator was completed. On 18 July 2022, Autostrade Meridionali and the Grantor signed an agreement setting out the final amount of the takeover right as of 31 March 2022, totalling €443 million. The company had already collected the sum of €410 million from the incoming operator on 1 April 2022. The company is still waiting to receive the outstanding balance of €33 million.

On 19 July 2023, the MIT and Autostrade Meridionali signed a further agreement, under which the Ministry confirmed that it would pay the company a further €8 million (increasing the overall amount receivable to €41 million) as reimbursement for amounts advanced by the company in place of the current operator.

On 17 November 2023, the company collected a further sum of approximately €27 million from the MIT. The remaining receivable for the takeover right amounts to €14 million at the date of preparation of this document.

ART Determination 139/23 – WACC to use when updating or revising existing motorway concession arrangements

On 14 September 2023, the Transport Regulator (“ART”) published Determination 139/2023 setting the “*weighted average cost of capital to use during the process of updating or revising existing motorway concession arrangements, pursuant to art. 43 of Law Decree 201/2011, and for new concessions*”. ASPI responded on 9 November 2023, requesting ART to re-examine the Determination, with particular regard to (i) the decision to set the debt premium at zero and (ii) the need to redefine the sample used when setting equity beta, determined without adequate consultation. On 12 January 2024, three Extraordinary Appeals were then filed with the President of Italy, on behalf of RAV, SAT and Tangenziale di Napoli (Group companies

directly impacted by the above Determination), challenging ART Determination 139/23. The appeals claim that the Determination is unlawful due to a lack of consultation with the regulated entities and the arbitrary nature of the way in which certain WACC metrics were decided on. The criticisms contained in the respective appeals specifically relate to: (i) the criterion used to determine the debt premium used by ART in the Determination being challenged; (ii) the change – with respect to what was established in the earlier Determination 64/2019 – to the comparables used by ART in determining the cost of equity and, specifically, in determining equity beta.

The Discounts Circular (“*Circolare Ribassi*”)

On 10 May 2023, following prior consultation with motorway operators, the Grantor sent all the operators a circular containing a new procedure for determining the discounts to apply in contracts awarded to subsidiaries and associates. This replaced the earlier procedure with effect from this date.

This procedure sets out the method for calculating the discounts applicable for concession-related purposes and applies from 10 May 2023 to contracts awarded within groups of companies. The applicable discount is to be announced every six months by the Grantor and *“is based on the average of the discounts applied in open and closed tender procedures for the award of similar contracts by ANAS SPA, motorway operators and the rail sector in the previous six months...”*.

Basic rights of motorway users

Following the launch of an initial survey by ART with Determination 59/2022 – in response to which the Group’s operators provided their observations – the Regulator issued Determination 16/2023 initiating a procedure aimed at defining *“the basic content of specific rights, including compensation, that users can expect to be upheld by motorway operators and the providers of services pertaining to motorway networks”*. Later, in Determination 130/2023, ART began to consult on the above procedure – in which Group companies took part, providing their observations – and extended the deadline for completing the procedure until 31 December 2023. This deadline was then further extended, on the last occasion until 30 June 2024 (Determination 200/2023). On 28 December 2023, ART convened a technical working group with the Grantor and representatives of the operators to look into the issues covered by the procedure. The working group met on 18 January 2024.

Cashback for road hauliers in the Liguria area

On 13 June 2023, ASPI signed a memorandum of understanding with Genoa City Council, the Mar Ligure Occidentale Port Authority, Liguria Regional Authority, the Ministry of Infrastructure and Transport and Italy’s Road Hauliers Association. This was in implementation of the provisions of the agreements entered into by ASPI on 14 October 2021 with the Grantor and local authorities in Liguria providing for, among other things, funding of €180 million to compensate for disruption to traffic on the motorway network in the Liguria region.

The memorandum establishes that, within the above €180 million, the sum of €70 million should be used to compensate road hauliers for the disruption suffered over the years.

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

Capital expenditure and maintenance activities carried out by Autostrade per l'Italia and the Group's other motorway operators in 2023 amounted to €1,874 million, as shown below:

€m		2023	2022	2021
Investment in ASPI's network	a+b	1,220	997	686
<i>Investment in concession assets</i>	<i>a</i>	<i>1,190</i>	<i>659</i>	<i>387</i>
<i>Unremunerated investment included in settlement agreement</i>	<i>b</i>	<i>30</i>	<i>338</i>	<i>299</i>
ASPI's maintenance costs	c	442	360	414
ASPI's extraordinary maintenance plan	d	83	198	443
Other operators' maintenance costs and consolidation adjustments	e	27	36	48
Other operators' investment in concession assets	f	77	40	30
ASPI's capitalised investment expenditure (internal technical personnel)	g	45	40	40
Investment in other intangible assets, PPE and consolidation adjustments	h	235	157	166
Total capital and maintenance expenditure		2,129	1,828	1,827
of which				
	<i>Capex a+d+f+g+h</i>	<i>1,630</i>	<i>1,094</i>	<i>1,066</i>
	<i>Maintenance costs c+e</i>	<i>469</i>	<i>396</i>	<i>462</i>
	<i>Unremunerated investment b</i>	<i>30</i>	<i>338</i>	<i>299</i>

Investment

Autostrade per l'Italia

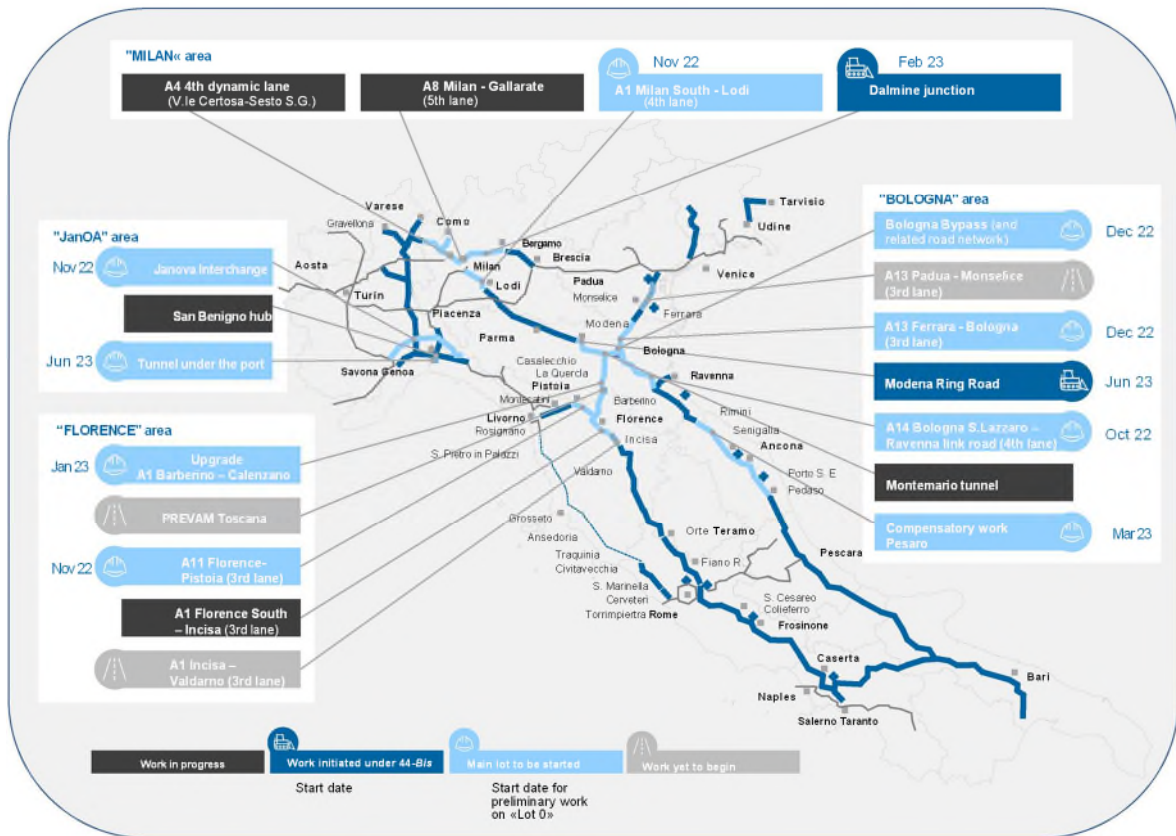
Total investment in 2023 amounted to €1,220¹ million, up €223 million on 2022 and €534 million on 2021.

In addition to the increase in activity, this growth also reflects factors such as rising inflation in recent years, and the significant impact of new regulations and guidelines related to infrastructure safety and surveillance.

Work on Autostrade per l'Italia's major investment programme continued in 2023. The programme aims to upgrade and modernise the motorway network and extend the useful life of the infrastructure. It includes work on tunnels, bridges and viaducts, other minor infrastructure, crash and lateral barriers and technology systems.

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

¹ The amount includes capital expenditure and unremunerated investment.



	2023 (€m)	State of progress in 2023 (€m)
Major Works	378	11,848
Major works under Arrangement of 1997	140	6,973
Major works under IV Addendum of 2002 ⁽¹⁾	106	3,955
Other investment in major works (C3) ⁽²⁾	81	773
Third/fourth lanes included in art. 15	51	147
National projects	813	4,767
Tunnel Safety Plan (IV Addendum of 2002)	53	461
Noise abatement plan ⁽³⁾	15	513
Other investment in the existing network ⁽⁴⁾	107	2,290
New upgrade and modernisation plan ⁽⁵⁾	638	1,503
Improvements to the Genoa road network ⁽⁶⁾	29	35
Total investment in major works	1,220	16,650
of which unremunerated expenditure	30	1,144

NOTES

(a) Total cost of carrying out the project, based on amounts included in the Financial Plan. Excludes capitalised costs (financial expenses and staff costs) and other investment in the existing network through to 2001, in accordance with the then financial plan.

(1) Does not include the Tunnel Safety Plan, which has been included in National Projects.

(2) Includes the Bologna Bypass.

(3) Includes both the noise abatement plan included in chapter C4 (Noise Abatement Plan) and further works included in new works covered by the Single Concession Arrangement of 2007.

(4) Includes "Other investment" provided for in Chapters C1 (Upgrade of service areas and operating properties), C2 (toll stations, junctions and remaining investment in the network), C5 (Improvements to safety standards), C6 (Technology upgrades), C7 (Other capitalised improvement and maintenance costs).

(5) Includes the following items of expenditure: E.4.1 Regulatory compliance of infrastructure and work on motorways, E.4.2 Upgrade of safety barriers as per Ministerial Decree 223/92. E.4.3 Upgrade of safety barriers on flyovers of third parties and junctions, E.4.4 Work on Tunnels, E.4.5 Technology upgrades (including smart roads).

(6) Includes unremunerated expenditure not recovered through tolls, in accordance with the Settlement Agreement with the MIT.

Major works

Important projects were completed in 2023, including:

- the widening of the Milan-Varese section of the A8 to five lanes between the Milan North toll station and the A9 Lainate-Como-Chiasso motorway, opened to traffic at the end of September. This is the first five-lane motorway in Italy. The aim of the project is to make traffic flow more smoothly and increase the capacity on one of Italy's busiest stretches of motorway;
- the upgrade of the San Benigno hub, with the completion of Lot 2, with the aim of rationalising traffic flow on the spiral ramp and simplifying direct links with the Port of Genoa (opened to traffic in January 2024).

The main projects in progress are:

- the widening of the A1 between Florence South and Incisa to three lanes (Lot 2 B + 1 South), constituting a continuation of the Lot 1 North works (completed) for a further 5.4 km, with particular reference to excavation of the San Donato tunnel;
- the addition of a fourth dynamic lane (with a hard shoulder/dunamic lane) on the motorway section between the Viale Certosa and Sesto San Giovanni junctions on the A4 Turin-Venice motorway (around 6 km were opened to traffic in 2023), with a total length of 10 km;
- Modena ring road, consisting of compensatory works relating to the Modena relief road, especially the extension of the southbound lane of the southbound Modena ring road on the section between the junction on the SS 12 road near the Mugnaio corner and the Modena South motorway exit;
- construction of the new Dalmine toll station, involving adaptation of the Dalmine junction on the A4 motorway, with a view to reorganising its layout, especially the ramps that connect to the ordinary road network and the service roads to the toll station;
- initial preparations for the construction of the Genoa Interchange and the Bologna Bypass projects, which are still in the process of being approved by the Grantor;
- the start-up of worksites and preparatory activities for the tunnel under the Port of Genoa.

National projects

The major national and network modernisation projects include:

- the tunnel modernisation plan and the bridges and viaducts plan. In 2020, ASPI launched a major long-term assessment plan to determine the state of existing infrastructure (tunnels, bridges and viaducts), with a view to expanding and improving the infrastructure knowledge base in order to facilitate optimum management and assessment of any work required. The assessment encompasses approximately 600 tunnels and 4,400 infrastructure assets, for which modernisation works are identified, depending on the type of intervention needed.
In 2023, assessment of approximately 73 tunnels and 187 infrastructure assets continued, with modernisation work carried out on 8 tunnels and 108 bridges and viaducts, including 37 upgrades and 71 conservation projects;
- the safety barriers modernisation plan, regarding approximately 2,000 km of the motorway network operated by ASPI, which involves the upgrade of approximately 1,300 km of central reservations, 1,400 km of roadside barriers and 380 km of bridge safety barriers, through the replacement of existing barriers with state-of-the-art devices;
- the noise abatement plan is divided into macro operational works, involving 14 regions and over 700 municipalities, which are implemented in accordance with a national ranking, based on an acoustic priority index that is exclusively linked to noise levels and the exposed population. At the same time, ASPI is modernising an additional 110 km of integrated noise barriers (combined safety and noise barriers), in order to improve

safety standards and restore noise abatement panels to achieve maximum acoustic performance;

- the tunnel safety plan, which covers around 200 km of tunnels across the network, aimed at improving safety by significantly increasing the protections installed.

In 2023, 7 safety barrier upgrades, 3 noise abatement initiatives and 4 tunnel safety projects were completed.

Moreover, in accordance with the MIT guidelines, Autostrade per l'Italia has agreed on a plan with the Grantor to modernise service areas in order to provide a better service for users; improve spaces allocated for parking by building new roads and manoeuvring and parking areas; create rewilded green spaces; and build footpaths, recreation areas and spaces with shade. Approximately 14 service areas were modernised in 2023.

Other operators

Raccordo Autostradale Valle D'Aosta - RAV

In 2023, RAV invested a total of €16 million, marking an increase of approximately €9 million compared to 2022. Works were carried out to modernise and upgrade the section under concession, including the adaptation of tunnel systems to bring them into line with new regulations, the upgrade of safety barriers on the Montbardon and Iallà viaducts and the south carriageway of the Colombo Bridge, and the replacement of fire protection doors and gates for bypass purposes. In 2023, inspections of tunnels and infrastructure on behalf of RAV continued in application of the new guidelines.

Tangenziale di Napoli

In 2023, Tangenziale di Napoli invested a total of €43 million, marking an increase of approximately €24 million compared with 2022. Work was carried out on modernising and expanding the section under concession, including:

- a seismic upgrade of the Arena Sant' Antonio viaduct, in accordance with the relevant regulations;
- regulatory compliance works regarding plant components, and structural improvement of the Monte Sant'Angelo West and Vomero East/West tunnels;
- the new oblique lighting system for the Capodichino viaduct.

Società Autostrada Tirrenica - SAT

In 2023, SAT invested a total of approximately €4 million, in line with the previous year's figure. Modernisation work was carried out on the section under concession, including the design of safety barrier upgrades, the laying of draining pavement on the northern section and seismic upgrade work on the Coltano viaduct. In 2023, SAT also continued infrastructure inspections in application of the new guidelines and as part of plans for the modernisation of equipment.

Società Italiana Traforo del Monte Bianco

In 2023, Società Italiana Traforo del Monte Bianco invested a total of approximately €14 million (up €6 million on the previous year) related to reconstruction of the tunnel vault.

With regard to replacement of the road deck, in addition to completion of the works planned for 2023, preliminary activities were carried out relating to works to be carried out in the coming years.

With regard to the tunnel vault, preparations were made for renovation works initially planned for 2023 and subsequently postponed until 2024, after a decision taken by the Italo-French intergovernmental commission relating to restrictions on heavy traffic through the Frejus Tunnel imposed as a result of the landslide that occurred on the French side in August.

Network maintenance

Autostrade per l'Italia

In 2023, Autostrade per l'Italia allocated approximately €438 million (without taking into account the costs related to the San Giorgio road bridge and the flooding in Emilia Romagna) for routine maintenance and network repairs. In addition to the amounts included in the current financial plan, this figure is up on both 2022 and 2021, primarily due to application of the new 2023 ANAS price list, the new guidelines for surveillance of bridges, viaducts and tunnels, and new requirements, including maintenance of fire-fighting systems for regulatory compliance purposes. It should be pointed out that the new ANAS price lists were adopted pursuant to the provisions of art. 1 c. 458 of Law 197 of 29 December 2022 (Budget Law), which apply to progress reports on works carried out or accounted for by the works manager, or which he or she is responsible for recording in the related register from 1 January 2023 to 31 December 2023.

It should be noted that, with regard to motorway pavement maintenance activities, in addition to scheduled maintenance, further work was carried out at the end of the winter season, making a total of 9 million square metres. In 2023, in line with the previous year, pavements were resurfaced using new draining pavements (as per recommendations issued by leading Italian universities), affecting a total area of 5.4 million square metres.

In 2023, around 1,000 non-recurring maintenance operations relating to network safety, as well as around 8,000 inspections, structural investigations and tests, were carried out on bridges, viaducts, flyovers and tunnels (with a total value of approximately €90 million).

More than 5,000 km of safety barriers were also inspected during the year, at a cost of approximately €40 million.

With regard to other operations, it should be noted that:

- approximately €40 million was earmarked for maintenance of green spaces and cleaning activities, to ensure high quality standards and decorum on the motorway network;
- road markings on more than 2,820,000 square metres of motorway, amounting to approximately €30 million, were restored in order to ensure high retro-reflectivity standards in accordance with current regulations;
- a total of approximately €50 million was accounted for in relation to (i) winter operations to ensure safe road conditions in the presence of ice and snow (44,676.56 hours of snow per km recorded in 2023); and (ii) repairs after accidents on the motorway network.

Finally, approximately €11 million was allocated for motorway repair work after the flooding that occurred in Emilia-Romagna in May 2023.

Other operators

Raccordo Autostradale Valle D'Aosta - RAV

In 2023, RAV allocated approximately €6 million to maintenance work, up €2 million on the previous year. Special attention was paid to network safety measures, including:

- the continuation of inspections, after which it was necessary to remove some of the concrete cladding and install metal meshes to repair surface damage, and water drainage channels in tunnels were removed and reinstalled to enable close-up inspections to be conducted;
- the washing and painting of the cladding of all motorway tunnels;
- the full restoration of road markings;
- the mowing of embankments and maintenance of green spaces;
- plant maintenance and other maintenance work on the abutments of some bridges and the upgrade of barriers.

Tangenziale di Napoli

Maintenance costs incurred in 2023 amount to €2 million.

In 2023, inspections, structural investigations and tests on tunnel arches and interchanges, safety and driving conditions checks on the main viaducts and slip roads, and paving activities continued.

Società Autostrada Tirrenica - SAT

In 2023, SAT's maintenance expenditure amounted to €6 million and primarily related to work on the safety of side barriers on bridges and viaducts.

Società Italiana Traforo del Monte Bianco

In 2023, in addition to the usual recurring and non-recurring routine maintenance operations, Società Italiana Traforo del Monte Bianco carried out extraordinary maintenance to ensure constant quality and safety standards for the entire infrastructure, amounting to a total of approximately €16 million, which is less than the total amount registered in 2022. In 2023, work was carried out on modernising the tunnel and the appurtenances managed under concession, including replacement of the vault fans and the fire protection system, the update of the centralised technical management system (LOGOS), widening of the carriageway on the tunnel access ramp (on the Italian side), and the dismantling of some of the glass cladding on the vault.

Monitoring of the network

To ensure that the motorway infrastructure, works and equipment are in good working order, and thereby guarantee the best possible standards of safety and service quality, in accordance with the guidelines issued by the National Public Works Council, monitoring of the motorway network under concession continued. This activity falls within the wider internal audit system (divided into three levels), which is described in detail in the section "Corporate governance and ownership structures", to which reference should be made. In order to further check the appropriateness and effectiveness of the surveillance process for bridges, viaducts and other network assets, second-level audits have been entrusted to specialised external companies.

With regard to the inspection of bridges, viaducts and flyovers, reference is made to 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, which was subsequently amended by Ministerial Decree 204 of 1 July 2022, as well as to related operational guidance also issued by the National Public Works Council on 21 September 2022.

Tunnel surveillance activities on ASPI's motorway network are carried out in accordance with the provisions of the Tunnel Inspection Manual issued by the Directorate General for the Oversight of Motorway Concessions at the Ministry of Infrastructure and Transport in 2020, and the "*Guidelines for risk management, safety assessment and monitoring of existing tunnels*" issued by the National Public Works Council and approved by Ministerial Decree 247 of 1 August 2022.

In line with the relevant legislation, monitoring activities refer to a risk-based system that requires a multi-level approach, entailing classification of the infrastructure to be analysed, as well as determination of the type of intervention needed, and, if provided for by the methodology, the audit levels to be applied. Based on the outcomes of the monitoring activities, appropriate measures to modernise and improve the infrastructure, as well as implementation of any monitoring systems, are defined, including detailed identification of the context in which they will be carried out. This multilevel approach involves the following phases of analysis, in ascending order of depth and detail:

- L0 - Classification of works;
- L1 - Visual inspection of the infrastructure and catalogue of defects;
- L2 - Determination of the type of intervention needed for works;
- L3 - Preliminary assessments of works;
- L4 - Accurate checks of works.

Specifically, with regard to the approximately 4,400 bridges, viaducts and flyovers across the network, in accordance with the deadlines set in the above guidelines, at 31 December 2023, visual inspections (level 1) and subsequent assessment of types of intervention needed (level 2) have been completed.

A major inspection campaign across all the network's tunnels continued in 2023, 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. Specifically, visual inspections (level 1) and subsequent assessment of the types of intervention needed (level 2) relating to 450 tunnels longer than 200 metres were completed by 31 December 2023, in accordance with the deadlines set in the above guidelines.

ASPI uses ARGO, an Enterprise Asset Management platform developed by the Group's subsidiary Movyon in partnership with IBM, to carry out inspections. In a single database, this platform combines all the information needed to create and manage an integrated system for digitalising checks and periodic inspections, instrumental monitoring, and scheduling and management of maintenance operations, which is in line with regulatory developments and meets stakeholders' requirements. The platform enables fast access to all information related to a project, including the state of the infrastructure, a complete digital model and its inspection and maintenance

history, as well as to the complete document archive, from the planning stage and through the subsequent implementation phases.

The ARGO platform also supports integration of data from monitoring systems, which, via the use of sensors installed at strategic points across the structure, enables gathering of continuous, semi-real-time data on the structural response. The monitoring systems consist of a dense network of sensors, data acquisition and transmission systems, as well as a central system for archiving, analysis and structural diagnostics.

The system has also been developed to manage digital twins - 3D digital models of infrastructure works that accurately reflect the size, shape and detail of the actual physical works - which can also be carried out using drones. These models enable detailed inspections to be carried out remotely, resulting in high quality and repeatable output over time, including analysis of points that are difficult to access by traditional means.

Using such tools as drones, visual inspections can be carried out with less impact on traffic, and above all significantly reduce the safety risks associated with operations on the ground.

Finally, ARGO is fully integrated with the AINOP database, which is used by the MIT and the National Agency for Railway, Road Infrastructure and Motorway Safety (ANSFISA) to consult all the information on infrastructure projects needed for checking and monitoring activities.

National Recovery and Resilience Plan Supplementary Fund - Implementation of a dynamic monitoring system for the remote control of bridges, viaducts and tunnels on the main road network

Ministry of Infrastructure and Transport Decree 93 of 12 April 2022 approved a plan to allocate resources for *"the implementation of a dynamic monitoring system for the remote control of bridges, viaducts and tunnels on the main road network. National Recovery and Resilience Plan Supplementary Fund - Mission 3"*, which aims to adopt an integrated recording, classification and risk management system for 12,000 key infrastructure assets that are part of the first-level National Integrated Transport System network, install monitoring systems on 6,500 of these 12,000 infrastructure assets, and adopt the Building Information Model (BIM) for 200 of the previous 6,500 assets.

Given the extent of its motorway network, ASPI was awarded a grant totalling €86 million (of which €14.2 million had already been disbursed at 31 December 2023).

As part of ASPI's plan, and in particular the development of the ARGO system, monitoring systems will be installed on 1,246 tunnel bays/castings and the BIM will be applied to 39 works, in accordance with the provisions of the Decree.

The construction/implementation of a control room, the installation of weight in motion (WIM) systems for load detection, and deployment of drone surveys via development of a survey management platform using artificial intelligence-based image processing algorithms, are also planned.

These tools will enable monitoring and provide information on the evolution of infrastructure over time, whilst improving maintenance planning and identification of the most vulnerable points, taking into account the risks associated with the infrastructure assets.

Safety

There were 14,521 accidents on the network operated by Autostrade per l'Italia and the Group's Italian operators in 2023. The global accident rate is down to 28.8 from 29.4 in 2022 and 2021. The death rate is 0.22, down from the 0.26 registered in 2022 and in line with the figure for 2021.

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

	2020	2021		2022	2023
Global accident rate (number of accidents per 100 km travelled)	26.73	29.4		29.4	28.8
Accident rate on carriageways	23.78	25.9		25.4	25.6
Casualty rate (number of accidents per 100 km travelled)	5.91	7.0		7.0	7.07
Fatal accident rate (number of accidents per 100 km travelled)	0.18	0.21		0.22	0.20
Death rate (number of deaths per 100 km travelled)	0.21	0.22		0.26	0.22

(Data for 2023 is provisional)

Continual improvement of network quality standards, and campaigns aimed at raising motorists' awareness of road safety contributed to the results achieved, as did specific infrastructure and operational measures, including:

- expansion of safety nets (up more than 31% on 2022);
- an increase in the number of sections covered by the Tutor system in the period 2022-2023 (11 new sections amounting to 125 km, with total coverage now extending along 1,600 km of ASPI's motorway network);
- activation of remote tachograph monitoring (RTM) stations at the Rimini South and A1 Variante di Valico sites, which enables the highway police to remotely monitor the tachographs on new-generation heavy goods vehicles;
- inauguration of the innovative Milan East check point, aimed at carrying out checks on exceptional loads and heavy goods vehicles in cooperation with the highway police;
- an update of the "Guidelines for the installation, management and removal of roadworks on Autostrade per l'Italia's network".

Safety initiatives

In 2023, with a view to reducing the number of road accidents, in collaboration with the highway police, Autostrade per l'Italia carried out initiatives and awareness-raising campaigns involving events, training material and engagement initiatives, including:

- a communication campaign aimed at promoting good driving behaviour, in collaboration for the first time with the High Patronage of the President of the Republic "Keep your eyes open. Road safety also involves you". The campaign was publicised via TV, radio, internet and newspapers, as well as at motorway service areas. The initiative was also promoted in Italian schools located in the areas the motorway network passes through, with the aim of reaching around 12,000 students at 200 secondary schools and getting them to play an active role in a zero-accident future, by educating them about safety before, during and after driving;
- the twelfth edition of the "Safety heroes" campaign on the occasion of the Giro d'Italia bicycle race, aimed at highlighting the value of the everyday efforts made by the police officers and motorway workers who oversee traffic on Italy's main roads;

- inauguration in April 2023 of the first Safety Point at the Casilina East service area (A1 Cassino), which is designed to share and spread information about road safety issues and promote good driving behaviour;
- activation of a dedicated check point for exceptional loads and heavy goods vehicles at the Milan East toll station on the A4 motorway, equipped with 3D scanning lasers and a static weighing system, which measure the mass and volume of the vehicles. This facility enables optimisation of checking procedures and the intervention of highway police teams and patrols, thereby reducing waiting times and further implementing safety systems for road users and lorry drivers;
- once again in 2023 a "snow plan" was implemented in collaboration with the highway police, 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. A specific section of the website is 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.

To reduce the number of accidents caused by animals wandering onto the motorway, ASPI continued its plan to strengthen boundary fencing. In 2023, such fencing was expanded to cover approximately 340 km, bringing the total coverage since 2019 to 1,400 km.

In 2023, the number of accidents caused by hitting animals along the entire network was approximately 25 percent down on the average over the previous three years.

In order to reduce the number of accidents caused by drivers swerving or skidding due to distraction or falling asleep, various solutions have been adopted, including the installation of rumble stripes along approximately 231 km of motorway in 2023, making a total of more than 500 km installed.

In order to reduce the accident rate at blackspots, more than 230 specific initiatives were implemented, including installation of warning signs, lighting systems, special paving, etc.

In addition, since August 2023, a training course on construction site signage has been made compulsory for the purposes of issuing of manoeuvring permits. The course, which is available via an online platform in several languages (English with Romanian subtitles, and French with Arabic subtitles), is aimed at contractors' operating personnel, and focuses on requirements and obligations for personnel engaged in the installation, handling and removal of roads signs while traffic is present.

Traffic management

The Total Delay¹ on the network managed by Autostrade per l'Italia in 2023 amounted to approximately 8.7 million hours, compared with 7.7 million hours in 2022.

The Total Delay Work, a sub-indicator of Total Delay, which measures disruption caused by roadworks on motorways, recorded a figure of approximately 918,824 hours in 2023, a decrease of 13.6% compared with 2022 (1,063,270 hours).

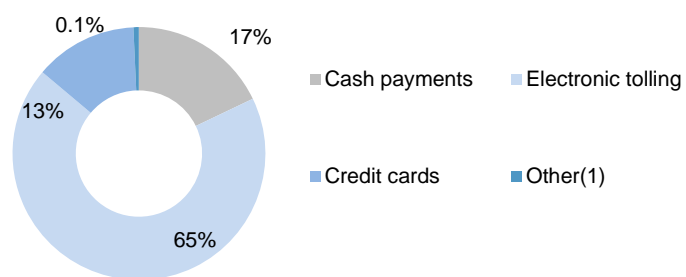
Once again in 2023, Autostrade per l'Italia scheduled roadworks in accordance with criteria designed to limit traffic disruption. The agreement with the radio broadcaster, RTL 102.5, continued in 2023 alongside the existing partnership with RAI Isoradio, with the broadcast of 27 live bulletins a day by operators from the MyWay group and Autostrade per l'Italia's traffic channels, in addition to another 60 reports broadcast via Radio DAB Rtl 102.5 Autostrade per l'Italia News.

Live coverage on the MyWay slots on SkyTG24 was provided on approximately 700 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 2,300 reports were broadcast via Canale 5.

Toll collection and payment systems

The following table shows a breakdown of transactions by method of payment in 2023 on the networks operated by Autostrade per l'Italia and the Group's other operators (excluding Traforo del Monte Bianco).

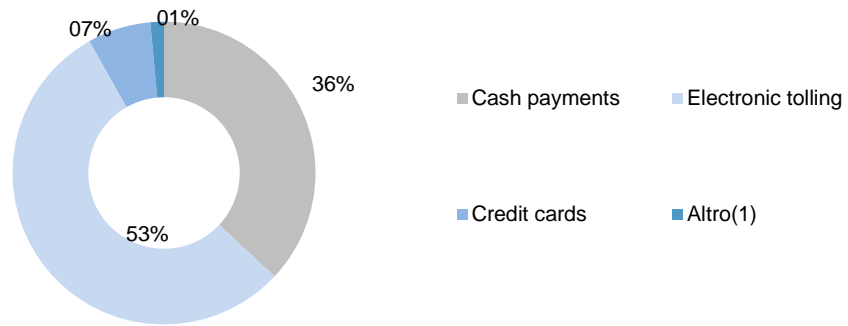
TRANSACTIONS BY METHOD OF PAYMENT ON AUTOSTRADE PER L'ITALIA'S NETWORK



(1) VIA card, prepaid cards, FASTpay, unpaid tolls, strikes and evasion.

¹ 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.

TRANSACTIONS BY METHOD OF PAYMENT ON THE NETWORKS OPERATED BY AUTOSTRADE PER L'ITALIA AND THE GROUP'S OTHER OPERATORS^(*)



(*) Excluding the subsidiary Traforo del Monte Bianco.

(1) VIA card, prepaid cards, FASTpay, unpaid tolls, strikes and evasion.

Service areas

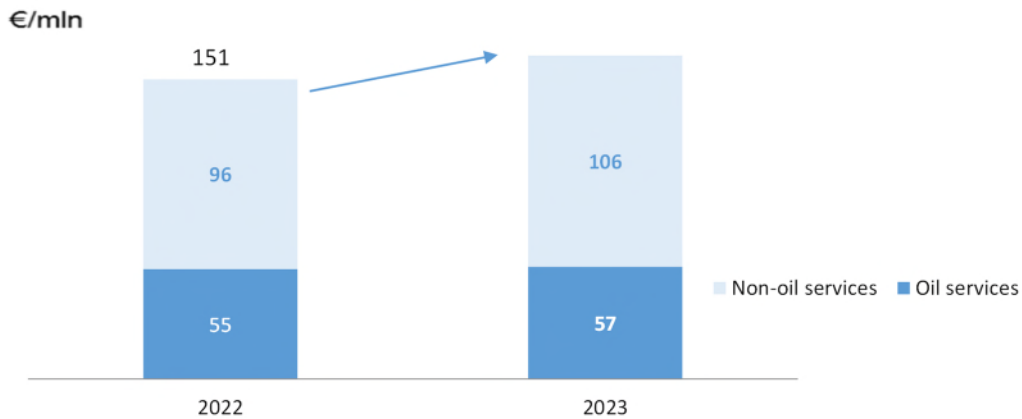
There are currently 214 service areas along the motorway network managed by Autostrade per l'Italia and the Group's other motorway operators, 204 of which are on motorways operated by Autostrade per l'Italia, as well as the Villa Costanza rest area on the A1 at Firenze Scandicci.

A quality control plan is in place at service areas, involving more than 16,000 checks per year carried out by external firms regarding quality and service parameters (e.g. cleanliness of toilets and sales areas, product quality, opening hours, ease and speed of topping up petrol, staff courtesy and helpfulness, etc.). A service agreement provides for imposition of penalties on service area operators if the set standards are not met. To support quality monitoring activities, a number of real-time communication and complaint management tools were implemented for all actors involved (oil and refreshment service providers and ASPI departments) in order to speed up corrective and/or remedial actions. This led to tangible improvements in the quality indicators related to "Zero defect inspections" and in the quality perceived by motorway users.

Autostrade per l'Italia's redevelopment programme for its service areas includes major makeovers for forecourts, as well as initiatives related to safety, comfort and the availability of rest areas for customers.

With regard to the most important initiatives, as at 31 December 2023, 13 makeovers had been completed, 6 were under construction, and 14 were in the project development or approval phases.

In 2023, 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 €163 million, an increase of €12 million compared with the previous year.



Via Free To X, the plan regarding the construction and management of ultrafast charging infrastructure for electric vehicles has been completed, with 100 ultrafast charging points installed at service areas along ASPI's network. Of the 100 charging points implemented via Free to X, as at 31 December 2023, 92 charging points were in operation at 92 service areas, and a further 8 charging points are awaiting connection by the distributor.

Two HPC (high power charger) points, with CCS2 standard and up to 300/400kW, and one multi-standard fast point (CHAdeMO in DC and type2 in AC) have been installed in all service areas, in order to provide charging for all electric vehicles (BEVs and PHEVs) using the network. At some stations, if demand should increase, Free to X has enabled expansion of the charging infrastructure, as stations are ready to be equipped with two additional HPC points, also up to 300kW, which are able to supply 150kW per charging point when all points are operating at the same time. In this case, 10 charging points will be available at each service area.

All stations are interoperable with the mobility service providers concerned, either directly or via the main international e-roaming platforms, in 15 European countries.

A competition is in progress to award the charging service contract for the first lot of 8 service areas along the motorway network pursuant to ART Determination 130/2022. Additional contracts will be awarded to complete the offer in all service areas. Similarly, a competition is being prepared to award refreshment and oil service contracts that are due to expire in 2024 (accounting for approximately 20% of refreshment services and 11% of oil services along ASPI's network) pursuant to ART Determination 1/2023.

The Determinations include some important differences with respect to the pre-existing regulatory framework, including i) competitive tenders starting a base price of zero; ii) the introduction of a "negative fee" (for refreshment and oil services, Determination 1/2023) to cover the costs of night-time personnel, cleaning and toilet maintenance.

Innovation, research and development

Group companies' total expenditure on innovation, research and development in 2023 amounts to approximately €37 million (€26 million in 2022). This sum represents the total amount spent by the Group on research and development, including operating costs, staff costs and capital expenditure. In particular, the Company focused on certain solutions (such as the use of artificial intelligence algorithms) and technological and communication solutions (ITS and C-ITS) that enable digitalisation of ordinary operations and dialogue and interaction with vehicles and road users.

Current projects include:

- implementation and finalisation of an integrated mobility management system, which, via traffic macro-simulation models, is able to process traffic forecasts, automatically simulate disruptions caused by scheduled construction works, and reduce environmental impact;
- trialling of the Travelling Control Centre (TCC) project, a system for monitoring infrastructure defects (i.e. joints) that require swift, prompt and digitally-assisted maintenance work. Any anomalies occurring across the motorway network are identified using video cameras, installed on board surveillance vehicles, which process the images using edge technology combined with neural networks;
- development of an experimental system to support operational traffic monitoring using drones;
- development of a system focused on preventing the consequences of potential collisions between work vehicles and passing vehicles, using an anti-collision system based on artificial intelligence algorithms. The approach is aimed at significantly reducing risks to operators by ensuring a safer working environment.
- implementation of new functionalities of the Hi.P.E.R. - Highway Pavement Evolutive Research - integrated system, with a view to making the pavement maintenance planning process more efficient, extending its scope and complementing it with sustainable technologies and materials. The aim of the system is to provide a tool to support maintenance planning activities, which is vital for optimising the distribution of earmarked budgets and maximising performance in terms of adherence, evenness and bearing capacity of pavement works, thereby increasing the useful life of the infrastructure. This is also achieved by using machine learning and artificial intelligence algorithms, as well as innovative pavement performance measurement and monitoring systems.

Finally, it should be noted that the Company participated in the National Research Centre's Sustainable Mobility Programme (CN-MOST), co-financed by National Recovery and Resilience Plan funds, with the aim, among other things, of making the mobility system greener and safer by encouraging the transition to alternative propulsion systems and fuels, and making the mobility system safer by developing digital solutions to promote predictive strategies to reduce accidents.

2.10 Workforce

HR transformation

The HR Transformation Plan launched in 2021 continued in 2023, with the aim of accompanying the Company's transformation by building an integrated human capital management system to support the change in the organisational mix and skills and to deal with the rapid evolution of the labour market and the external world. On the one hand, the Plan proposes the transformation and evolution of activities and processes into a single, advanced and integrated model, while on the other it provides concrete support to the digital development of human capital and daily working methods.

As an innovative driver of change, HR transformation has a 360° impact on the Company by supporting management and reinventing our people's experience throughout their employee journey. The transformation plan is enabling renewal of the workforce and boosting in-house skills, thereby ensuring improvement of operational performance together with departmental efficiency.

The Group's recruitment plan aimed at strengthening STEM (science, technology, engineering and mathematics) areas has already enabled achievement in 2023 of the target of 2,900 jobs to be created by 2024.

Workforce

As at 31 December 2023, the Autostrade per l'Italia Group employs 9,230 staff on permanent contracts and 550 temporary staff, making a total workforce of 9,787, marking an increase of 404 compared with 31 December 2022.

The increase of 497 in permanent staff is primarily linked to the following companies:

- Amplia (up 194), Tecne (up 134) and Movyon (up 50), as the workforce was boosted in connection with increased investment and maintenance activities related to Autostrade per l'Italia's infrastructure;
- Autostrade per l'Italia (up 44), primarily due to strengthening of central structures to improve safety and quality oversight, as well as governance, coordination and monitoring activities;
- Free To X (up 28), as the workforce was boosted in connection with activities related to the operation of charging stations installed along the motorway network;
- Giovia (up 20), C.I.EL Costruzioni Impianti Elettromeccanici (up 13) and Pavimental Polska (up 12).

The number of temporary staff was down 93, primarily due to reductions in the use of fixed-term contracts by Amplia (down 73) and Autostrade per l'Italia (down 24).

The Autostrade per l'Italia Group's average workforce stood at 9,117 in 2023, up by a total of 509 (5.9%), including agency staff.

BREAKDOWN OF THE ASPI GROUP'S WORKFORCE

PERMANENT STAFF

	31 Dec 2023	31 Dec 2022	Increase/(Decrease)	
			absolute	%
Senior managers	154	143	11	7.7%
Middle managers	543	494	49	9.9%
Administrative staff	4,480	4,069	411	10.1%
Operational personnel	2,541	2,532	9	0.4%
Toll collectors	1,512 (1)	1,495	17	1.1%
Total	9,230	8,733	497	5.7%

(1) including 2,253 women

FIXED-TERM STAFF

	31 Dec 2023	31 Dec 2022	Increase/(Decrease)	
			absolute	%
Senior managers	1	-	1	n.a.
Middle managers	1	1	-	n.a.
Administrative staff	131	132	(1)	(0.8%)
Operational personnel	184	265	(81)	(30.6%)
Toll collectors	240	252	(12)	(4.8%)
Total	557	650	(93)	(14.31%)

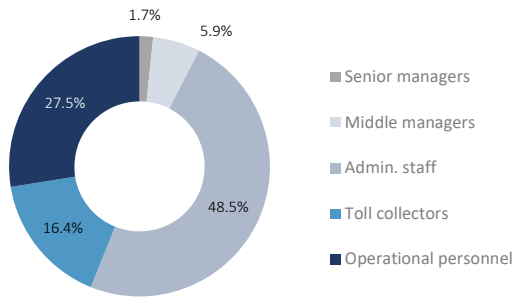
AVERAGE WORKFORCE

	2023	2022	Increase/(Decrease)	
			absolute	%
Senior managers	154	143	11	7.7%
Middle managers	515	462	53	11.5%
Administrative staff	4,381	3,900	481	12.3%
Operational personnel	2,446	2,367	79	3.3%
Toll collectors	1,618	1,661	(43)	(2.6%)
Sub-total	9,114	8,533	581	6.81%
Autostrade Meridionali	3	75	(72)	n.s.
Group total	9,117	8,608	509	5.91%

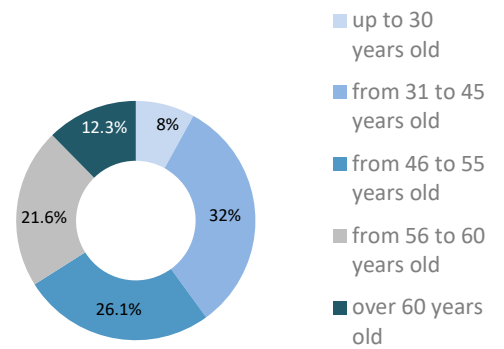
Information on the performance of staff costs is provided in the “Group financial review”.

Breakdown of the Group’s workforce (permanent staff)

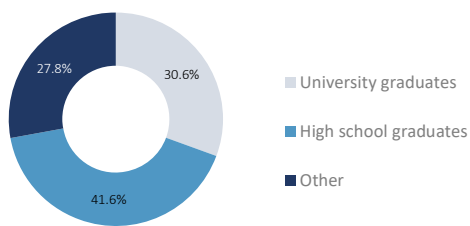
DISTRIBUTION BY CATEGORY



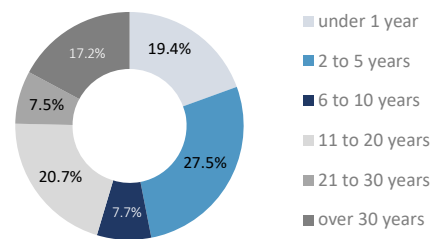
DISTRIBUTION BY AGE



DISTRIBUTION BY EDUCATIONAL QUALIFICATION



DISTRIBUTION OF STAFF BY LENGTH OF SERVICE



Staff management, development and training

The Group's organisational pivot from infrastructure operator to integrated mobility operator, puts people and their skills at the centre of change and the transformation plan via a knowledge management and development system called *Autostrade del Sapere*. The project was started in 2019 to enhance the skills of the Group's people and attract professionals from the infrastructure sector, by creating an ecosystem including universities and business schools, training centres and national technology incubators. The ambition is to systematise national excellence by creating a strategic synergy between the corporate, educational and academic worlds in order to promote lifelong learning and professional growth, and support innovation and digital transformation within a network of relations and partnerships that, like the motorway infrastructure, is spread across the entire country and unites every inch of it through the power of knowledge.

Autostrade del Sapere comprises various initiatives and tools aimed at:

- building skills for today and creating new ones for tomorrow, via various Academies and partnerships with universities:
 - *Smart Infrastructure and Construction Academy*, hosted by the University of Naples Federico II, which is aimed at providing training to infrastructure engineering experts on sustainability, safety and technological innovation;
 - *Amplia Academy*, which provides training to young people and jobseekers regarding key construction trades (carpenters, manual labourers, accountants, assistants and site managers);
 - *Talent Acceleration Program*, is a project dedicated to Planning and Control professionals, in partnership with Adecco, Federico II and SDA Bocconi;
 - *Master's degree in "Integrated engineering and management of motorway networks"*, for newly hired interns, designed in cooperation with the Polytechnic University of Turin, the Polytechnic University of Milan and the POLIMI Graduate School of Management;
 - *Membership of the "Distretto Italia Project"*, an inter-company programme that aims to guide, train and create a new generation of professionals, in partnership with the Elis Consortium, educational institutes and universities;
- transmitting corporate values, a common leadership model and key skills for effective integration into the cultural and professional environment, via such initiatives as *onboarding* for new Group hires, *business coaching* to enhance leadership and management skills, and the *Safety Academy* to develop a 360-degree safety culture;
- enabling development and supporting professional growth, via *succession plans* for senior and strategic roles; *assessment centres* to assess management skills and preparedness; development and networking programmes (such as *LED - Light Your Talent*, "*Off Road Future Leaders*" in partnership with SDA Bocconi, and *CDP Academy* in partnership with international business schools); and performance review systems for Group people (*People4CompanyValue*);
- promoting continuous updating of professional skills via the *Autostrade Corporate University*, an intragroup training centre based on *faculties* interconnected with the core business (*Infrastructure, Operations, Digital, ESG*), with over 200 technical and specialised training programmes managed by a community of 130 in-house trainers, aimed at enhancing specialised skills by setting up *up-skilling* and *re-skilling* courses (e.g. Economic Operator

System (EOS) toll collector - station operator) and facilitating governance of processes, activities and resources (e.g. project management and certifications);

- supporting the Group's challenging strategic objectives and defining HR strategic guidelines.

Welfare

In 2023, based on consolidated corporate welfare policies and aimed at the entire workforce via various initiatives designed to meet and take care of our employees' organisational, social and financial wellbeing and work/life balance needs, the Group strengthened its commitment to provide integrated, personalised, innovative and shared 360-degree welfare that puts people at the centre, whilst ensuring an inclusive environment in which personal and professional expectations may be met in line with the organisation's priorities.

The corporate wellbeing initiatives involved around 6,000 employees and their family members, to whom many of the initiatives are addressed. The initiatives involve the entire workforce through events related to fitness, healthy eating, medical prevention, volunteering, art and culture, via an incentive engagement technique provided by the *Healthy Virtuoso* gaming platform, which uses reward mechanisms and measures each initiative's appeal, with a focus on the benefits generated for individuals and the Company.

Welfare initiatives aimed at benefiting families and supporting women were expanded in 2023, in order to strengthen the Group's commitment to promoting a maternity-friendly working environment and supporting female empowerment. As part of our strategy to make the most of female talent, the Group strongly believes in supporting joint parenting in order to ensure a good work-life balance and facilitate the continuity of women's careers.

Related initiatives include the introduction, with the recent renewal of the labour contract on 18 July 2023, of additional guaranteed leave over and above the mandatory requirements of national legislation, as well as leave on days when children are ill, of which more than 50% is remunerated, and employer-provided supplementary allowances, ranging between 80 and 100%, for parental leave. With regard to parenting, 2-hour leave periods were also introduced for all parents with children attending primary school in order to accompany them on their first day of school.

The Group has set out all the measures to facilitate joint parenting in a parenting handbook that outlines the benefits available to new parents, which has been revised to take into account the provisions of Legislative Decree 105/2022 and the 2023 Budget Law (Law 197 of 29 December 2022).

In December 2023, Autostrade per l'Italia signed up for the Responsible Businesses Code proposed by the Ministry for the Family, the Birth Rate and Equal Opportunities, pledging to share its maternity best practices and contribute to the development of innovative solutions to support working women and the birth rate, through actions in these three areas: continuity of mothers' careers - prevention and healthcare initiatives, and adaptation of working hours and patterns, together with support for childcare and education expenses.

The new labour contract also strengthens tools and measures that protect the right to health, and further improves the Company's contribution for employees enrolled in the supplementary pension fund.

In 2023, the Group maintained the hybrid work model that applies to more than 50% of Autostrade per l'Italia's 5,000 employees. The model provides for flexible times for both in-presence and remote working days, guaranteeing the right to disconnect for 4 hours within a timeframe from 8am to 8pm.

Our strong commitment to achieving excellent human capital management performance led the Group to obtain Top Employer 2023 certification in June 2023, marking an important milestone that reflects the Group's commitment to putting the wellbeing of our employees at the centre of our priorities.

Diversity, equity and inclusion

Valuing diversity, whether related to gender, age or educational background, is central to the Group's ESG objectives, and is aimed at creating a working environment in which everyone feels valued and motivated.

With this in mind and in line with best practices, the Autostrade per l'Italia Group has continued to vigorously promote the inclusiveness programme *FareDI+*, *Diversity and Inclusion - a value for everyone*, by adopting principles, pillars and a governance and monitoring system which are set out in the Group's Equality and Inclusion Guidelines that were approved by the Company's Board of Directors in April 2023.

The Group's system for managing and monitoring issues related to inclusion, gender equality and integration currently consists of three different bodies:

DE&I Steering Committee, set up as part of the ESG Sustainability Management Committee, with objectives that include drawing up and identifying the DE&I action and communication plan, disseminating the Guidelines to all Group companies and the supply chain, the introduction of engagement initiatives aimed at the various target groups, and defining KPIs for monitoring D&I projects.

Bilateral Committee (Company-Labour Unions) for the safeguarding and inclusion of diversity, which was set up in 2021 with the labour unions that represent the Company's workforce, with these objectives:

- monitor female employment trends in the Company, by implementing female recruitment strategies;
- reduce the gender pay gap, by ensuring equal career development for men and women;
- develop a series of initiatives designed to provide cutting-edge corporate welfare that specifically supports shared parenting so that the burden of childcare traditionally borne by female workers is shared, and enables women to integrate better within corporate organisations.

Employee Resource Groups (ERG) - groups of volunteers led and trained by ASPI Group staff, with the aim of encouraging a more inclusive corporate culture, driving change within the Company, and taking an intersectional approach to all inclusiveness issues. The ERGs help to promote an inclusive approach, in order to support the Company in achieving its DE&I objectives by setting up a two-way listening channel aimed at co-creating personalised initiatives/projects that reflect the actual needs of our people in the implementation of our inclusiveness programme. The ERGs were also made responsible for organising ASPI's first Inclusion Week in June 2023, two years on from the start of the *FareDI+* programme.

The Bilateral Committee for the Inclusion of Diversity drew up a *Protocol to combat harassment, discrimination and violence in the workplace*, reinforcing a strong commitment also made by the Company in the latest round of contract renewals. The *Protocol* is aimed at preventing, detecting and managing harassment, violence and bullying, and more generally behaviour that harms the dignity of the person. With reference to national and international regulations, the Protocol has introduced a Code of Conduct that is now permanently enshrined in the Company's regulations, and has strengthened the Company's whistleblowing channels by setting up a free *counselling centre* that provides an initial contact outside the Company to which, in the event of harassment, discrimination or misconduct, employees may turn to get support, including psychological counselling.

In continuation of the process that began in 2022 with the preparation of the first Gender Equality Plan, Autostrade per l'Italia's first *Gender Report* was published in 2023, with the aim of setting out priorities, concrete objectives based on an in-depth assessment of the current situation, and specific measures that will be implemented to improve gender equality across the Group.

In 2023, the gender equality (UNI/PdR 125:2022 standard) and the human resource management (ISO 30415) certifications obtained in 2022 were renewed, as well as the AID-recognised "*dyslexia friendly company*" certification, which saw the launch of a document accessibility programme, involving various professional categories, regarding the redesign of manuals and procedures primarily aimed at the Company's operational workforce.

In order to disseminate the new leadership model, remove unconscious bias and primarily focus on the five organisational behaviours of innovation, inclusiveness, accountability, agility and sharing, an inclusive leadership training project was set up involving all the Group's first- and second-line managers (around 150 staff).

As part of training supported by the New Skills Fund dedicated to ecological and digital transition issues, Diversity, Equity and Inclusion content was included, as well as a call for equality certification for all the Company's workforce.

The Ability Garden project, a social and labour innovation model aimed at young people affected by intellectual disabilities and neurodiversity, continued in 2023. The second edition, launched in June 2023, saw the induction of 16 new hires who, after a vocational orientation period, continued their on-the-job training at two Group companies (ASPI and Amplia).

ASPI also won the Dragonfly Award, for combating violence against women, and the Minerva Award, for our commitment to developing female talent.

Workplace health and safety

ASPI believes that 360° safety is one of the fundamental drivers of an organisation's sustainability and the steady reduction of the accidents. This is achieved by developing an improvement programme based on culture, organisation and working methods, which serves to show that integrating discipline into the business is vital for building robust and concrete leadership on these issues.

Once again in 2023, the number of employee and third-party accidents fell significantly (lost time injury frequency rate down 20% on 2022).

Although the Group has achieved important results, we are also aware that there is still a long way to go, especially if the goal is to fully involve the supply chain in developing improvement initiatives in what is traditionally a difficult and complex sector. Therefore, in addition to consolidation of the many initiatives started in 2020, 2023 also saw the launch of new projects that increasingly involved operators and contractors.

In March 2023, a major programme was initiated to further accelerate the ASPI Group's transformation into an "interdependent organisation", namely - according to Bradley's well-known classification - an organisation with a strong identity in which health and safety objectives are shared and people "take care" of each other, thereby helping not only to achieve zero accidents, but also to increase the Company's productivity.

The programme was created to consolidate - and maximise the effectiveness - of existing initiatives, thus enabling their synergy and helping to create and disseminate a shared framework.

The main work streams in this area include:

- Safety governance: action to improve the efficiency of the processes related to the work of the Health, Safety and Environment Committee and its subcommittees by better targeting their actions and content.
- Safety initiatives, including actions aimed at:
 - further strengthening the process of analysing accidents and near misses, and reviewing the classification of events with a focus on preventing high-potential accidents associated with specific top risks, which enabled definition of improvement actions that target root causes, in order to avoid their recurrence and positively impact their degree of seriousness;
 - enhancing the flow of communication and dialogue between bodies and works councils if significant events should occur;
 - introducing new analysis techniques to investigate root causes, and systematically disseminate lessons learnt;
 - boosting skills for all key Group roles, by holding workshops that involved more than 200 Group people.
- Safety leadership: the most substantial stream in terms of operational impact, which saw more than 500 key Group roles take part in training workshops followed by individual coaching in the field. The aim of the activity was to embed the safety routines of the Active Safety Value Programme, thereby affirming leadership in all roles from the senior management of production units to supervisors.
- Contractors' safety management: the supplier and contract management process was reviewed, via an end-to-end approach aimed at being in line with the best in class in other sectors too. Opportunities for improvement have emerged, which a dedicated cross-functional team is implementing in accordance with the road map that has been drawn up.

The health and safety leadership programme, called Active Safety Value continued in 2023. In this programme the Group decided to develop our own distinctive methodology, set out in accordance with our organisation and specific operating area, with the aim of strengthening and embedding 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 is supported by an in-house team of around 180 safety coaches and 250 safety supporters and has involved a total of around 3,000 people via more than 100 workshops and over 700 conversations.

In 2023. As part of the Active Safety Value programme, saw the birth of Active Safety Evolution, This initiative is aimed at consolidating health and safety leadership throughout the workforce, based on the "Manifesto for Change", a tool created by the Group's senior management that contains a set of concrete commitments and actions on the ground, aimed at creating "carriers" of safety and health at all levels.

Various initiatives were implemented in 2023 that use innovative and unconventional tools to involve workers in this issue, and develop the skills and knowledge needed to bring about change in the health and safety sphere. The initiatives introduced include:

- High Altitude: an interactive online game aimed at fostering a proactive attitude towards safety and the adoption of safe behaviour among all Group employees, based on robust awareness of risks and the conviction that they can and must act personally - in keeping with the Company system - in order to constantly make activities safer and reduce accidents.
- Health and safety educational videos: short videos focused on the main risks that may occur at work. Animated video graphics are used, to improve risk awareness and encourage good behaviour while carrying out activities.

In 2023, two important days were organised to engage senior management on the ground. The first, in June, saw more than 100 leaders at 95 sites, with engagement across the whole Group, focus on aspects related to cleaning work areas, and tidying up and removing superfluous items. The approach based on dialogue and team engagement turned out to be successful.

In November, the first Walkthrough Day was held, with a broader focus on all aspects that have an impact on occupational safety dynamics (effectiveness, efficiency, etc.). The event saw the active participation of all the CEO's frontline troops, and involved more than 500 people including leaders in the field and the operational staff of the Group and of companies working on our construction sites. The meeting provided an opportunity for open sharing and discussion on concrete issues, and also generated ideas for improvement.

ASPI has promoted various safety promotion campaigns, with the aim of making as many people as possible aware of the need to take care of their own and others' safety, as occupational safety is up to everyone who works at and for the Group.

In 2023, a Safety Week (18-24 February) was organised, with socialisation and team building meetings on safety.

The Safety Week involved more than 5,300 people, 300 external companies, and more than 200 events across the entire network, including: site drills, safety walks, safety workshops and flash mobs, and events open to schools and families.

Another important Group initiative is the Safety Academy, Autostrade per l'Italia project designed to help achieve the ASPI Group's "zero accidents" ambition, through the design and implementation of communication and safety awareness initiatives aimed at the workers of companies operating across our network.

To this end, the Safety Academy has entered into partnerships with leading organisations to undertake training events, awareness-raising campaigns and cultural initiatives that promote the values of prevention, wellbeing and mutual care in industry and society in an engaging way.

The first three workshops, held in November and December, involved managers from around 90 companies on the topic of safety leadership.

The appropriate and full application of the safety standards is subject to internal compliance audits for all Group companies, and to the external audits required to confirm certification. As part of contracting procedures, ASPI carries out operational assessments at construction sites to

ensure that the regulations are correctly applied by the appointed safety professionals and contractors. In 2023, around 4,000 inspections were carried out, which revealed a steady and significant reduction in cases of non-compliance. These checks enable the Group to obtain an accurate picture of the situation, and to effectively identify any preventive actions that need to be taken.

Industrial relations

Dialogue with the labour unions in 2023 was primarily focused on integration, sustainability, safety, welfare and work-life balance issues, with a view to encouraging change and improvement of processes in line with the Transformation Plan.

Via the agreement of 18 July 2023, the sector's employers' associations Federreti and Fise, respectively representing the ASPI Group and the other Italian operators, in agreement with the transport union federations, renewed the national collective labour contract, which expired on 30 June 2022. The agreement marks a revolutionary step change as, for the first time, it introduces the concept of a supply chain, and expands the scope of the contract to include all companies operating on the motorway network, in any field, which will be able to apply the new national collective labour contract. To facilitate this process, a general section was established and five special sections were created, which also differ in economic terms in order to maintain labour cost competition in the various comparable sectors, depending on the activities carried out by the various companies that freely decide to participate in the agreement.

From a regulatory standpoint, the parties agreed on a new participatory system that also prioritises discussion on such issues as environmental and social sustainability, gender policies, job security and continuous training. Finally, changes were introduced that extend workers' rights in relation to sick leave, time off, parental leave and joint parenting leave.

In order to meet the new needs and challenges arising from this changing environment, the Group has drawn up a reorganisation plan for its activities and assigned missions that will enable companies to streamline their business processes following the technological transformation and digitalisation process. To enable full and appropriate implementation of this reorganisation, Autostrade per l'Italia and Essediesse, together with the labour union representatives (agreements of 12 December 2023, 19 December 2023 and 12 January 2024), agreed - pursuant to art. 4, paragraphs 1 to 7-ter, of Law 92 of 28 June 2012, as amended by art. 34, paragraph 54 b) and c) of Law Decree 179 of 18 October 2012 (converted into law on 17 December 2012) - to adopt the related early retirement scheme, to be taken up on a voluntary basis, in order to develop an early retirement scheme for employees who are close to meeting retirement requirements, which will enable the redefinition of processes and improvements in efficiency without putting pressure on employees who opt for early retirement.

A total of €59 million (€35 million by Autostrade per l'Italia and €24 million by Essediesse) was allocated to implement the early retirement scheme for employees meeting its requirements.

Moreover, with a view to continuing the technological and digital transformation and improving efficiency, with particular reference to the operating divisions, the parties agreed to:

- continuation of the implementation of Autostrade per l'Italia's new toll collection model, for which trialling began in the last quarter of 2021, including the identification of additional stations to be left unmanned at night, and new technologies and working tools to improve business processes, without having any impact on service quality (agreement of 26 July 2023);

- the closure of 15 Free To X service points around the country, with a view to the digital transformation of customer care (agreement of 12 December 2023).

Via the agreement of 12 October 2023, the parties also developed the above *Protocol for combating violence, harassment and discrimination in the workplace*, aimed at combating all forms of violence and discrimination in the workplace.

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 2023, 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
Holding Reti Autostradali 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 CDPE Equity SpA and companies belonging to The Blackstone Group, International Partners LLP and Macquarie European Infrastructure Fund 6 SCSp.

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

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*.

At the date of publication of this report, Autostrade per l'Italia is legally controlled by HRA, an entity whose shares are not listed on a stock market and which manages and coordinates the Company pursuant to Articles 2497 *et seq.* of the Italian Civil Code.

On 2 November 2022, HRA sought to regulate its management and coordination of ASPI by adopting a specific management and coordination policy, which was then implemented by ASPI on 10 November 2022.

This policy, which sets out the rules and areas regarding which HRA intends to manage and coordinate ASPI, in any event ensures full compliance with good governance principles and independence and autonomous decision-making by ASPI's Board of Directors, as well as ASPI's management and coordination of its subsidiaries.

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 by the shareholders of Holding Reti Autostradali

It should be noted that, on 3 May 2022, a shareholders' agreement governing HRA's shares was signed by CDP Equity SpA, BIP Miro (Lux) SCSp, BIP - V Miro (Lux) SCSp and Italian Motorway Holdings SARL. This shareholders' agreement, even though intended to be binding for HRA shareholders, an entity whose shares are not listed on a stock market, is relevant under Article 122, paragraphs 1 and 5, letters a), b), c), and d) of the TUF, given that HRA holds 88.0632% of the share capital of Autostrade per l'Italia SpA which, in turn, has a controlling interest amounting to approximately 58.98% of the share capital of Autostrade Meridionali SpA, whose

shares are listed on the regulated market Euronext Milan (EXM), which is organised and managed by Borsa Italiana SpA.

Some of the provisions of this shareholders' agreement also regard ASPI, the circulation of ASPI's shares, and the related corporate governance, due to the controlling interest held by HRA.

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.autostrademeridionali.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 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.

THE GENERAL MEETING OF SHAREHOLDERS

appoints

THE BOARD OF STATUTORY AUDITORS

- The Board of Statutory Auditors oversees compliance with the law and the Articles of Association, compliance with the principles of good governance and, in particular, the adequacy of the organisational, administrative and accounting structure adopted by the Company, and its functionality.

THE BOARD OF DIRECTORS

- Has been given the fullest powers for the ordinary and extraordinary management of the Company. Has the authority to take all the initiatives it deems necessary in order to implement and achieve the Company's objects, excluding the powers reserved by law and the Articles of Association for the General Meeting of shareholders.
- Also meets once a year to revise and approve, by a majority vote required by law, the Company's budgets, which contain, among other things, information on the outlook.
- Has the authority to nominate an executive committee, establishing the number of committee members and its terms of reference. The Board, within the limits provided for in the Italian Civil Code, may delegate some of its powers to the executive committee.
- May also delegate authority for ordinary and extraordinary management, establishing whatever limits it deems appropriate, to the Chairperson, the Deputy Chairperson and executive Directors. The Board may also appoint one or more general managers, establishing their functions and powers.
- Resolutions are approved by a majority vote of the Directors in attendance and, in order to be valid, it is necessary that a majority of the Directors in office are present. However, it should be noted that the Articles of Association refer to certain matters on which the Board of Directors may only validly vote if the majority required by law also includes the votes of all the Directors elected from Minority Slates A. A list of these matters (and the related exceptions) is contained in the Articles of Association.
The Chairperson of the Board of Directors and the Chief Executive Officer, acting jointly and severally, have the authority to represent the Company.

THE AUDITING FIRM

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

The Board of Directors in office at the date of this Report was elected by the Ordinary General Meeting of 5 May 2022. The term of office of the current Board of Directors will expire on approval of the financial statements for the year ended 31 December 2024. The Board of Directors has one executive director (the Chief Executive Officer) and 13 non-executive Directors, all of whom are deemed to be competent and professional.

Having examined the information and statements provided by each Director, the Company's Board of Directors has verified that the Directors Elisabetta Oliveri, Gianluca Ricci, Sergio Buoncristiano, Fulvio Conti, Christoph Holzer, Zhiping Chen, Francesca Pace and Massimo Romano meet the independence requirements set out in the Company's Articles of Association.

The table below shows the year in which each member of the Board of Directors was first appointed.

Name	Role	Executive	Independent	Initial appointment
OLIVERI ELISABETTA	Chairwoman	No	Yes	2022
TOMASI ROBERTO	Chief Executive Officer	Yes	No	2016
RICCI GIANLUCA	Deputy Chairman	No	No	2022
BARCHIESI FABIO ¹	Director	No	No	2024
BUONCRISTIANO SERGIO	Director	No	Yes	2022
CONTI FULVIO	Director	No	Yes	2022
HOLZER CHRISTOPH	Director	No	Yes	2022
GRANT KELLY JONATHAN	Director	No	No	2022
CHEN ZHIPING	Director	No	Yes	2023
MASSOLI FABIO	Director	No	No	2022
PACE FRANCESCA	Director	No	Yes	2022
ROMANO MASSIMO	Director	No	Yes	2022
VALERI ANDREA	Director	No	No	2022
IGNACIO BOTELLA RODRIGUEZ ²	Director	No	No	2024

It should be noted that, without prejudice to the mechanisms for the election and replacement of Board members set out in the Articles of Association (see the following paragraph), the Board of Directors - through its terms of reference - has expressed its wish that the composition of the Board of Directors be inspired by diversity criteria, also in accordance with the priority objective of constantly ensuring that its members are competent and professional.

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.

¹ Following the resignation of Roberta Battaglia, on 8 February 2024, the Company's Board of Directors co-opted Fabio Barchiesi as a new Director. The Board of Directors' meeting of 8 February 2024 also appointed Fabio Barchiesi to replace Roberta Battaglia as a member of the Major Works Committee.

² Following the resignation of Gordon Ian Winston Parsons, on 14 March 2024, the Board of Directors of the Company also co-opted Ignacio Botella Rodriguez as a new Director. The Board of Directors' meeting of 14 March 2024 also appointed Ignacio Botella Rodriguez to replace Gordon Ian Winston Parsons as a member of the Major Works Committee and of the Environmental, Social, Governance and Health and Safety Committee.

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;
 - (iii) 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, according to the instructions (if any) given in said slate and, therefore, not necessarily following the sequential order contained therein, or, if the slate to which the departing Director belongs does not specify additional candidates to replace the departing Director or the said candidate does not accept or does not meet the requirements to become a Director in terms of the appointment notified in writing to the Company's Board of Directors by the Shareholder(s) who submitted the slate to which the departing Director belongs (or by the persons to whom the relevant shareholding has been transferred in the medium term).

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, 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.

Terms of Reference

The functioning of the Board of Directors is governed in detail by special Terms of Reference approved by the Board on 27 July 2022. Among other things, these Terms of Reference govern the role and composition of the Board of Directors, the powers of its chairperson and secretary, the procedures for scheduling, convening, conducting and minuting board meetings, and the confidentiality obligations related to the information acquired during such meetings.

Meetings of the Board of Directors

The table below shows the Board of Directors meetings that were scheduled in 2023.

Months

J	F	M	A	M	J	J	A	S	O	N	D
.
	.	.			.						
Total											14
Average Duration											3hrs 12 min
Meetings scheduled for 2024											12

The meetings were duly attended by the Directors and members of the Board of Statutory Auditors.

To facilitate discussion of the items on the agenda, the Board secretary made supporting documentation available to the Directors and Statutory Auditors, including key information to enable assessment of the matters under discussion, relating to the resolutions to be taken during the meeting and, more generally, to enable the Directors and Statutory Auditors to contribute to the process of creating value for the Company.

Moreover, during the year, the senior managements of the Company and of the other Group companies, as well as departmental heads with expertise and responsibilities related to specific matters, were regularly invited to attend Board meetings to provide in-depth information on individual items on the agenda. The Chief Financial Officer and the Chief Legal, Corporate Affairs and Procurement Officer regularly attended the meetings.

The Company organised a comprehensive induction programme aimed at providing Directors with a range of information on how the Group's organisation works and the main challenges it faces; the Statutory Auditors also participated in this programme. Seven induction meetings were held in 2023.

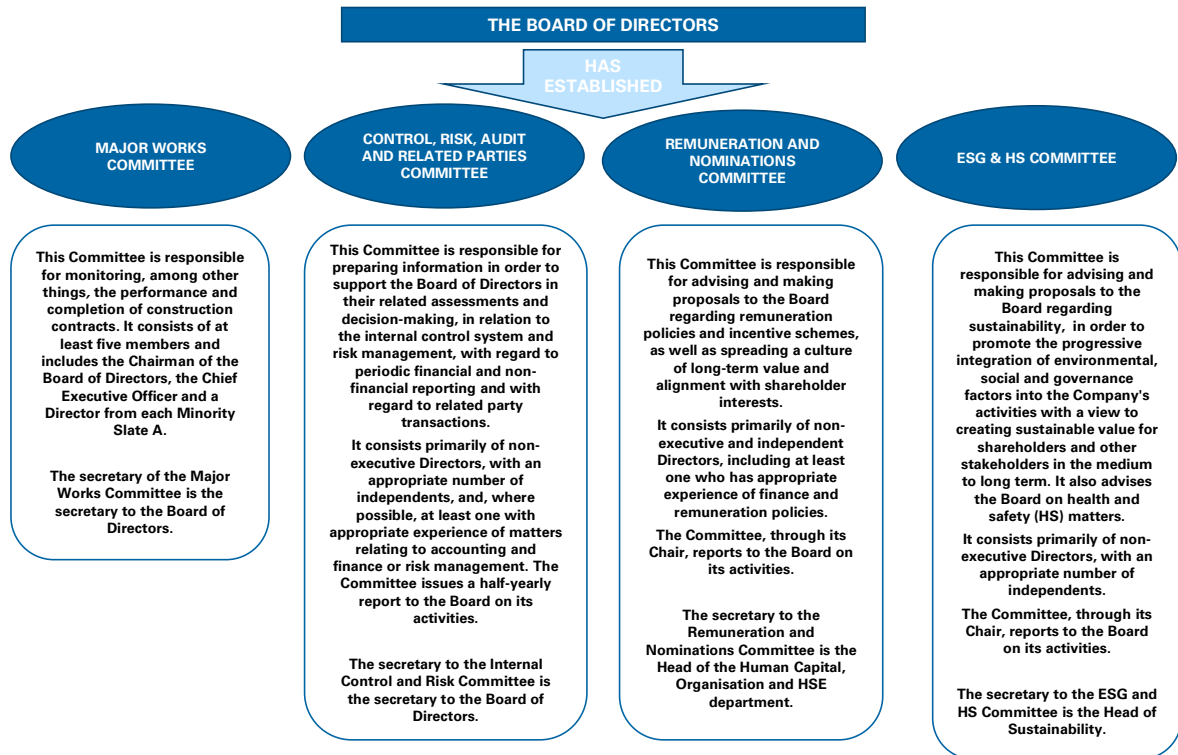
Chairperson

On 5 May 2022, an Ordinary Meeting of Shareholders appointed Elisabetta Oliveri as Chairwoman of the Company's Board of Directors.

The Chairperson liaises between the executive and non-executive Directors and ensures the smooth running of Board proceedings.

Assisted by the secretary, the Chairperson ensures, among other things, that: (i) pre-meeting information and supplementary information is promptly provided during meetings and enables Directors to carry out their duties in an informed manner; (ii) the senior managements of the Company and of the other Group companies, as well as departmental heads with expertise and responsibilities related to specific matters, attend Board meetings to provide appropriate in-

depth information on the items on the agenda; (iii) the activities of the Board Committees are coordinated with those of the Board of Directors; (iv) all Directors and Statutory Auditors, subsequent to their appointment and during their term of office, may participate in initiatives that adequately inform them about the business sectors in which the Company operates and its future development, partly in the interests of achieving sustainable success for the Company.



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. 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.

Meetings of the Board of Statutory Auditors

The table below shows the Board of Statutory Auditors meetings that were scheduled in 2023.

Months

J	F	M	A	M	J	J	A	S	O	N	D
•	•	•	•	•	•	•	•	•	•	•	•
	•	•			•						
Total											14
Average Duration											3hrs 12 min
Meetings scheduled for 2024											12

2.11.3 Internal control and risk management system

2.11.3.1 Introduction

The internal control and risk management system consists of all of the instruments, rules, procedures and corporate organisational structures designed to enable effective and efficient identification, measurement, management and monitoring of the main risks, in order to contribute to the sustainable success of the Company.

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

- compliance with the law and consistency with the general reference framework: The internal control and risk management system is defined in compliance with the applicable regulations and consistent with the general reference framework consisting of, but not limited to: the Articles of Association, the Code of Ethics, the Organisation, Management and Control Model pursuant to Legislative Decree 231/01, the organisational system, the regulatory system, the system of powers and delegations and national and international best practices, including the "CoSO Framework" issued by the Committee of Sponsoring Organisations of the Treadway Commission.
- risk culture: The ASPI Group is committed to promoting the spread of a risk management culture with a view to ensuring the adoption of a risk-based approach in managerial decision-making, and during the performance of activities by Company personnel that support the Group's strategic decisions.
- process-based approach to risk: The internal control and risk management system is based on a risk approach aimed at identifying, assessing, managing and monitoring risks in order to ensure that the activities, organisation and business processes of ASPI and each Group company are covered.
- autonomy: The subsidiaries' corporate autonomy is guaranteed with regard to the establishment and maintenance of an adequate and smooth-running internal control and risk management system, in compliance with the management and coordination guidelines drawn up by ASPI.
- traceability of information flows: Information flows are essential to enable fulfilment of the internal control and risk management system's responsibilities, and consequently the pursuit of its objectives. Therefore, the various corporate figures involved in the internal control and risk management system, with respect to their own responsibilities, shall guarantee the traceability of the activities and documents related to the process, and ensure the identification and reconstruction of sources, the information content and the checks carried out to support the activities. Moreover, they shall be responsible for storage

of the relevant documentation, in compliance with legal deadlines, using, if available, dedicated information systems.

- monitoring and continuous improvement: The efficiency and effectiveness of the internal control and risk management system should be constantly monitored in order to identify opportunities for improvement and strengthening, including as a result of changes in business, processes and organisation and, consequently, business risks.

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 risk appetite and the risk-based Audit Plan.
- the Control, Risk, Audit and Related Parties Committee, among others, is tasked with assisting the Board of Directors (i) in defining the guidelines of the internal control and risk management system; (ii) 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; (iii) 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; (iv) in approving regular financial reports. The Internal Control, Risk, Audit and Related Parties Committee has investigative, advisory and consultative functions regarding the internal control system.
- the Internal Audit department is tasked with supporting the Board of Directors, the Control, Risk, Audit and Related Parties Committee and the Board of Statutory Auditors of Autostrade per l'Italia SpA in 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, the integrity of the Company, monitoring of third parties, business continuity management, anti-fraud management and quality.

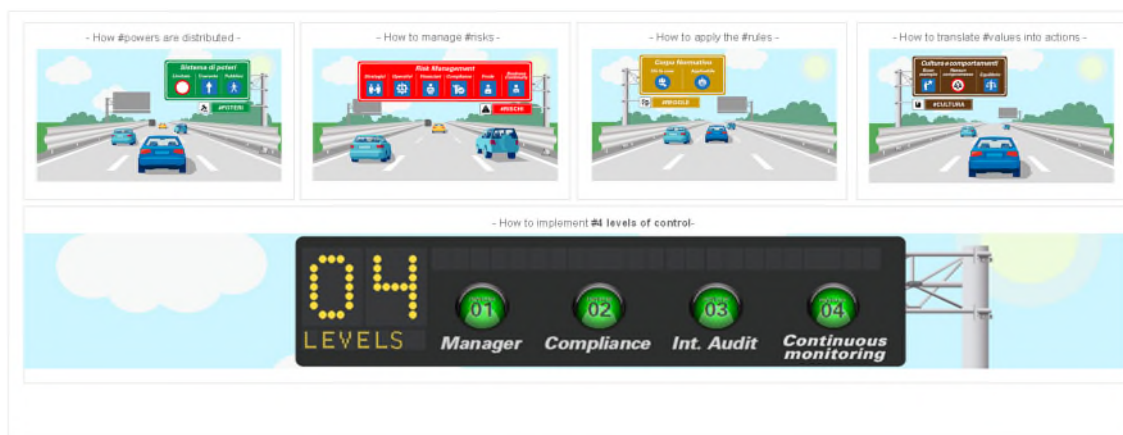
Moreover, with a view to increasing the development and dissemination of a risk management and monitoring culture, the following organisational roles have been established within Autostrade per l'Italia to manage risks in specific areas:

- 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.

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 consisting 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 guarantee the integrity and reliability of data.



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 rules 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 developed using artificial intelligence tools.

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 in accordance with 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

1. IDENTIFICATION OF FINANCIAL REPORTING RISKS

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.

2. ASSESSMENT OF FINANCIAL REPORTING RISKS

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.).

3. IDENTIFICATION OF CONTROLS FOR THE RISKS DETECTED

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 risk-based and top-down controls; such controls are deemed necessary to ensure with reasonable certainty the prevention and timely identification of material errors in financial reporting.

4. ASSESSMENT OF CONTROLS FOR THE RISKS DETECTED

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.

Effective application is tested through specific activities performed by management and the relevant department available to the **Manager Responsible for Financial Reporting**.

The **Manager Responsible for Financial Reporting** will, at least every six months, bring to the attention of the Company's Board of Directors and the Board of Statutory Auditors 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 Autostrade per l'Italia 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-bis by issuing the attestations required by the applicable laws and regulations.</p>	<p>The Manager Responsible for Financial Reporting is supported by the appropriate 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-bis 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, Piergiorgio Peluso was appointed as the Manager Responsible for Financial Reporting, with a term of office extending from the conclusion of the Shareholders' Meeting to approve the financial statements as of 31 December 2022 (Shareholders' Meeting of 20 April 2023) until the approval of the financial statements as of 31 December 2024.</p>

2.11.3.5 Tax Compliance Framework

Autostrade per l'Italia was admitted to the Italian tax authority's cooperative compliance scheme in 2019.

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"), in accordance with OECD and tax authority guidelines.

The TCF guidelines are 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, by identifying specific safeguards aimed at preventing the commission of tax offences included among predicate offences.

The safeguards implemented in the TCF are designed to pre-empt tax risk, meaning the risk of committing a violation of tax laws or of abusing the principles and purposes of tax legislation (so-called abuse of law), ensuring the timely identification of any risk, and its proper measurement and control. By integrating safeguards relating to the Organisation, Management and Control Model, for the purposes of corporate liability for tax offences, as set out in Legislative Decree 231 of 2001, Autostrade per l'Italia's TCF has been further strengthened with measures to mitigate the risk of tax fraud.

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 Tax Compliance Model ("TCM"), approved by the Company's Board of Directors, sets out the rules for identifying risks and implementing the consequent safeguards, with regard to the individual areas of risk, as follows:

- the "Tax Risk Map", relating to the risks connected with processes and compliance;
- the "Policy for managing interpretation risk", which applies to the risks connected with the interpretation of tax laws.

The roles and responsibilities relating to tax risk management are also defined, with particular reference to the Tax Risk Officer and the Tax 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 and Insolvency Proceedings, (iv) the Head of Administration and Planning, (v) the Head of Taxation and (vi) the Head of Administration and ESG Reporting Compliance (secretary). These people carry out the necessary tasks in order to ensure effective implementation of the Tax Compliance Framework, via regular updating and monitoring activities, as well as reporting on the activities carried out to the Company's Board of Directors (in accordance with the tone at the top principle).

An annual report is prepared for the Board of Directors regarding the outcomes of TCF monitoring and tax risk management, in accordance with the requirements of the Tax Strategy. As part of Autostrade per l'Italia's cooperative compliance commitments, the annual report is then sent to the tax authorities.

In order to guarantee protection for whistleblowers who report offences or irregularities - including those relating to a tax matters - that come to their attention in the course of their employment, working activities or provision of services to third parties, Autostrade per l'Italia

has set up a dedicated channel for handling reports of violations of its Code of Ethics within the Autostrade per l'Italia Group, which guarantees the confidentiality of a whistleblower's identity.

2.11.3.6 Head of the Internal Audit department

The Head of the Internal Audit department:

- a) prepares a "risk-based" audit plan for the Group, at least once a year, and evaluates any revisions that may be needed to cover emerging risks;
- a) carries out the measures envisaged within and beyond the Group audit plan;
- b) supports ASPI's governance, oversight and supervisory bodies and, if required, those of direct or indirect subsidiaries, including via specific activities, in the performance of their duties;
- c) periodically reports to senior management and ASPI's governance, oversight and supervisory bodies and, if falling within his or her remit, those of direct or indirect subsidiaries, on the outcomes of the activities carried out and on any in-depth investigations conducted, in order to support them in the performance of their duties;
- d) monitors the implementation status of the corrective actions identified as a result of activities carried out;
- e) periodically reports to the governance, oversight and supervisory bodies on the outcomes of activities carried out, including timely preparation of documents on particularly significant events;
- f) defines internal auditing methodologies and operational procedures, in accordance with the International Professional Practices Framework, guidelines and relevant best practices;
- g) informs the Control, Risk, Audit and Related Party Transactions Committee and the Board of Directors about the impact of any reduction in resources on the Group Audit Plan;
- h) develops and maintains the Quality Assurance and Improvement Programme, reporting on its outcomes to the Board of Directors, the Control, Risk, Audit and Related Parties Committee and the Board of Statutory Auditors;
- i) as Coordinator of ASPI's Ethics Office, ensures that reports are handled in accordance with the requirements of the relevant Corporate Regulatory System;
- j) manages the activities of the Supervisory Board's technical office in relation to the performance of its monitoring and supervisory functions, with the assistance of the Legal Affairs and Compliance department, and provides support for the review of the Company's Organisation, Management and Control Model pursuant to Legislative Decree 231/01.

In order to guarantee its independence, the Head of the Internal Audit department reports to ASPI's Board of Directors, via its Chairperson, who liaises between the department and the Board of Directors.

2.11.3.7 Independent Auditors

The Independent Auditors are 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.

The firm KPMG SpA was engaged by the General Meeting of shareholders held on 29 May 2020, based on a reasoned opinion from the Board of Statutory Auditors, for the financial years 2021-2029.

Throughout its term of office, the Independent Auditors must comply with legal requirements and any applicable regulations, and have free access to any data, documentation and information needed to carry out their duties.

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, which was appointed pursuant to Legislative Decree 231/2001.

ASPI's current Supervisory Board comprises:

- Fioranna Negri – Chairwoman
- Mara Chilosi
- Roberto Fiore

The Supervisory Board appointed on 10 November 2022 has a three-year term of office until 9 November 2025.

In 2023, the Supervisory Board met on 11 occasions and reported regularly to the Control, Risk, Audit and Related Party Transactions Committee, the Company's Board of Directors and the 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 231/2001¹, which forms an integral part of the Company's Internal Control and Risk Management System, approved by the Board of Directors at a meeting held on 8 February 2024.

¹ ASPI's 231 Model is available on the Company's website at: <https://www.autostrade.it/it/chi-siamo>

The 231 Model consists of a General Section - which contains the key principles of Legislative Decree 231/2001 - and a Special Section, characterised by a "process-based" structure that includes a specific detailed section regarding individual sensitive activities that may entail crime risk.

Each sensitive activity is analysed once in accordance with the process, which is structured as follows:

- Offence category: list of the offence categories, which, following risk assessment, are deemed relevant for a sensitive activity;
- Manner in which offences are committed: an illustrative description of the manner in which an offence deemed applicable to a sensitive activity is committed;
- Control standards:
 - Cross-cutting: monitoring principles drawn up in accordance with the Confindustria guidelines on the construction of 231 Models¹, applicable to all sensitive processes and activities;
 - General: behavioural recommendations that illustrate the best practices to be followed in carrying out a sensitive activity;
 - Specific: organisational and/or operational control measures applicable to individual sensitive activities, implemented in order to mitigate the risk of commission of predicate offences;
- Reporting to the Supervisory Board: periodic reporting to the Supervisory Board on individual sensitive activities.

ASPI's Board of Directors has entrusted the task of overseeing the functioning, effectiveness and observance of the 231 Model, as well as keeping it up-to-date, to a Supervisory Board (see section 2.11.3.8 above).

To ensure efficient oversight of the adequacy of and compliance with the 231 Model, ASPI has set up a number of channels which enable reporting of potential violations of the Model, guaranteeing maximum protection for the whistleblower and the reported party, in compliance with the applicable legislation.

More specifically, the above reports, together with any others relating to possible or suspected commission of violations of the Group's internal rules, or any other violation or irregular behaviour relating to the conduct of Company activities, including those which might be relevant pursuant to Legislative Decree 231/2001, should be sent to ASPI's Ethics Office in compliance with the provisions of the ASPI Group's Whistleblowing Management Guidelines, adopted in implementation of the provisions of Legislative Decree 24/2023.

In the event of receipt of a report regarding violations or attempted circumvention of the 231 Model, alleged corruption offences or violations of the Code of Ethics that might be relevant pursuant to Legislative Decree 231/2001, the Ethics Office should share the report with the Company's Supervisory Board, in order to jointly handle the matter, while respecting the prerogatives and independence of each body.

¹ Last updated in June 2021.

The 231 Model is constantly evolving, taking into account: (i) corporate transformation, and (ii) the complexity of the Company's organisational structure. In order to promote the compliance of the various corporate activities with the provisions of Legislative Decree 231/2001 and, at the same time, to ensure effective control of the risk of commission of predicate offences, a periodic update procedure, at least once a year, is envisaged.

To this end, integrated risk assessment, 231/anti-corruption risk and gap analysis activities were carried out in the second half of 2023, in preparation for an update of the 231 Model. These activities, carried out with the support of an external firm, were aimed at assessing changes in ASPI's organisational and procedural environment, and as well as in the internal and external regulatory environment¹.

In order to raise awareness of the requirements of the 231 Model, ASPI has implemented specific training courses and a specific, innovative communication campaign. In addition to the traditional programmes (compulsory online courses), ASPI has launched other training initiatives that take into account the role played by staff, including managerial coaching and higher education courses, as well as training and information initiatives such as "Legality days", and specific awareness-raising initiatives for the area offices. Communication takes place, within and beyond the Company, via such channels and tools as: i) publication of the General Part of the 231 Model on the Company website; ii) publication of the complete 231 Model on the Company intranet; iii) posting of specific flyers with a QR code for the 231 Model on Company notice boards; iv) inclusion in all contracts with third parties of the General Part of the 231 Model 231 via a QR code - the so-called integrity pack; v) an email about the publication of the 231 Model sent to all personnel.

2.11.5.3 Procedure for related party transactions

In line with best corporate governance practices, the Company has adopted a procedure for related party transactions (the "RPT Procedure").

¹ The main legislative amendments introduced include:

- Legislative Decree 24 of 10 March 2023 regarding "*Implementation of Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law and on provisions concerning the protection of persons who report breaches of national laws*";
- Law 137 of 9 October 2023, entitled "*Conversion into law, with amendments, of Law Decree 105 of 10 August 2023, containing urgent provisions relating to criminal trials, civil trials, combating forest fires, recovery from drug addiction, health and culture, as well as with regard to personnel in the judiciary and public administration*", which amended Articles 24 and 25-octies.1 of the Decree, introducing, respectively, the offences of bid rigging (Article 353 of the Criminal Code) and with the procedure for selecting contractors (Article 353-bis of the Criminal Code), and fraudulent transfer of securities (Article 512-bis of the Criminal Code). The same law also amended Articles 452-bis of the Criminal Code (Environmental Pollution) and 452-quater of the Criminal Code (Environmental Disaster), which had already been included in the list of predicate offences for the purposes of 231.

This RPT Procedure regulates transactions with related parties, as listed in the RPT Procedure itself (including, among others, the majority shareholder and related direct shareholders, Directors and the Company's other key management personnel and their close family members), and with other counterparties worthy of interest, for the purposes of article 2391 of the Italian Civil Code, and with a view to ensuring that their procedures are carried out in a proper and transparent manner.

The RPT Procedure requires that related party transactions – except for the exemptions described in the RPT Procedure itself – are assessed in advance by the Control, Risk, Audit and Related Parties Committee. At the end of this preliminary assessment, the Control, Risk, Audit and Related Parties Committee is required to issue an opinion for subsequent examination by the Board of Directors.

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.

Environmental dimension

Respect for the environment, sustainable use of natural resources and reduction of the greenhouse gas emissions that upset its balance are one of the Group's current objectives, comprising an integral part of our business model and a guiding element of our Group identity in line with the UN Sustainable Development Goals (SDGs).

The path to net zero

With regard to combating climate change, a detailed net zero plan has been drawn up to achieve validated targets, and long-term net zero targets have been submitted to the Science Based Targets Initiative.

The Scope 1, 2 and 3 emission reduction targets, which have obtained SBTi (Science Based Targets Initiative) validation in line with the scenario of limiting temperature increases to 1.5C by 2050, include:

- Reduction of absolute Scope 1 and 2 GHG emissions by 68% by 2030 (against 2019 baseline), by implementing these actions: partial replacement of the Company fleet with hybrid/electric vehicles; gradual replacement of diesel boilers with new systems powered by an energy carrier with a low environmental impact; continuation of efficiency improvement initiatives, such as replacement of permanent lighting with LED lighting in stations and tunnels; and the supply of energy from renewable sources;
- Reduction of emission intensity, with reference to Scope 3 greenhouse gas emissions by 2030 (against 2019 baseline): 52% deriving from investment in modernisation of infrastructure under concession, and 55% deriving from procurement of construction business goods and services from third parties (non-captive). In detail, the Scope 3 reduction mainly regards emissions deriving from the use of steel and concrete by Autostrade per l'Italia's and Amplia's contractors. Therefore, achievement of this target will entail full engagement of the supply chain.

The goal of reducing the carbon footprint of the transport sector and encouraging the development and spread of electric mobility, encompasses the installation of 100 electric charging stations along the motorway network by Free To X. The projects regarding the upgrade and digitalisation of the network will reduce congestion and reorganise traffic flows, thus making motorway mobility more sustainable.

Key environmental indicators

KEY ENVIRONMENTAL INDICATORS	2023	2022	% change
Energy consumption by type (TJoule)	1,453	1,502.6	-3.3
Petrol	21.8	7.8	1801
LPG	49.6	52.5	-5.5
Diesel	480.8	484.8	-0.8
Electricity	764	776.9	-1.6
Natural gas	76.8	88.1	-12.8
Heating oil	59	92.5	-36.2
CO2 emissions (t)	49,918	56,052	-10.9
Direct emissions	49,492.6	52,319	-5.4
Indirect emissions from electricity consumption (local based)	56,883.3	56,064.2	1.5
Indirect emissions from electricity consumption (market based)	425.4	3,733	-88.6
Waste produced (t)	1,399,406	966,488	44.8
% of waste recycled/recovered	99	99	-
Water consumption (m3 x 1000)	1,419	1,402	-1.2

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 1,419 thousand cubic metres of water was consumed in 2023, in line with the previous year.

Waste

The total amount of waste produced in 2023 amounted to around 1,399,406 thousand tonnes, up on the previous year (966,488 thousand tonnes), primarily due to an increase in demolition activities, of which around 99% was recovered or recycled.

Emissions

Energy consumption fell 3.3% from approximately 1,503 TJoule in 2022 to approximately 1,453 TJoule in 2023. It should be noted that diesel consumption data for 2022 were recalculated. Petrol consumption was higher than in 2022, primarily due to renewal of the Group's vehicle fleet, which included the introduction of hybrid vehicles. Consumption of LPG and fuel oil in 2023 was lower than in 2022, mainly due to reduced consumption by Amplia resulting from malfunctioning of the Bologna conglomerate production plant. Consumption of diesel fell significantly in 2023, primarily due to measures implemented by Amplia to improve the efficiency of operational vehicles. Lastly, consumption of natural gas fell in 2023, due to restricted operation of the ASPI cogeneration plant, which is undergoing extraordinary maintenance, as well as a decrease in consumption for heating.

Ratings

The Group's strategies and actions garnered top ratings from leading rating agencies, including:

an A1 rating ("Advanced") from Moody's ESG Solutions; a 4.7 Negligible Risk rating from Sustainalytics, best in class among companies in the sector; and an EEE rating from Standard Ethics (scale from EEE - leadership- to F), Gresb 90 (scale 1-100).

Particularly notable with regard to environmental matters is the A- rating (on a scale from A: - Leadership, the highest, to D: Disclosure) from CDP (formerly the Carbon Disclosure Project), which ranks the Group as a leader.

Moreover, the Envision certification obtained for the Bologna Bypass was followed by certifications for the *Gronda di Genoa* and the third lane of the Ferrara-Bologna section of the A13, which is further evidence of the Group's integration of sustainability in infrastructure design.

2.13 Autostrade per l'Italia's risk management

In 2023, Autostrade per l'Italia reaffirmed its commitment to ensuring effective and continuous management of the risks associated with its business.

The Risk Model includes four clusters: strategic, operational, ethics and compliance, and financial, broken down into 34 risk categories. For each risk category, the risk appetite level has been identified, namely the level of risk acceptable to the organisation in the pursuit of its strategic objectives.

The Enterprise Risk Management activities carried out in 2023 identified 16 key risk categories relating to achievement of the Plan's objectives, which are managed via specific control measures and ad hoc improvement actions. For all the top risks, dedicated governance models, central and/or local organisational measures, control rules and principles formally set out in the body of corporate regulations, and IT systems to support operations, have been identified. For each risk category, a description and the main management methods used are set out below.

INFRASTRUCTURE SAFETY	<i>Risk cluster: Operational</i>
<p>DESCRIPTION: Risk of undergoing financial losses, reputational damage, operational interruptions, financial penalties, repercussions for motorway users or the general population and/or in an extreme case, loss of the motorway concession due to serious shortcomings in the performance of activities aimed at guaranteeing the good condition of motorway assets and/or due to exogenous events that may adversely affect them.</p> <p>MANAGEMENT METHODS: ASPI applies organisational measures at central and local level. Operationally, the Company has implemented an infrastructure surveillance and maintenance model, in line with the latest regulatory standards and control principles. ASPI also uses a set of standards, of which the main components are certified by university institutes and applies innovative solutions for monitoring infrastructure and a digital asset management platform (ARGO) to support maintenance operations.</p>	
OCCUPATIONAL HEALTH AND SAFETY	<i>Risk cluster: Operational</i>
<p>DESCRIPTION: Risks relating to personal injury suffered by employees or third parties, due to non-compliance with occupational health and safety requirements (including construction sites), with possible repercussions on corporate value and consequences in terms of complaints, litigation, sanctions and financial losses.</p> <p>MANAGEMENT METHODS: The ASPI Group has defined a Health and Safety Management model, based on high standards of prevention, specific tools and methodologies for proactively monitoring high-potential accident events, and adopting consequent improvement measures, as well as a monitoring system aimed at ensuring appropriate and comprehensive application of safety standards. The HSE governance model includes central and local organisational measures, and a dedicated set of regulations that complements and goes beyond the legal requirements. The ASPI Group has also developed a cultural strengthening programme in the H&S sphere, called Active Safety Value (ASV), which is designed to strengthen and embed a safety culture. Finally, via the Safety Academy, which ASPI established to help achieve the "zero accidents" goal, the Group designs and implements communication and awareness-raising initiatives that are also aimed at the employees of other companies working for the Group, thereby helping to bring about the HSE vision.</p>	

ROAD SAFETY	<i>Risk cluster: Operational</i>
<p>DESCRIPTION: Risks arising from shortcomings in the performance of activities aimed at ensuring road safety, which could lead to financial losses, reputational damage or operational disruption.</p> <p>MANAGEMENT METHODS: ASPI applies organisational measures at central and local level, and also deploys operating centres across the entire network, which, within the Group's remit under the Concession, and in compliance with legal requirements, are aimed at guaranteeing road safety and free-flowing traffic. Accident rates are constantly monitored, in order to identify possible actions to bring them down. Construction sites that interfere with traffic are planned using an integrated approach, and on the basis of specific analyses aimed at minimising impacts on road users. The Company has adopted a specific set of regulations and established protocols with the highway police and firefighters to manage unforeseen events and is constantly engaged in campaigns to raise road users' awareness regarding responsible and careful driving behaviour. ASPI is certified in accordance with the ISO 39001:2012 Road Safety Management System standard.</p>	

CONTRACTS AND INVESTMENT	<i>Risk cluster: Operational</i>
<p>DESCRIPTION: Risks relating to endogenous or exogenous events that could have a negative impact on orders/investments, in terms of time, costs, quality, safety and environmental impact.</p> <p>MANAGEMENT METHODS: ASPI has adopted a Construction Management model that integrates the various roles needed to effectively manage engineering and construction activities, has implemented a Project Risk Management process to assess and monitor the specific risks of each project, and has adopted a Project Planning and Control model to analyse the physical and financial progress of projects.</p> <p>ASPI's role as an industrial holding company that manages investment in an integrated manner via Group companies that are among the leading Italian players in the design, construction and IT sectors, is an additional mitigating factor. Finally, ASPI is certified in accordance with the ISO 9001:2015 Quality Management System standard.</p>	

REGULATORY/CONCESSION-RELATED	<i>Risk cluster: Strategic</i>
<p>DESCRIPTION: Risks related to discussions with the grantor, defaults, and adverse regulatory and normative trends that could negatively impact the Company's business activities.</p> <p>MANAGEMENT METHODS: ASPI has established a dedicated organisational structure to ensure constant management of regulatory and concession issues, and, if applicable, consolidated relations with key stakeholders and adopted organised and transparent dialogue processes, thereby enabling a participatory, proactive and clarity-driven institutional approach. The operating model adopted enables the relevant departments to support core business-related activities, via specialised consultancy on regulatory and concession issues aimed at facilitating correct interpretation of regulations.</p>	

COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS	<i>Risk cluster: Ethics and compliance</i>
<p>DESCRIPTION: Risks of incurring administrative, judicial and disqualifying sanctions as a result of violations of mandatory legal provisions or national and international regulations that apply to the organisation.</p> <p>MANAGEMENT METHODS: ASPI has a dedicated organisational structure that provides legal assistance and advice to the business units, thereby ensuring appropriate interpretation and management of applicable regulations. At operational level, the Legal Compliance model adopted provides for the definition and supervision of regulatory compliance programmes, as well as assessment of the compliance of the set of procedures with legal provisions. With the aim of raising awareness on issues relating to compliance and responsible business conduct, the Company's management is regularly involved in coaching and advanced training courses, carried out in partnership with leading universities.</p>	

ENVIRONMENTAL PROTECTION	<i>Risk cluster: Operational</i>
<p>DESCRIPTION: Risks related to expected harm to people and the environment caused by specific natural and man-made phenomena, which are not appropriately monitored and/or managed.</p> <p>MANAGEMENT METHODS: The ASPI Group has defined an Environmental Management model based on high standards of prevention, and a monitoring system aimed at ensuring appropriate and comprehensive application of the set standards. The HSE governance model includes central and local organisational measures, and a dedicated set of regulations that complements and goes beyond the legal requirements. Environmental obligations are also defined and monitored for contractors. Activities are governed by a set of regulations in line with current environmental regulations. Finally, ASPI has certified its Environmental Management System to meet the ISO 14001:2015 standard, and its Energy Management System to meet the ISO 50001:2018 standard.</p>	

UNAVAILABILITY OF PEOPLE, SYSTEMS AND INFRASTRUCTURE	<i>Risk cluster: Operational</i>
<p>DESCRIPTION: Risks associated with potential business interruption events that may occur at any point in the value chain, resulting in an expected or unexpected interruption of business operations and/or the inability to guarantee service continuity.</p> <p>MANAGEMENT METHODS: ASPI applies organisational measures at central and local level, and has adopted a Business Resilience model, managed by a dedicated unit, in order to: <i>i)</i> analyse critical issues related to business processes and technologies used; <i>ii)</i> support the organisation in identifying risks and possible disruptions; <i>iii)</i> help with the definition and implementation of business resilience strategies; and <i>iv)</i> monitor the supply chain, including coordination of subsidiaries. In order to further strengthen operational resilience, the Company has established ad hoc plans to respond promptly and effectively to any events that might disrupt operations. Finally, ASPI is certified in accordance with the ISO 22301:2019 Business Continuity Management System standard.</p>	

GOVERNANCE, AND INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM	<i>Risk cluster: Strategic</i>
<p>DESCRIPTION: Risks associated with inadequate design and application of the Internal Control and Risk Management System, and ineffective definition and implementation of ASPI's Governance Model, including with regard to relations with subsidiaries.</p> <p>MANAGEMENT METHODS: ASPI uses a Governance Model for the Internal Control and Risk Management System, which is aligned with the principles of the Corporate Governance Code.</p>	

ETHICS AND CORPORATE RESPONSIBILITY	<i>Risk cluster: Ethics and compliance</i>
<p>DESCRIPTION: Risks arising from violation of the Company's internal ethical principles and regulations (e.g. by-laws, ethical codes and standards, codes of conduct) by employees and/or third parties.</p> <p>MANAGEMENT METHODS: ASPI has a dedicated organisational structure to manage the Business Integrity model, aimed at promoting responsible business conduct - based on conviction rather than mere formal compliance with laws, rules and ethical principles - with regard to business decisions as well as relations with stakeholders. The Company has adopted its own Model pursuant to Legislative Decree 231/01, and has implemented an integrated anti-fraud/anti-corruption model as well as a third party monitoring model. The Company also promotes and conducts specific management coaching and advanced training sessions, in partnership with leading universities, to raise awareness of compliance and responsible business conduct issues. Finally, ASPI is certified in accordance with the ISO 37001:2016 Anti-Corruption Management System standard.</p>	

SUPPLY CHAIN MANAGEMENT	<i>Risk cluster: Operational</i>
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DESCRIPTION: Risks associated with mismanagement of third parties (in terms of relationships and monitoring) and the supply and logistics chain, with negative consequences for the Company in economic, operational, reputational and compliance terms.

MANAGEMENT METHODS: ASPI applies organisational measures at central and level to guarantee timely and flexible procurement. The Company has also adopted a specific set of regulations, which sets out the operating methods for managing the procurement process in compliance with regulatory requirements. At operational level, ASPI has implemented a Third-Party Monitoring framework to assess and manage risks arising from management of relationships with suppliers and business partners. Moreover, via its Business Resilience model, ASPI aims to strengthen supply chain resilience and stabilise core suppliers, by implementing business continuity strategies and measures specifically aimed at the supply chain.

IT SECURITY	<i>Risk cluster: Operational</i>
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DESCRIPTION: Risks associated with jeopardising the confidentiality, integrity and/or availability of an organisation's data, due to external threats (cyber-attacks, including viruses, malware and hacking), internal threats (e.g. human error), natural disasters and hardware and software malfunctions.

MANAGEMENT METHODS: ASPI has an organisational structure dedicated to cyber risks and has adopted an IT security control model that provides for an external Security Operation Centre, operating 24/7; a specific set of regulations; technological architecture to ensure IT continuity in the event of an attack, via redundant systems at two different sites; and adoption of advanced technologies to maintain data security. Regular cyber risk awareness campaigns are also conducted to raise awareness and promote a cyber security culture throughout the organisation. Finally, ASPI is certified in accordance with the ISO/IEC 27001:2022 Information Security Management Systems standard, the ISO/IEC 27017:2015 Cloud Security standard, the ISO/IEC 27701:2019 Privacy Information Management standard, and the ISO/IEC 27018:2019 standard relating to personal data protection in the cloud.

ESG ISSUES	<i>Risk cluster: Strategic</i>
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DESCRIPTION: Risks arising from failure to comply with ESG principles, via initiatives aimed at achieving sustainability targets.

MANAGEMENT METHODS: ASPI manages ESG issues via structured governance across the entire organisation, and has declared its intentions via a public Commitment Charter, on the basis of which specific objectives have been defined regarding all material ESG issues. The initiatives carried out by the various Company departments are measured via systematically monitored KPIs. As proof of its commitment to sustainability, ASPI is certified in accordance with, among others, the ISO 14001:2015 Environmental Management System standard, the ISO 30415:2021 Diversity and Inclusion standard, the ISO 9001:2015 Quality standard, the ISO 50001:2018 Energy Management standard, the ISO 37001:2016 Anti-Corruption standard, and the UNI/PdR 125:2022 Gender Equality standard.

CLIMATE CHANGE	<i>Risk cluster: Strategic</i>
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DESCRIPTION: Risks of adverse consequences for the Company due to the intensification of extreme and/or catastrophic natural weather events brought about in the long term by global warming phenomena, as well as risks arising from the transition to low-emission technologies, policies and markets.

MANAGEMENT METHODS: ASPI has a Natural Risk Management model, including extreme weather events, with escalation procedures proportionate to the severity of events. ASPI has also adopted an approach in line with the guidelines of the Task Force on Climate-related Financial Disclosures (TCFD) to assess the impacts of climate change. Finally, the Company is implementing a major plan to modernise the motorway network, in order to increase its useful life while also increasing its resilience to climate change events.

PEOPLE	<i>Risk cluster: Operational</i>
<p>DESCRIPTION: Critical personnel management risks relating to organisational, administrative and professional development issues, which may lead employees to bring actions against the Company, with consequent negative reputational and economic/operational implications.</p> <p>MANAGEMENT METHODS: ASPI has a dedicated HR and organisational management system, aimed at promoting an inclusive and diverse working environment, and has established an ad hoc set of rules to govern its Human Resources Management model. From an operational point of view, recruitment activities and performance appraisal are digitalised via dedicated systems, and the Company has a dashboard for monitoring key HR indicators. Finally, ASPI is certified in accordance with the ISO 30415:2021 Diversity and Inclusion standard, which confirms the Company's commitment to promoting an inclusive working environment that respects diversity, and with the UNI/PdR 125:2022 Gender Equality standard, which guarantees its commitment to ensuring equal opportunities and fair treatment for all employees, regardless of their gender.</p>	

CAPITAL STRUCTURE AND FINANCING	<i>Risk cluster: Financial</i>
<p>DESCRIPTION: Risk that the Company may be unable to access sources of financing to cover its requirements and/or that interest rate trends may lead to excessive debt servicing costs.</p> <p>MANAGEMENT METHODS: ASPI has an organisational structure dedicated to financial matters. The operating model includes structured activities to plan and optimise the Group's liquidity, hedging to neutralise the effects of any adverse changes in interest rates, financial analysis activities, and organised and transparent dialogue with investors and markets. ASPI also published its first Sustainability-linked Financing Framework in December 2022, which further strengthened the link between sustainability and financial strategies.</p>	

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 2.8.2, "Significant legal aspects", that may result in charges or potential liabilities with an impact on the consolidated financial statements.

The Company is managed and coordinated by HRA pursuant to articles 2497 *et seq.* of the Italian Civil Code.

On 2 November 2022, HRA sought to regulate its management and coordination of ASPI by adopting a specific management and coordination policy, which was then implemented by ASPI on 10 November 2022 (the "Policy").

The Policy, which sets out the rules and areas regarding which HRA intends to manage and coordinate ASPI, in any event ensures full compliance with good governance principles and independence and autonomous decision-making by ASPI's Board of Directors, as well as ASPI's management and coordination of its subsidiaries.

The management and coordination exercised by HRA – as governed by the Policy – over the Company primarily takes the form of:

- prior information, to be provided to HRA, before the approval of certain operations and/or transactions, conceived and developed independently within the Company, considered to be of a particularly significant and material nature, for the purposes of issuing the guidelines referred to below;
- the issue of guidelines, with the aim of coordinating management of HRA and the Company.

At the date of this document, the issue of guidelines by HRA primarily regards the Company's strategic planning, with the aim of aligning the latter's general strategic approach with that of the parent.

The Company in turn manages and coordinates certain Group companies pursuant to articles 2497 *et seq.* of the Italian Civil Code, including its direct subsidiaries. These companies have acknowledged the Company's management and coordination and have complied with the related statutory disclosure requirements.

2.16 Proposals to be put to Autostrade per l'Italia SpA's Annual General Meeting for approval

Dear Shareholders,

To conclude this report, the Board of Directors proposes that shareholders approve the financial statements for the year ended 31 December 2023, having received the accompanying documents, which report profit for the year of €873,102,228.98.

With regard to appropriation of the above profit, the Board of Directors,

having taken into account the content of the Articles of Association:

- a) the provisions in paragraph 44.1, 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*”;
- b) the provisions in paragraph 25.2 (d), 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 [...]*”;
- c) the provisions in paragraphs 33.3(f) and 47.2, 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 non-controlling shareholders;

having verified that:

- i. 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;
- ii. the legal reserve has reached the level required by the Italian Civil Code, and is thus equal to one-fifth of the issued capital;

despite this, with the aim of further strengthening the financial position with a view to assuring the long-term sustainability of the Company's business, and also taking into account that fact that, on 13 December 2023, the Board of Directors approved a dividend policy for 2023 in line with the policy previously applied in 2022, proposes to pay a total dividend for 2023 of €665 million, consisting of:

- (i) €624 million, equal to 75% of profit for the year from the Company's ordinary activities;
- (ii) €41 million, equal to 100% of dividends from investees and income not related to ordinary activities,

and to take the remaining profit of €208 million to retained earnings.

As a result, and in accordance with the above, the Company's Board of Directors

proposes

- to appropriate profit for the year, amounting to €438,927,382.98, that remains after payment of the interim dividend of €434,174,846.00 (equal to €0.698 per share) in 2023 as follows:
 - 1) to pay a dividend totalling €230,772,017.00, equal to €0.371 per each of the 622,027,000 dividend-bearing shares with a par value of €1.00;
 - 2) to take the remaining amount of €208,155,365.98 to retained earnings;
 - 3) to fix the date of payment of the dividend in point *sub* 1) as 19 April 2024.

In a separate agenda item, the Board of Directors will also propose the distribution of a portion of distributable reserves amounting to €120,673,238.00, to be taken from “retained earnings”.

For the Board of Directors

The Chairwoman

Elisabetta Oliveri

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”, operating uses of provisions and other non-cash items included in EBITDA;
- 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”;
- 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; this item does not include the cost of unremunerated investment included in the settlement agreement with the MIT, as these sums are accounted for in cash outflows forming part of operating cash flow;
- 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;

- h) **“Equity free cash flow”**: an indicator showing cash flow available for distribution to equity holders, to repay debt and to fund any financial investments; it is calculated as follows: operating cash flow +/- the change in working capital and other non-financial items + capital expenditure + government grants for investment.

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

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

€m	2023						2022					
	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			3,838			3,838			3,709			3,709
Revenue from construction services			1,455						916			
am construction services - government grants and cost of materials and external services	(a)	1,251							811			
Capitalised staff costs - construction services for which additional economic benefits are received	(b)	203							105			
Revenue from construction services provided by sub-operators	(c)	1							0			
Other revenue	(d)		489						466			
Other operating income				(c+d)		490				(c+d)		466
Revenue from construction services provided by sub-operators	(c)			(c)	1					(c)	-	
Total revenue			5,782			4,328			5,091			4,175
TOTAL OPERATING REVENUE												
Raw and consumable materials			(277)		(277)			(202)		(202)		
Service costs			(1,712)		(1,712)			(1,314)		(1,314)		
Gain/(Loss) on sale of elements of property, plant and equipment			1		1			2		2		
Staff costs	(e)		(807)					(659)				
Other operating costs			(575)					(544)				
Concession fees	(f)		(474)					(462)				
Lease expense			(25)		(25)			(12)		(12)		
Other			(76)		(76)			(70)		(70)		
Revenue from construction services: government grants and capitalised cost of materials and external services				(a)	1,251				(a)	811		
Use of provisions for renewal of motorway infrastructure				(i)	13				(i)	9		
COST OF MATERIALS AND EXTERNAL SERVICES						(825)						(776)
CONCESSION FEES				(f)		(474)			(f)			(462)
NET STAFF COSTS				(e+b)		(604)			(e+b)			(554)
OPERATING CHANGE IN PROVISIONS						(24)						76
Operating change in provisions			(31)					79				
(Provisions)/ Uses of provisions for repair and replacement of motorway infrastructure			2		2			102		102		
(Provisions)/Uses of provisions for renewal of motorway infrastructure			(7)					3				
Provisions for renewal of motorway infrastructure	(h)	(20)						(6)				
Uses of provisions for renewal of motorway infrastructure	(i)	13						9				
Provisions/(Uses) of provisions for risks and charges			(26)		(26)			(26)		(26)		
TOTAL NET OPERATING COSTS						(1,927)						(1,716)
Amortisation and depreciation	(l)		(714)					(639)				
Depreciation of property, plant and equipment			(42)					(36)				
Amortisation of intangible assets deriving from concession rights			(592)					(533)				
Amortisation of other intangible assets			(80)					(70)				
(Impairment losses)/Reversals of impairment losses	(m)		(5)					(2)				
GROSS OPERATING PROFIT (EBITDA)						2,401						2,459
AMORTISATION, DEPRECIATION, IMPAIRMENT LOSSES AND REVERSALS OF IMPAIRMENT LOSSES				(l+h+m)		(739)			(l+h+m)			(647)
TOTAL COSTS			(4,120)					(3,279)				
OPERATING PROFIT/(LOSS)			1,662					1,812				
OPERATING PROFIT/(LOSS) (EBIT)						1,662						1,812
Financial income			110					126				
Other financial income	(n)		110					126				
Financial expenses	(o)		(509)					(437)				
Financial expenses from discounting of provisions for construction services required by contract and other provisions	(p)		(23)					(13)				
Other financial expenses	(q)		(486)					(424)				
Foreign exchange gains/(losses)			0					0				
FINANCIAL INCOME/(EXPENSES)			(399)					(311)				
Financial expenses, net of financial income						(399)						(311)
Share of profit/(loss) of investees accounted for using the equity method	(r)		(7)	(r)		(7)	(r)	(3)	(r)		(3)	(3)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS			1,256			1,256		1,498				1,498
Income tax (expense)/benefit			(381)			(381)		(349)				(349)
Current tax expense			(282)					(263)				
Differences on tax expense for previous years			6					(10)				
Deferred tax income and expense			(105)					(76)				
PROFIT/(LOSS) FROM CONTINUING OPERATIONS			875			875		1,149				1,149
Profit/(Loss) from discontinued operations			-			-		-				-
PROFIT/(LOSS) FOR THE YEAR			875			875		1,149				1,149
of which:												
Profit/(Loss) for the period attributable to owners of the parent			878			878		1,130				1,130
Profit/(Loss) for the period attributable to non-controlling interests			(3)			(3)		19				19

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

€m	31 December 2023						31 December 2022					
	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
Property, plant and equipment	(a)		225			225	(a)		202			202
Intangible assets	(b)		16,659			16,659	(b)		15,813			15,813
Investments	(c)		73			73	(c)		78			78
Deferred tax assets	(d)		135			135	(d)		122			122
Other non-financial assets	(e)		-			-	(e)		3			3
Non-financial assets held for sale				(f)		24				(f)		-
Total non-financial assets (A)						17,116						16,218
Trading assets	(g)		856			856	(g)		833			833
Trading liabilities	(h)		(1,890)			(1,890)	(h)		(1,830)			(1,830)
Current tax assets/(liabilities), net				(i+j)		(136)				(i+j)		(21)
Current tax assets	(j)		13				(j)		73			
Current tax liabilities	(i)		(149)				(i)		(94)			
Other assets/(liabilities), net				(k+l)		(354)				(k+l)		(290)
Other current assets	(k)		134				(k)		126			
Other current liabilities	(l)		(488)				(l)		(416)			
Net working capital (B)						(1,524)						-1,308
Gross invested capital (C=A+B)						15,592						14,910
Provisions				(m+n)		(2,752)				(m+n)		(2,781)
Current provisions	(m)		(486)				(m)		(380)			
Non-current provisions	(n)		(2,266)				(n)		(2,401)			
Deferred tax liabilities	(o)		(611)			(611)	(o)		(513)			(513)
Other non-financial liabilities	(p)		(22)			(22)	(p)		(30)			(30)
Non-financial liabilities held for sale				(q)		(12)				(q)		0
Non-financial liabilities (D)						(3,397)						(3,324)
NET INVESTED CAPITAL (E=C+D)						12,195						11,586
Equity attributable to owners of the parent			2,606			2,606			3,146			3,146
Equity attributable to non-controlling interests			309			309			323			323
Total equity (F)			2,915			2,915			3,469			3,469
Net debt (G)				(r+s+t+u+v+y-w-z)		9,280				(r+s+t+u+v+y-w-z)		8,117
Non-current net debt												
Non-current financial liabilities	(r)		10,754				(r)		10,310			
Non-current financial assets	(s)		(529)				(s)		(556)			
Current financial liabilities	(t)		1,361				(t)		1,145			
Cash and cash equivalents	(u)		(2,204)				(u)		(2,313)			
Cash		(1,849)						1,513				
Cash equivalents		(355)						800				
Current financial assets	(v)		-95				(v)		-469			
NET DEBT AND EQUITY (L=F+G)						12,195						11,586
Assets held for sale	(y)		32						-			
Non-financial assets held for sale		24										
Financial assets held for sale - non-current assets	(w)	3										
Cash and cash equivalents related to discontinued operations	(x)	5										
Liabilities held for sale			(13)				(x)		-			
Non-financial liabilities held for sale		(12)										
Financial liabilities held for sale	(z)	1					(z)		-			
TOTAL NON-CURRENT ASSETS	(a+b+c+d+e-s)		17,621				(a+b+c+d+e-s)		16,774			
TOTAL CURRENT ASSETS	(g+i+k+u+v+y)		3,334				(g+i+k+u+v)		3,814			
TOTAL NON-CURRENT LIABILITIES	(-n-o-p+r)		13,653				(-n-o-p+r)		13,254			
TOTAL CURRENT LIABILITIES	(-h-i-j-m+q+x)		4,387				(-h-i-j-m-q+t-x)		3,865			

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

€m	2023						2022					
	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			3,638			3,638			3,491			3,491
Revenue from construction services			1,318						896			
<i>om construction services - government grants and cost of materials and external services</i>	(a)	1,274					(a)	856				
<i>Capitalised staff costs - construction services for which additional economic benefits are received</i>	(b)	44					(b)	40				
<i>Revenue from construction services provided by sub-operators</i>	(c)	-					(c)	0				
Other revenue	(d)		305			305	(e)		265			265
Other operating income				(c+d)		305				(c+d)		265
<i>Revenue from construction services provided by sub-operators</i>				(c)		-				(c)		-
Total revenue			5,261			3,943			4,652			3,756
TOTAL OPERATING REVENUE												
Raw and consumable materials			(85)			(85)			(68)			(68)
Service costs			(1,873)			(1,873)			(1,387)			(1,387)
Gain/(Loss) on sale of elements of property, plant and equipment			1			1			1			1
Staff costs	(e)		(468)				(e)		(422)			
Other operating costs			(543)						(516)			
Concession fees	(f)		(463)				(f)		(449)			
Lease expense			(11)			(11)			(8)			(8)
Other			(69)			(69)			(59)			(59)
<i>Revenue from construction services: government grants and capitalised cost of materials and external services</i>				(a)	1,274					(a)	856	
<i>Uses of provisions for renewal of motorway infrastructure</i>				(i)						(i)		
MAINTENANCE COSTS						(442)						(360)
COST OF OTHER EXTERNAL SERVICES						(321)						(305)
CONCESSION FEES				(f)		(463)				(f)		(449)
NET STAFF COSTS				(e+b+h)		(424)				(e+b+h)		(382)
OPERATING CHANGE IN PROVISIONS						(19)						33
<i>Operating change in provisions</i>			(19)						33			
<i>(Provisions)/ Uses of provisions for repair and replacement of motorway infrastructure</i>			4			4			64			64
<i>(Provisions)/Uses of provisions for risks and charges</i>			(23)			(23)			(31)			(31)
TOTAL NET OPERATING COSTS						(1,669)						(1,463)
Use of provisions for construction services required by contract												
<i>Use of provisions for construction services required by contract</i>	(g)						(g)					
<i>Capitalised staff costs - construction services for which no additional economic benefits are received</i>	(h)						(h)					
Amortisation and depreciation				(i)		(642)			(575)			
Depreciation of property, plant and equipment			(27)						(23)			
Amortisation of intangible assets deriving from concession rights			(543)						(486)			
Amortisation of other intangible assets			(72)						(66)			
(Impairment losses)/Reversals of impairment losses on current and non-current assets				(j)		(16)			(3)			
<i>:/Reversals of impairment losses on property, plant and equipment and intangible assets</i>	(j)	(7)					(j)					
<i>(Impairment losses)/Reversals of impairment losses on other assets</i>	(k)	(4)					(k)	(3)				
GROSS OPERATING PROFIT (EBITDA)						2,274						2,293
AMORTISATION, DEPRECIATION, IMPAIRMENT LOSSES AND REVERSALS OF IMPAIRMENT LOSSES				(i+j+h)		(658)				(i+j+h)		(578)
TOTAL COSTS			(3,645)						(2,937)			
OPERATING PROFIT/(LOSS)			1,616						1,715			
OPERATING PROFIT/(LOSS) (EBIT)						1,616						1,715
Financial income			133						238			
Dividends received from investees			20						101			
Other financial income	(l)		113				(l)		137			
Financial expenses			(503)						(429)			
Financial expenses from discounting of provisions			(21)						(10)			
Other financial expenses	(m)		(482)				(m)		(419)			
Foreign exchange gains/(losses)	(n)		-				(n)		-			
FINANCIAL INCOME/(EXPENSES)			(370)			(370)			(191)			(191)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS			1,246			1,246			1,524			1,524
Income tax (expense)/benefit			(373)			(373)			(326)			(326)
Current tax expense			(253)						(245)			
Differences on tax expense for previous years			1						(16)			
Deferred tax income and expense			(121)						(65)			
PROFIT/(LOSS) FROM CONTINUING OPERATIONS			873			873			1,198			1,198
Dividends, after the related taxation, from discontinued operations			-			-			-			-
PROFIT/(LOSS) FOR THE YEAR			873			873			1,198			1,198

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

€m	31 December 2023						31 December 2022					
	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
Property, plant and equipment	(a)		94			94	(a)		95			95
Intangible assets	(b)		15,650			15,650	(b)		14,895			14,895
Investments	(c)		375			375	(c)		350			350
Non-financial assets (A)						16,119						15,340
Trading assets	(d)		805			805	(d)		720			720
Trading liabilities	(e)		-1,760			(1,760)	(e)		-1,811			(1,811)
Current tax assets/(liabilities), net				(f+g)		(142)				(f+g)		(22)
Current tax assets	(f)		-			-	(f)		66			66
Current tax liabilities	(g)		-142			-142	(g)		-88			-88
Investments held for sale or related to discontinued operations			1	(h+i)		1			-	(h+i)		-
Investments held for sale or for distribution to shareholders or related to discontinued operations	(h)		1			1	(h)		-			-
Liabilities related to discontinued operations	(i)		-			-	(i)		-			-
Other assets/(liabilities), net				(i+j)		(190)				(i+j)		(146)
Other assets	(j)		88			88	(j)		78			78
Other liabilities	(l)		-278			-278	(l)		(224)			(224)
Net working capital (B)						(1,286)						(1,259)
Gross invested capital (C=A+B)						14,833						14,081
Provisions				(y+n)		(2,494)				(y+n)		(2,555)
Current provisions	(m)		(436)			(436)	(m)		(334)			(334)
Non-current provisions	(n)		(2,058)			(2,058)	(n)		(2,221)			(2,221)
Deferred tax liabilities, net	(o)		(611)			(611)	(o)		(511)			(511)
Other non-financial liabilities	(p)		(20)			(20)	(p)		(28)			(28)
Non-financial liabilities (D)						(3,126)						(3,094)
NET INVESTED CAPITAL (E=C+D)						11,707						10,987
Total equity (F)			2,210			2,210			2,761			2,761
Net debt (G)				(q+r+s+t+u)		9,497				(q+r+s+t+u)		8,226
Non-current financial liabilities	(q)		10,697			10,697	(q)		10,280			10,280
Non-current financial assets	(r)		(426)			(426)	(r)		(495)			(495)
Current financial liabilities	(s)		1,553			1,553	(s)		1,167			1,167
Cash and cash equivalents	(t)		(2,045)			(2,045)	(t)		(2,087)			(2,087)
Current financial assets	(u)		(282)			(282)	(u)		(639)			(639)
NET DEBT AND EQUITY (H=F+G)						11,707						10,987
TOTAL NON-CURRENT ASSETS		(a+b+c+d-r)	16,545			16,545		(a+b+c+d-r)	15,835			15,835
TOTAL CURRENT ASSETS		(d+f+h+j-t-u)	3,221			3,221		(d+f+h+j-t-u)	3,590			3,590
TOTAL NON-CURRENT LIABILITIES		(-i-n-o-p+q)	13,386			13,386		(-i-n-o-p+q)	13,040			13,040
TOTAL CURRENT LIABILITIES		(-e-g-l-m+s)	4,169			4,169		(-e-g-l-m+s)	3,624			3,624

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	2023				2022			
		Gross operating profit (EBITDA)	Profit/(Loss) for the year	Profit/(Loss) for the year attributable to owners of the parent	Operating cash flow	Gross operating profit (EBITDA)	Profit/(Loss) for the year	Profit/(Loss) for the year attributable to owners of the parent	Operating cash flow
Reported amounts (A)		2,401	875	878	1,720	2,459	1,149	1,130	1,250
Adjustments for non like-for-like items									
Change in discount rate applied to provisions	(1)	(41)	(35)	(36)	-	52	37	38	-
Off-balance sheet amortisation of goodwill	(2)	-	-	-	63	-	96	96	(4)
Early retirement scheme	(3)	(59)	(42)	(42)	-	-	-	-	-
Effect of derivatives redesignated as cash flow hedges	(4)	-	-	-	-	-	57	57	(18)
Sub-total (B)		(100)	(77)	(78)	63	52	190	191	(22)
Like-for-like amounts (C) = (A)-(B)		2,501	952	956	1,657	2,407	959	939	1,272

Notes:

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

- 1) from amounts for both comparative periods, the after-tax impact of the difference in the discount rates applied to the provisions accounted for among the Group's liabilities;
- 2) from consolidated amounts for 2023, the impact on operating cash flow and from consolidated amounts for 2022 the impact on the income statement and operating cash flow of the effects of the exemption from taxation of off-balance sheet amortisation of goodwill attributable to Autostrade per l'Italia;
- 3) from consolidated amounts for 2023, the impact on the income statement of recognition, in staff costs, of the effects of the extraordinary early retirement scheme implemented by the Group (approximately €60m);
- 4) from amounts for 2022, the impact on the income statement and operating cash flow of the derivatives redesignated as cash flow hedges from 2022.

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

€m	Equity as at 31 December 2023	Profit(Loss) for 2023
Amounts in financial statements of Autostrade per l'Italia	2,210	873
Recognition in consolidated financial statements of equity and profit/(loss) for the year of consolidated investments less non-controlling interests	838	16
Elimination of carrying amount of consolidated investments	(475)	n/a
Elimination of impairment losses on consolidated investments less reversals	15	12
Elimination of intercompany dividends	n/a	(21)
Measurement of investments at fair value and using the equity method less dividends received	(5)	(7)
Other consolidation adjustments ⁽¹⁾	23	5
Consolidated carrying amounts (attributable to owners of the parent)	2,606	878
Consolidated carrying amounts (attributable to non-controlling interests)	309	(3)
Carrying amounts in consolidated financial statements	2,915	875

(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.



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CONSOLIDATED FINANCIAL
STATEMENTS AS AT AND
FOR THE YEAR ENDED
31 DECEMBER 2023



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Consolidated financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€000	Note	31 December 2023	31 December 2022
ASSETS			
Non-current assets			
Property, plant and equipment	7.1	224,980	201,514
Property, plant and equipment		224,880	201,145
Investment property		100	369
Intangible assets	7.2	16,658,850	15,812,790
Intangible assets deriving from concession rights		10,409,292	9,579,336
Goodwill and other intangible assets with indefinite lives		6,111,555	6,111,364
Other intangible assets		138,003	122,090
Investments	7.3	73,357	78,458
Investments accounted for at cost or fair value		10,858	10,840
Investments accounted for using the equity method		62,499	67,618
Non-current financial assets	7.4	529,639	556,164
Non-current financial assets deriving from government grants		124,118	134,257
Non-current term deposits		120,191	130,381
Securities		103,141	62,374
Non-current derivative assets		152,292	199,703
Other non-current financial assets		29,897	29,449
Deferred tax assets	7.5	134,529	121,791
Other non-current assets		43	3,371
Total non-current assets		17,621,398	16,774,088
Current assets			
Trading assets	7.6	856,315	832,775
Inventories		165,420	143,312
Contract work in progress		88,585	76,469
Trade receivables		602,310	612,994
Cash and cash equivalents	7.7	2,203,585	2,313,280
Cash		1,848,519	1,512,987
Cash equivalents		355,066	800,293
Current financial assets	7.4	95,084	469,667
Current financial assets deriving from concession rights		14,368	32,937
Current financial assets deriving from government grants		31,215	45,072
Current term deposits		17,296	44,250
Current portion of medium/long-term financial assets		8,367	321,168
Other current financial assets		23,838	26,240
Current tax assets	7.8	12,805	72,218
Other current assets	7.9	133,880	125,973
Assets held for sale and related to discontinued operations	7.10	32,259	-
Total current assets		3,333,928	3,813,913
TOTAL ASSETS		20,955,326	20,588,001

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€000	Note	31 December 2023	31 December 2022
EQUITY AND LIABILITIES			
Equity			
Equity attributable to owners of the parent		2,605,598	3,146,479
Issued capital		622,027	622,027
Reserves and retained earnings		1,539,853	1,394,324
Interim dividends		(434,175)	-
Profit/(Loss) for the year		877,893	1,130,128
Equity attributable to non-controlling interests		309,405	322,983
Issued capital and reserves		312,247	304,041
Profit/(Loss) for the year		(2,842)	18,942
Total equity	7.11	2,915,003	3,469,462
Non-current liabilities			
Non-current provisions	7.12	2,266,396	2,400,535
Non-current provisions for employee benefits		103,134	63,301
Non-current provisions for repair and replacement of motorway infrastructure		947,936	929,545
Non-current provisions for renewal of motorway infrastructure		76,259	68,634
Other non-current provisions for risks and charges		1,139,067	1,339,055
Non-current financial liabilities	7.13	10,754,497	10,311,026
Bond issues		8,273,543	7,780,927
Medium/long-term borrowings		2,441,856	2,522,986
Non-current derivative liabilities		39,098	7,113
Deferred tax liabilities	7.5	611,245	513,033
Other non-current liabilities	7.14	21,355	29,254
Total non-current liabilities		13,653,493	13,253,848
Current liabilities			
Trading liabilities	7.15	1,890,041	1,829,641
Trade payables		1,890,041	1,829,641
Current provisions	7.12	485,898	380,605
Current provisions for employee benefits		10,942	11,047
Current provisions for repair and replacement of motorway infrastructure		123,964	130,537
Current provisions for renewal of motorway infrastructure		15,228	14,956
Other current provisions for risks and charges		335,764	224,065
Current financial liabilities	7.13	1,361,103	1,144,764
Bank overdrafts repayable on demand		11,000	33,214
Short-term borrowings		15,999	19,499
Current derivative liabilities		1	2
Current portion of medium/long-term financial liabilities		1,333,182	1,059,944
Other current financial liabilities		921	32,105
Current tax liabilities	7.8	149,210	93,884
Other current liabilities	7.16	487,262	415,797
Liabilities related to discontinued operations	7.10	13,316	-
Total current liabilities		4,386,830	3,864,691
TOTAL LIABILITIES		18,040,323	17,118,539
TOTAL EQUITY AND LIABILITIES		20,955,326	20,588,001

CONSOLIDATED INCOME STATEMENT

€000	Note	2023	2022
REVENUE			
Toll revenue	8.1	3,837,877	3,708,536
Revenue from construction services	8.2	1,455,224	916,186
Other operating income	8.3	489,117	466,590
TOTAL REVENUE		5,782,218	5,091,312
COSTS			
Raw and consumable materials	8.4	(276,626)	(202,338)
Service costs	8.5	(1,712,103)	(1,313,964)
Gain/(loss) on sale of elements of property, plant and equipment		710	2,423
Staff costs	8.6	(807,223)	(658,820)
Other operating costs	8.7	(575,269)	(543,684)
Concession fees		(473,756)	(462,423)
Lease expense		(24,761)	(12,273)
Other		(76,752)	(68,988)
Operating change in provisions	8.8	(30,534)	79,013
(Provisions)/Uses of provisions for repair and replacement of motorway infrastructure		2,380	102,070
(Provisions)/Uses of provisions for renewal of motorway infrastructure		(6,299)	2,545
(Provisions)/Uses of provisions for risks and charges		(26,615)	(25,602)
Amortisation and depreciation	8.9	(714,189)	(639,466)
Depreciation of property, plant and equipment		(42,624)	(35,651)
Amortisation of intangible assets deriving from concession rights		(591,675)	(532,662)
Amortisation of other intangible assets		(79,890)	(71,153)
(Impairment losses)/Reversals of impairment losses		(4,577)	(2,490)
TOTAL COSTS		(4,119,811)	(3,279,326)
OPERATING PROFIT/(LOSS)		1,662,407	1,811,986
Financial income			
Other financial income		109,815	125,845
Financial expenses			
Financial expenses from discounting of provisions		(23,461)	(12,596)
Other financial expenses		(485,977)	(423,943)
Foreign exchange gains/(losses)		250	(269)
FINANCIAL INCOME/(EXPENSES)	8.10	(399,373)	(310,963)
Share of (profit)/loss of investees accounted for using the equity method	7.3	(6,965)	(2,578)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		1,256,069	1,498,445
Income tax (expense)/benefit			
Current tax expense	8.11	(281,941)	(263,586)
Differences on current tax expense for previous years		6,248	(9,921)
Deferred tax income and expense		(105,327)	(75,868)
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		875,049	1,149,070
Profit/(Loss) from discontinued operations		-	-
PROFIT/(LOSS) FOR THE YEAR		875,049	1,149,070
<i>of which:</i>			
Profit/(Loss) attributable to owners of the parent		877,893	1,130,128
Profit/(Loss) attributable to non-controlling interests		(2,844)	18,942

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€000	Note	2023	2022
Profit/(Loss) for the year	(A)	875,049	1,149,070
Fair value gains/(losses) on cash flow hedges		(97,069)	520,117
Tax effect of fair value gains/(losses) on cash flow hedges		23,344	(124,862)
Gains/(losses) from translation of assets and liabilities of consolidated companies denominated in functional currencies other than the euro		439	124
Other comprehensive income of investments accounted for using the equity method		4,804	2,265
Other comprehensive income/(loss) reclassifiable to profit or loss for the year	(B)	(68,482)	397,644
Gains/(Losses) from actuarial valuations of provisions for employee benefits	7.12	13,335	8,481
Tax effect of gains/(Losses) from actuarial valuations of provisions for employee benefits		(3,201)	(2,035)
Other comprehensive income/(loss) not reclassifiable to profit or loss for the year	(C)	10,134	6,446
Other reclassifications of other comprehensive income to profit or loss for the year		146	21,637
Tax effect of other reclassifications of other comprehensive income to profit or loss for the year		(35)	(5,193)
Reclassifications of other components of comprehensive income to profit or loss for the year	(D)	111	16,444
Total other comprehensive income/(loss) for the year	(E=B+C+D)	(58,237)	420,534
<i>of which attributable to discontinued operations</i>		-	-
Comprehensive income/(loss) for the year	(A+E)	816,812	1,569,604
<i>Of which attributable to owners of the parent</i>		819,499	1,550,554
<i>Of which attributable to non-controlling interests</i>		(2,687)	19,050

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

0000	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT							Total	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	Interim dividends	Profit/(loss) for the year			
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
Comprehensive income/(loss) for the year	-	411,699	124	-	8,603	-	1,130,128	1,550,554	19,050	1,569,604
Owner transactions and other changes										
Distribution of reserves	-	-	-	-	(681,742)	-	-	(681,742)	-	(681,742)
Transfer of remaining profit/(loss) for previous year to retained earnings	-	-	-	-	723,291	-	(723,291)	-	-	-
Dividends paid by other Group companies to non-controlling shareholders	-	-	-	-	-	-	-	-	(66,413)	(66,413)
Other minor changes	-	-	(223)	-	269	-	-	46	(370)	(324)
Balance as at 31 December 2022	622,027	336,542	(85)	150	1,057,717	-	1,130,128	3,146,479	322,983	3,469,462
Comprehensive income/(loss) for the year	-	(73,614)	437	-	14,783	-	877,893	819,499	(2,687)	816,812
Owner transactions and other changes										
Transfer of remaining profit/(loss) for previous year to retained earnings	-	-	-	-	205,796	-	(205,796)	-	-	-
Dividend paid by Autostrade per l'Italia	-	-	-	-	-	-	(924,332)	(924,332)	-	(924,332)
Dividends paid by other Group companies to non-controlling shareholders	-	-	-	-	-	-	-	-	(10,891)	(10,891)
Interim dividend paid by Autostrade per l'Italia in 2023	-	-	-	-	-	-	(434,175)	(434,175)	-	(434,175)
Other minor changes	-	-	-	-	(1,873)	-	-	(1,873)	-	(1,873)
Balance as at 31 December 2023	622,027	262,928	352	150	1,276,423	(434,175)	877,893	2,605,598	309,405	2,915,003

CONSOLIDATED STATEMENT OF CASH FLOWS

€000	Note	2023	2022
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES			
Profit/(Loss) for the year		875,049	1,149,070
Adjusted by:			
Amortisation and depreciation	8.9	714,189	639,466
Operating change in provisions, excluding uses of provisions for renewal of motorway infrastructure		(16,531)	(550,394)
Financial expenses from discounting of provisions	8.10	23,461	12,596
Share of (profit)/loss of investees accounted for using the equity method	7.3	6,965	2,578
Dividends received from investees accounted for using the equity method		91	-
Impairment losses/(Reversal of impairment losses) and adjustments of current and non-current assets		4,840	2,165
(Gain)/Loss on sale of non-current assets		(1,021)	(2,434)
Net change in deferred tax (assets)/liabilities through profit or loss	8.11	105,327	75,868
Other non-cash costs (income)		7,457	(78,398)
Change in working capital and other changes		196,937	100,367
Net cash generated from/(used in) operating activities [a]	9.1	1,916,764	1,350,884
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES			
Investment in assets held under concession	7.2	(1,468,455)	(924,259)
Purchases of property, plant and equipment	7.1	(63,688)	(68,799)
Purchases of other intangible assets	7.2	(97,604)	(100,661)
Government grants related to concession assets		32,977	1,087
Government grants related to other property, plant and equipment and intangible assets		7,820	-
Purchases of investments	7.3	(100)	(1,079)
Investment in consolidated companies net of cash and cash equivalents acquired		(14)	(4,733)
Proceeds from sales of property, plant and equipment, intangible assets and unconsolidated investments		2,897	5,291
Net change in other non-current assets		3,000	(2,484)
Net change in current and non-current financial assets		314,090	367,803
Net cash generated from/(used in) investing activities [b]	9.1	(1,269,077)	(727,834)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES			
Distribution of reserves		-	(681,742)
Dividends paid to Autostrade per l'Italia's shareholders	7.11	(1,358,507)	-
Dividends paid by the Group to non-controlling shareholders		(41,813)	(65,478)
Issuance of bonds	7.13	1,485,354	988,018
Increase in medium/long-term borrowings (excluding lease liabilities)	7.13	34,685	707,587
Redemption of bonds	7.13	(750,000)	(583,751)
Repayments of medium/long term borrowings	7.13	(116,528)	(144,742)
Repayments of lease liabilities	7.13	(11,004)	(9,949)
Net change in other current and non-current financial liabilities		28,052	(403,190)
Net cash generated from/(used in) financing activities [c]	9.1	(729,761)	(193,247)
Net effect of exchange rate movements on net cash and cash equivalents [d]		(355)	42
Increase/(Decrease) in cash and cash equivalents [a+b+c+d]	9.1	(82,429)	429,845
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		2,280,066	1,850,221
NET CASH AND CASH EQUIVALENTS AT END OF YEAR		2,197,637	2,280,066

ADDITIONAL INFORMATION ON THE STATEMENT OF CASH FLOWS

€000	Note	2023	2022
Income taxes paid/(refunded)		156,828	393,674
Interest and other financial income collected		108,211	52,445
Interest expense and other financial expenses paid		480,393	421,177
Dividends received		91	-
Foreign exchange gains collected		195	94
Foreign exchange losses incurred		132	64

RECONCILIATION OF NET CASH AND CASH EQUIVALENTS

€000	Note	2023	2022
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		2,280,066	1,850,221
Cash and cash equivalents	7.7	2,313,280	1,899,168
Bank overdrafts repayable on demand	7.13	(33,214)	(48,947)
NET CASH AND CASH EQUIVALENTS AT END OF YEAR		2,197,637	2,280,066
Cash and cash equivalents	7.7	2,203,585	2,313,280
Bank overdrafts repayable on demand	7.13	(11,000)	(33,214)
Cash and cash equivalents related to assets held for sale	7.10	5,052	-

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 Infrastructure and Transport (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 Holding Reti Autostradali SpA (also referred to as "HRA"). HRA is a holding company owned by CDP Equity SpA (51%), BP Miro (Lux) SCSp (21.85%), BIP-V Miro (Lux) SCSp (2.65%) and Italian Motorway Holdings Sàrl (24.5%). HRA is the ultimate parent of Autostrade per l'Italia and is responsible for management and coordination of the Company. None of the shareholders manages or coordinates HRA either directly or through parent companies.

HRA prepares its own consolidated financial statements according to the procedures and timing required by law and available at the company's registered office.

It should be noted that, following the repayment of retail bonds amounting to €750 million, on 12 June 2023, the Parent Company, ASPI, ceased to meet the definition of a listed issuer pursuant to art. 1, paragraph 1.w) of the Consolidated Financial Act (the "CFA"). However, the Company continues to have bonds traded on regulated markets (in Luxembourg and Ireland), even though the bonds are reserved for institutional investors and have denominations that are higher with respect to the related legislation. The Company therefore:

- a) continues to qualify as a Public Interest Entity pursuant to Legislative Decree 39/2010;
- b) continues to be subject to certain provisions of the CFA (in part different from those formerly applicable to ASPI) as a "listed issuer whose Member State of Origin is Italy" pursuant to art. 1, paragraph 1.w-*quater*, no. 4 of the CFA (assuming that Italy has been confirmed as the Member State of Origin);
- c) is exempted from the obligation to publish a half-year interim report, which the Parent Company thus prepares on a voluntary basis.

These consolidated financial statements as at and for the year ended 31 December 2023 were approved by Autostrade per l'Italia's Board of Directors on 14 March 2022, when the Board 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 2023 have been prepared in compliance with articles 2 and 3 of Legislative Decree 38/2005 and on a going concern basis.

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 and the statement of comprehensive income are classified by nature of expense. The statement of comprehensive income, starting from the result for the period, shows the impact of gains and losses recognised directly in equity in application of IFRS. The statement of changes in equity presents changes during the period in the individual components of equity, 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.

All 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 its main subsidiaries and the presentation currency for these consolidated financial statements.

Each component of the financial statements is compared with the corresponding amount for the comparative reporting period. For the purpose of providing a more accurate presentation of provisions for the repair and replacement of motorway infrastructure, a portion of the current provisions has been reclassified as non-current. This reclassification was also applied to the comparative amounts for 2022, totalling €383,548 thousand.

In making its judgements, management gave careful consideration to the significant risks connected with climate change, and to the impact of the current macroeconomic scenario on refinancing risks and on other financial risks.

The current process of climate change constitutes a risk factor with the potential to cause different forms of damage (e.g., impact on reputation, the value of assets, access to financial markets, operating costs and on the transition to a low-carbon economy).

The Group also continuously monitors the effects of the current macroeconomic scenario on its refinancing risks and other financial risks to assess the potential impacts, without so far having identified critical issues in this regard.

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 2023. 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 2023, details of which are provided in the following section, and which have not had an impact on financial statement items.

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 bands of annual rates of depreciation used in 2023 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	6.3% - 50%
Plant and machinery	10% - 33%
Industrial and business equipment	4.5% - 35%
Leashold improvements	6.3%
Other assets	3.0% - 33.33%
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 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

Concession rights

Under the concession arrangements falling within the scope of application of IFRIC 12, the Group's operators provide services relating to i) the construction and upgrade of the infrastructure operated under concession and ii) operation and maintenance of the infrastructure.

"Concession rights" thus represent the operators' rights to use the concession asset in view of the costs incurred in its design, construction and maintenance and are represented by investment in infrastructure assets, in the works carried out by sub-operators at service areas which revert free of charge to the Group's operators on expiry of the related concessions, and in rights acquired from third parties.

The cost of concession rights is recovered in the form of payments received from road users and may include one or more of the following:

- a) the fair value of construction and/or upgrade services 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 incoming operators on termination of the concession (so-called "takeover rights");
- b) rights to infrastructure constructed and financed by sub-operators at service areas that have reverted free of charge to Group companies on expiry of the related concessions;
- c) in cases regarding the acquisition of control of a company that already holds a concession, concession rights acquired from third parties.

Concession rights 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.

Other 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 initially stated at cost which, apart from concession rights, is determined in the same manner as the cost of property, plant and equipment. 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 2022 are shown in the table below by asset class.

Intangible assets	Rate of amortisation
Development costs	14.3% - 33.3%
Industrial patents and intellectual property rights	10% - 33.3%
Licences and similar rights	3.3% - 33.3%

Intangible assets are tested for impairment whenever there is a specific indication 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 using the same criteria as used for property, plant and equipment.

Based on technical, operational and commercial factors, the useful lives of certain categories of “other intangible assets” rose in 2023. This reflects the Group’s initiation of a major overhaul of the IT infrastructure used in its business processes, of its technology platforms and the software used. As a result, it was necessary to review the useful lives of these assets, which as a result of the changes made are longer than previously estimated.

Business combinations and goodwill

Acquisitions of control 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) 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 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 assets acquired and liabilities assumed.

Goodwill, as measured on the acquisition date, is allocated to each of the substantially independent cash generating units expected to benefit from the synergies of the business combination. When the expected benefits regard several CGUs, goodwill is allocated to a group of CGUs.

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.

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".

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 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, plus any directly attributable transaction costs.

After initial recognition, these investments are measured at fair value through profit or loss, 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 other comprehensive income, 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 or, more generally, has the legal right to receive, or an obligation to pay, cash or cash equivalents.

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 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. Receivables are measured at amortised cost using the effective interest method, applied to the cash flows expected to be generated by the asset, less provisions for impairment losses for amounts considered uncollectible. The estimate for uncollectible amounts is based on the method described in the paragraph on “Impairment and the reversal of impairment of financial assets”.

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 concession assets:

- a) “takeover rights”, being the amount that will be unconditionally paid by an incoming operator on termination of the concession;
- b) amounts due from public entities as grants or similar compensation relating to the construction of infrastructure (construction and/or upgrade services).

Impairment and the reversal of 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.

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.

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.

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.

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

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, estimated on the basis of the yields on Italian government securities or of those 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 concession assets. 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. 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” made by Società Italiana per Azioni per il Traforo del Monte Bianco 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 concession assets. 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 concession assets. 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. The provisions are discounted using the same criteria as applied to “Provisions”.

When the cost of the works is actually incurred, the costs are accounted for as a direct reduction of the provisions.

Employee benefits

Employee benefits are forms of consideration given by an entity in exchange for service rendered by employees or for the termination of employment.

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 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.

In addition to provisions for post-employment benefits (*TFR*), liabilities deriving from employee benefits also include provisions to cover expenses incurred by the Group in relation to the use of early retirement schemes provided for in law.

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; 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 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.

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.

Financial expenses and income

Interest income and expense is calculated with reference to the amount of the financial asset or liability using the effective interest rate method.

Dividends

Dividends are recognised when the unconditional right to receive payment is established. Dividends and interim dividends payable to the shareholders of subsidiaries are presented as movements in equity at the date on which they are approved by the Annual General Meeting of shareholders and by the Board of Directors, respectively.

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. Deferred tax assets and liabilities are recognised as follows:

- a) the former, only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised;
- b) the latter, if present, always unless the related temporary differences arise from:
 - the initial recognition of goodwill;
 - the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, does not influence either book profit or taxable income (tax loss), and at the time of the transaction it does not give rise to the recognition of an equal amount of taxable, deductible differences.

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 2023, HRA operated a tax consolidation arrangement in which Autostrade per l'Italia and certain subsidiaries participate.

Income tax payables reported under current tax liabilities in the statement of financial position, less any payments on account, also include the portion relating to IRES included in HRA's tax consolidation arrangement. Any overpayments are recognised as current tax assets.

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 an asset has been impaired, the recoverable amount is estimated, as described below, in order to verify and eventually measure the amount of the impairment loss, which is recognised in profit or loss. Irrespective of whether there is an indication of impairment, intangible assets with indefinite lives (e.g., goodwill, trademarks, etc.) 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. Cash flows are derived from the long-term plans drawn up by investees, which in the case of those that hold concessions includes a period of time equal to the duration of the respective concession. This method is deemed more appropriate than the approach provisionally suggested by IAS 36 (namely, a limited explicit projection period and the estimated terminal value, generally applied to companies that do not hold concessions), given the intrinsic nature of the related concession arrangements, including the regulations governing each sector and the predetermined duration of the arrangements.

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. Goodwill impairments may under no circumstances be 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, in the impairment testing of assets (including financial assets) and in estimating 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.

New accounting standards and interpretations, or revisions and amendments of existing standards, effective from 1 January 2023 and 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, the following table shows:

- a) new accounting standards and interpretations, or revisions and amendments of existing standards, effective from 1 January 2023;
- b) 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 2023, and that may in the future be applied in the Group's consolidated financial statements.

Document title	Effective date of IASB document	Date of EU endorsement
New accounting standards and interpretations, or amendments of standards and interpretations applicable from 1 January 2023		
Amendments to IAS 1 – Presentation of Financial Statements and IFRS Practice Statement 2: Presentation of Accounting Standards	1 January 2023	2 March 2022
Amendments to IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	1 January 2023	2 March 2022
Amendments to IAS 12 – Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023	11 August 2022
Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules	1 January 2023	8 November 2023
IFRS 17 Insurance Contracts - Including Amendments to IFRS 17	1 January 2023	19 November 2021
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		
Amendments to IAS 1 – Presentation of Financial Statements: Classification of Liabilities as Current or Non-current; Non-current Liabilities with Covenants	1 January 2024	19 December 2023
Amendments to IFRS 16 - Lease Liabilities in a Sale and Leaseback Transaction	1 January 2024	20 November 2023

Standards effective from 1 January 2023 have not had an impact on amounts in the consolidated financial statements. The Group is instead assessing the potential impact of the future application of new accounting standards and interpretations not yet effective as at 31 December 2023, which are not, however, expected to have a significant impact.

4. Concessions

As at 31 December 2023, the Group consists of five separate companies that hold concessions for the construction, operation and maintenance of toll motorways (including tunnels, bridges and viaducts) in Italy and at the same date, the ASPI Group's network extends for approximately 3,000 km (around 50% of the country's motorway network) and includes 214 service areas.

Each concession relationship is governed by a Single Concession Arrangement between the then Grantor, ANAS (now the Ministry of Infrastructure and Transport or "MIT") 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.

With the exception of Società per il Traforo del Monte Bianco, whose concession arrangement is based on a bilateral agreement between Italy and France, providing for tariff increases based on the average inflation rates recorded in France and Italy, to be applied in equal measure by the company itself and by Società Traforo del Frejus, pursuant to the CIG Determination of 7 February 2002, the financial feasibility of each concession (enabling operators to cover their costs and receive a fair return on invested capital resulting from their investments) is assured for each five-year period, and throughout the concession term, by toll increases authorised by the Grantor. These are set in such a way as to also allow for their gradual application to road users over time.

With reference to ASPI, the III Addendum to the Single Concession Arrangement of 2007, covering the regulatory period from 2020 to 2024, was signed on 21 March 2022 and became effective on 29 March 2022. In the case of Tangenziale di Napoli (“TANA”), on the other hand, the II Addendum to the operator’s Concession Arrangement, covering the regulatory period from 2019 to 2023, was signed on 28 December 2022 and came into effect from 4 May 2023. It should also be noted that TANA, whose Financial Plan expired on 31 December 2023, submitted an updated plan for the regulatory period from 2024 to 2028 on 7 December 2023. This is currently under consideration by the Grantor.

In terms of Autostrada Tirrenica (“SAT”) and Raccordo Autostradale Valle d’Aosta (“RAV”), as described in greater detail in note 10.6, “Significant legal and regulatory aspects”, approval of the updates of the respective Financial Plans is still awaited.

Essential information regarding the concessions held by the Group companies is set out below.

Operator	km	Expiry date	Toll revenue 2023 (€m)	Tariff framework (ASPI Group)	Accounting model
Autostrade per l’Italia	2,855	2038	3,638	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	Mixed - financial and intangible asset
Raccordo Autostradale Valle d’Aosta	32	2032	28	Planned inflation rate and a return on investment, rebalancing the RAB and other allowed costs (CIPE - now CIPESS - determination 39 of 15 June 2007)	Mixed - financial and intangible asset
Tangenziale di Napoli	20	2037	68	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
Società Autostrada Tirrenica	55	2028	46	Planned inflation rate and a return on investment, rebalancing the RAB and other allowed costs (CIPE - now CIPESS - determination 39 of 15 June 2007)	Mixed - financial and intangible asset
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

Further information on regulatory events during the year are provided in note 10.6, “Significant legal and regulatory aspects”.

Generally, the Financial Plans of operators (with the exception of Società Italiana per Azioni per il Traforo del Monte Bianco) are updated every five years. With regard to Autostrade per l'Italia, in accordance with what was established in point 2.5 of ART determination 71/2019 and in specific requests from the Grantor, talks have already begun with the latter with regard to updating the Company's Financial Plan for the next five-year regulatory period 2025-2029, given the imminent expiry of the Plan currently in force for the first period from 2020 to 2024, which in any event also regulates the rebalancing of the concession through to its expiry in 2038. Under the regulatory framework, this update should be agreed by the end of 2024.

Key metrics used in updating the Financial Plan are:

- traffic estimates;
- inflation (official Government projections for 2024);
- WACC (set by ART) for the remuneration of investment;
- updated operating costs and an updated estimate of the cost of the investment programme.

With regard to this latter aspect, the general increase in costs in recent years (partly due to the impact of the COVID-19 pandemic and current geopolitical crises, with a series of ongoing conflicts), and the major impact of new legislation and guidelines on the safety, surveillance and maintenance of infrastructure, in addition to changes to certain capex projects, has meant that the Group has had to significantly increase the size of its investment programmes and has seen a rise in operating costs.

Against this backdrop, on 18 January 2024, the Grantor requested all operators, including ASPI, to update their capex projections "for all the works to be included in the proposed update of the concession arrangement" and "updated in the light of current spending projections". In addition, the Grantor's letter also requested "information on the tariff increase needed to ensure the feasibility of the Financial Plan, quantified on the basis of existing contractual constraints". In February 2024 ASPI, in common with the Group's other operators, provided the Grantor with an investment plan updated "in the light of current spending projections" with the estimated adjustment to tariffs required.

In response to this request, ASPI conducted a preliminary update of the estimated costs to be incurred through to completion of the investment programme for the period 2020-2038 which, based on this preliminary assessment, will be significantly higher than the €14.1 billion provided for in the current Financial Plan. This reflects:

- significant rises in the prices of the raw materials used in construction due to rising inflation in 2021;
- the above impact of the new guidelines for the modernisation of infrastructure, designed to extend the useful lives of the assets and improve safety levels;
- changes to final designs requested by local and national authorities;
- additional capex.

Whilst awaiting the update of operators' new Financial Plans, in a specific note sent to all the companies at the beginning of January 2024, the Grantor communicated the *"need to ensure that the additional financial requirements can be met within the context of the flows linked to the Financial Plan annexed to the Concession Arrangement in force."*

As a result, to ensure the seamless continuation of the motorway upgrade works deemed to be priority, whilst also safeguarding the sustainability and bankability of the Financial Plans, the increased financial needs notified may be temporarily covered through a matching reduction in the financial resources earmarked for works to be carried out under the concession arrangement but that are not classed as immediately necessary. In any event, to avoid the need for substantial amendments to the concession, the overall resources employed must fall within the total capex spending established in the Financial Plan annexed to the existing Concession Arrangement.

At the time of a future update of the concession arrangement, it will be possible to: a) adjust commitments under the arrangement, with the inclusion of additional services; b) restore the funding for works for which funding has been temporarily redirected; c) redetermine the financial feasibility of the Financial Plans in the light of the changed operating environment, within the constraints established by existing legislation”.

It should also be noted that, following its assessment of the impact of regulation on the method used to set tolls under the motorway concession arrangements, initiated with determination 181/2023 and completed on 24 January 2024, ART has deemed it necessary to adjust the method. This will involve adopting operational indications and taking into account the potential need for amendments, to be submitted for public consultation, to reflect intervening changes in the sector. In this regard, the regulator has issued the following:

- on 8 February, determination 15/2024 with operational indications specifically regarding the application of mechanisms relating to (i) figurative items and (ii) the annual adjustment to the construction component of tariffs following the operator’s failure to carry out planned investment;
- on 29 February, determination 29/2024 launching a survey, to be completed by 22 March 2024, on (i) the effective use of reversible assets built, under construction or to be built and (ii) components of the cost of debt and their quantification.

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 2023 has changed with respect to the scope as at 31 December 2022. This follows the following transactions:

- a) the Parent Company’s acquisition, in May 2023, of the remaining shares in the subsidiary, Autostrada Tirrenica, from non-controlling shareholders. As at 31 December 2023, this company is thus a wholly owned subsidiary;
- b) the establishment, with effect from 28 December 2023, of Free To X SpA, a wholly owned subsidiary of Free To X Srl, which then transferred its “E-mobility” business unit, which produces and operates EV charging stations on the Group’s motorways and at other roadside and other sites, to the new company. In these consolidated financial statements, the transfer has been recognised at the existing carrying amounts, given that the transaction is classed as a transfer of a company and/or business unit between companies under common control, in accordance with the Group policy described in note 3;
- c) the establishment, in June 2023, of the consortium, Forlì 3 Scarl, in which the subsidiary, Amplia Infrastructures, holds a 69.37% stake. This company is tasked with performing all the activities and construction services to be provided by its shareholders in relation to the Forlì Ring Road and Link Road (Lot 3), the contract for which was awarded by ANAS to the Temporary Consortium set up by Forlì 3’s shareholders.

Following the start of the process that will result in Amplia Infrastructures’ sale of its investment in Pavimental Polska, the company’s assets and liabilities have been reclassified, in accordance with IFRS 5, to the specific items in “Assets and liabilities held for sale”. The talks in progress lead the Company to believe that a sale is highly likely and, therefore, the requirements provided for in “IFRS 5 – Non-current assets held for sale and discontinued operations” have been met.

The reporting packages in currencies other than the euro were converted using the exchange rates for the year ended 31 December 2023 and for the comparative period published by the Bank of Italy and shown in the following table:

Currency	2023		2022	
	Spot exchange rate at 31 December	Average exchange rate	Spot exchange rate at 31 December	Average exchange rate
Euro/Polish Zloty	4.340	4.542	4.681	4.686
Euro/Mexican Peso	18.723	19.183	20.856	20.364

6. Impact of climate change

The Group continued with its commitment to combatting the impact of climate change in 2023. Sustainability is at the heart of the Group's strategy, in line with the sustainable development goals set out in the UN's 2030 Agenda. The Group plays a crucial role in three areas: reducing its carbon footprint, adapting its infrastructure to meet the challenges presented by extreme events and enabling sustainable forms of mobility on the motorway network.

The Group has already obtained SBTi (Science Based Target Initiative) validation of its targets for reductions in Scope 1, 2 and 3¹ emissions in 2022, in line with the goals of the UN's 2030 Agenda, and the scenario of limiting temperature increases to 1.5°C by 2050.

In detail, the commitments undertaken include:

- a) reduction of absolute Scope 1 and 2 GHG emissions by 68% by 2030 (against a 2019 baseline);
- b) reduction of emission intensity, with reference to Scope 3 greenhouse gas emissions by 2030 (against 2019 baseline): 52% deriving from investment in modernisation of infrastructure under concession, and 55% deriving from procurement of construction business goods and services from third parties (non-captive customers of Amplia). In detail, the Scope 3 reduction mainly regards emissions deriving from the use of steel and concrete by Autostrade per l'Italia's and Amplia's contractors.

With reference to Scope 1 targets, as at 31 December 2023 20 electric vehicles are in service. this number will rise from 2024 following the tender process carried out in 2023 for long-term vehicle hire, in which suppliers were requested to include electric vehicles for each category of vehicle. In addition, at certain of the Group's sites, diesel-fuelled heating systems have been replaced by new systems fuelled by energy carriers with a reduced environmental impact.

¹ Scope 1: Emissions from sources that the Group directly controls such as, for example, the burning of fuel by its fleet of vehicles, operating vehicles and hire cars, fuel for emergency generators, heating, cogeneration, etc..

Scope 2: Emissions from sources not directly controlled by the Group and associated with the generation of electricity, heat and steam purchased and used by the Group.

Scope 3: Emissions from sources not under the direct control of the Group, but that are indirectly linked to the business. This includes all the emissions indirectly generated by the Group's value chain such as, for example, those connected with the supply chain (Scope 3 upstream), business travel, emissions due to the use of the infrastructure by road users (Scope 3 downstream), etc..

As regards Scope 2 targets, the Group's electricity needs were almost entirely met in 2023 from certified renewable sources. 164 photovoltaic plants are in operation, providing installed capacity of 10.8 MWp and producing approximately 12 GWh of electricity per year (average annual production), including 40% for self-consumption directly onsite. The installation of LED lighting in tunnels and at motorway junctions, replacing the existing sodium lights, has begun and will be completed in 2024, saving approximately 2 GWh of energy a year and reducing Co2 emissions by over 520 tonnes a year. Finally, the Company has also installed heating systems using renewable energy for its buildings (solar heating), capable of average production in excess of 400 MWh per year.

To cut the Group's indirect Scope 3 upstream emissions and meet the commitments given to SBTi, Autostrade per l'Italia has set up technical working groups with the producers of construction materials to assess the potential use of construction materials "with lower emission factors". These regard materials representing 80% of the total emissions generated by capital expenditure, above all concrete and steel. Based on the assessments carried out, these materials can be progressively replaced with others with the same technical characteristics but producing lower emissions, or with materials produced using new technologies capable of reducing emissions or capturing CO2. Several types of green concrete were tested in 2023 and suppliers are being asked to provide EPD (Environmental Product Declaration) certification and an indication of the percentage of recycled materials used. Finally, the installation, by Free To X, of 100 high-powered electric charging stations at the same number of service areas was completed in 2023. A call for tenders will be held in 2024 with the aim of extending coverage to a further 108 service areas.

In terms of finance, in January and June 2023, the Parent Company placed its first Sustainability-Linked bonds worth €1.5 billion, with the spreads linked to the achievement of specific targets for cuts in greenhouse gas emissions and the installation of charging points for electric vehicles on the motorway network. The two bonds were admitted to trading on the Luxembourg Stock Exchange's LGX platform for sustainable debt securities. Finally, new bilateral, revolving sustainability-linked credit facilities, amounting to €725 thousand, have been agreed with leading Italian and international banks, with spreads tied to the achievement of specific ESG goals.

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 2023. Comparative amounts as at 31 December 2022 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 - €224,980 thousand (€201,514 thousand)

As at 31 December 2023, property plant and equipment amounts to €224,980 thousand, up €23,466 thousand compared with the net amount as at 31 December 2022, totalling €201,514 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 2023			31 December 2022		
	Cost	Accumulated depreciation	Carrying amount	Cost	Accumulated depreciation	Carrying amount
Property, plant and equipment	689,787	(500,080)	189,707	644,840	(476,634)	168,206
Right to use property, plant and equipment	59,499	(24,326)	35,173	49,231	(16,292)	32,939
Total property, plant and equipment	749,286	(524,406)	224,880	694,071	(492,926)	201,145
Investment property	392	(292)	100	1,551	(1,182)	369
Property, plant and equipment	749,678	(524,698)	224,980	695,622	(494,108)	201,514

The following table shows amounts at the beginning and end of the period for the different asset classes and the related changes in 2023.

€000	Carrying amount as at 31 December 2022	CHANGES DURING THE YEAR								Carrying amount as at 31 December 2023
		Additions	Increase in right-of-use assets	Depreciation	Impairments	Reductions due to disposals	Net currency translation differences	Reclassifications and other adjustments	Reclassifications to assets held for sale	
Property, plant and equipment										
Land	5,447	-	-	(1,813)	-	-	12	272	(294)	5,472
Buildings	22,493	2,890	-	(8,011)	(480)	-	31	298	(241)	23,957
Plant and machinery	58,142	4,117	-	(8,011)	(480)	(37)	-	(276)	(241)	56,241
Industrial and business equipment	56,993	33,928	-	(18,506)	(89)	31	-	15,982	(115)	81,385
Other assets	20,488	6,611	-	(6,972)	(6)	-	2	297	(27)	20,211
Leasehold improvements	9,715	36	-	(370)	-	-	-	-	-	9,381
Property, plant and equipment under construction and advance payments	21,017	16,106	-	-	-	-	3	(17,088)	(28)	19,449
Total	168,206	63,688	-	(32,672)	(480)	(135)	85	(455)	(710)	189,707
Right to use property, plant and equipment										
Right to use land	-	-	1,564	(93)	-	-	-	-	-	1,471
Right to use leased buildings	27,841	-	11,627	(6,615)	-	(37)	-	(3,565)	-	29,251
Right to use equipment and other leased assets	5,098	-	2,889	(2,978)	-	-	77	(1,305)	(1,738)	4,491
Total	32,939	-	15,876	(9,684)	-	(37)	77	(2,260)	(1,738)	35,173
Total property, plant and equipment	201,145	63,688	15,876	(42,356)	(480)	(172)	162	(2,715)	(2,448)	224,880
Investment property										
Land	58	-	-	-	-	-	-	(29)	-	29
Buildings	310	-	-	(268)	-	-	-	24	-	366
Total	369	-	-	(268)	-	-	-	(5)	-	100
Total property, plant and equipment	201,514	63,688	15,876	(42,624)	(480)	(172)	162	(2,716)	(2,448)	224,980

Right-of-use assets relating to property, plant and equipment amount to €35,173 thousand as at 31 December 2023 and primarily regard the rental of properties for use as guest accommodation and for office use (€29,251 thousand).

The effective duration of the contracts is between 2 and 15 years, after taking into account extension options available to the Group.

Finally, as at 31 December 2023, property, plant and equipment is free of mortgages, liens or other collateral guarantees restricting use.

7.2 Intangible assets - €16,658,850 thousand (€15,812,790 thousand)

This item consists of:

- a) intangible assets deriving from concession rights, totalling €10,409,292 thousand (€9,579,336 thousand as at 31 December 2022), relating to the following categories:
 - 1) investment in infrastructure, amounting to €10,261,930 thousand;
 - 2) rights deriving from construction services carried out by service area operators, totalling €87,232 thousand, represented by assets handed over free of charge to the Group's operators on expiry of the related sub-concessions;
 - 3) rights acquired from third parties (€60,130 thousand), essentially reflecting the fair value of concession rights recognised following the acquisitions of motorway operators in previous years;
- b) goodwill and other intangible assets with indefinite lives, totalling €6,111,555 thousand;
- c) other intangible assets, amounting to €138,003 thousand.

€000	31 December 2023				31 December 2022			
	Cost	Accumulated amortisation	Accumulated impairments	Carrying amount	Cost	Accumulated amortisation	Accumulated impairments	Carrying amount
Intangible assets deriving from concession rights	14,459,528	(3,934,188)	(116,048)	10,409,292	13,037,898	(3,342,514)	(116,048)	9,579,336
Goodwill and other intangible assets with indefinite lives	6,111,555	-	-	6,111,555	6,111,364	-	-	6,111,364
Other intangible assets	640,723	(502,720)	-	138,003	545,511	(423,421)	-	122,090
Total intangible assets	21,211,806	(4,436,908)	(116,048)	16,658,850	19,694,773	(3,765,935)	(116,048)	15,812,790

The following table shows changes during 2023.

€000	Carrying amount as at 31 December 2022	CHANGES DURING THE YEAR							Carrying amount as at 31 December 2023
		Additions due to completion of construction services, purchases and capitalisations	Additions due to handover of assets free of charge	Amortisation	Reductions due to disposals	Reductions due to government grants	Reclassifications and other adjustments	Reclassifications to assets held for sale	
Intangible assets deriving from concession rights									
Acquired concession rights	67,921	-	-	(7,791)	-	-	-	-	60,130
Concession rights deriving from investment in infrastructure	9,418,944	1,454,552	-	(577,972)	-	(32,976)	(618)	-	10,261,930
Concession rights accruing from construction	92,471	-	672	(5,912)	-	-	1	-	87,232
Total	9,579,336	1,454,552	672	(591,675)	-	(32,976)	(617)	-	10,409,292
Goodwill and other intangible assets with indefinite lives									
Goodwill	6,111,234	-	-	-	-	-	-	-	6,111,234
Trademarks	130	-	-	-	-	-	191	-	321
Total	6,111,364	-	-	-	-	-	191	-	6,111,555
Other intangible assets									
Software development	67,888	57,929	-	(54,529)	(1,150)	-	5,247	-	75,385
Industrial patents and intellectual property right	31,679	19,453	-	(23,447)	-	-	861	-	28,546
Concessions and licenses	791	1,471	-	(245)	-	-	1	-	2,018
Right to use intangible assets	1,644	-	-	(822)	-	-	-	-	822
Other	5,725	-	-	(847)	-	-	24	(22)	4,880
Intangible assets under development and advance payments	14,363	18,751	-	-	(462)	-	(6,300)	-	26,352
Total	122,090	97,604	-	(79,890)	(1,612)	-	(167)	(22)	138,003
Total intangible assets	15,812,790	1,552,156	672	(671,565)	(1,612)	(32,976)	(593)	(22)	16,658,850

Intangible assets recorded an increase of €846,060 thousand in 2023, primarily due to a combination of the following:

- a) investment in infrastructure, amounting to €1,454,552 thousand;
- b) investment in other intangible assets, amounting to €97,604 thousand, essentially linked to the implementation of the Group's Transformation Plan;
- c) amortisation for the period €671,565 thousand.

In 2023, the Group invested a total of €1,468,455 thousand in concession assets (€924,259 thousand in 2022), as shown below:

€000	Note	2023	2022	Increase/ (Decrease)
Use of provisions for motorway infrastructure renewal	7.12	13,903	8,073	5,830
Increase in intangible assets deriving from concession rights due to investment in frastructure	8.2	1,454,552	916,186	538,366
Investments in assets held under concession		1,468,455	924,259	544,196

Research and development expenditure of approximately €5.1 million has been recognised in the consolidated income statement for 2023. 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 €6,111,555 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 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.

As required by IAS 36, this test was conducted using the Unlevered Discounted Cash Flow model, measuring value in use by discounting expected net operating cash flow, based on the most recent projections approved by management (in the business plan for the period 2021-2038 approved by the Board of Directors in February 2021). Value in use was thus determined by discounting expected net operating cash flows over the concession term. Use of the long-term plan covering a period equal to the concession term is more appropriate than the approach provisionally suggested by IAS 36 (namely, a limited explicit projection period and the estimated terminal value), given the intrinsic nature of the related concession arrangements, including the regulations governing each sector and the predetermined duration of the arrangements.

A discount rate of 6.51% was used to carry out the impairment test. This discount rate, determined in accordance with IAS 36, differs from the rate of return on invested capital and on the construction and operating services provided for in the Single Concession Arrangement, set by the Transport Regulator based on a specific approach described in the relevant determination.

The impairment test confirmed that the goodwill and concession rights accounted for in the consolidated financial statements as at 31 December 2023 are fully recoverable.

In addition, sensitivity analyses were carried out:

- based on cash flows based on scenarios yet to be approved by management and under different investment scenarios, including the one described in the above note 4

“Concessions”, with the value of the work to be carried out significantly higher than in the existing Financial Plan. These scenarios, in any event, take into account the fact that tariffs will be rebalanced by 2038 under the Single Concession Arrangement;

- increasing the above discount rate by 1%, considering this to be the sole variable, in view of the rebalancing of tariffs under the regulatory framework, representative of a stress test of potential medium to long-term impacts.

The sensitivity analyses also confirmed that the assets accounted for are fully recoverable.

There were no indicators of a potential impairment for the Group’s other CGUs, except for the CGU representing Società Raccordo Autostradale Valle D’Aosta, which has concession rights of €179,074 thousand.

To test the recoverability of these intangible assets, given that management had identified a trigger event represented by the difficulty in reaching agreement with the Grantor on the need to rebalance the Financial Plan with tariffs that are sustainable for road users, the Group conducted an impairment test.

The impairment test, conducted using the Unlevered Discounted Cash Flow model, based on the financial plan submitted to the Grantor in December 2023, confirmed that the carrying amount is fully recoverable.

7.3 Investments - €73,357 thousand (€78,458 thousand)

As at 31 December 2023, this item is down €5,101 thousand compared with 31 December 2022 (€78,458 thousand).

The following table shows carrying amounts at the beginning and end of the period, grouped by category, and changes in investments in 2023.

€000	31 December 2022	CHANGES DURING THE YEAR						31 December 2023	
		Acquisitions and capital contributions	Sales and disposals	Measurement using equity method			Reclassifications to assets held for sale		Reclassifications and other changes
				Profit or loss	Dividends	Other comprehensive income			
Opening balance							Closing balance		
Investments accounted for at fair value	10,840	100	(84)				2	10,858	
Investments accounted for using the equity method									
- associates	66,203	-	(7,588)		4,804	(1,000)	(1,867)	60,552	
- joint ventures	1,415		623	(91)				1,947	
Investments	78,458	100	(84)	(6,965)	(91)	4,804	(1,000)	(1,865)	73,357

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 2023, 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, impairment tests were not conducted.

The following table shows an analysis of the Group's principal investments as at 31 December 2023, 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.

€000	31 December 2023		31 December 2022	
	% interest	Closing balance	% interest	Closing balance
Investments accounted for at fair value:				
Tangenziale Esterna	1.25%	5,811	1.25%	5,811
digITAllog (Uimet)	1.40%	427	1.40%	427
Strada dei Parchi	2.00%	4,271	2.00%	4,271
Other minor investments		349		331
Total investments accounted for at fair value		10,858		10,840
Investments accounted for using the equity method:				
- associates				
Tangenziali Esterne di Milano	27.45%	57,215	27.45%	58,377
Spea Engineering	20.00%	-	20.00%	5,544
Bologna & Fiera Parking	36.81%	3,269	36.81%	2,205
Other minor investments		68		77
- joint ventures				
Geie del Traforo del Monte Bianco	50.00%	1,000	50.00%	1,000
Tecne-Systra SWS Advanced Tunneling Srl	50.00%	446	50.00%	163
Tecne Speri Bridge Designers	50.00%	501	50.00%	252
Total investments accounted for using the equity method		62,499		67,618
Investments		73,357		78,458

Annex 1 provides a list of the Group's investments as at 31 December 2023.

7.4 Financial assets

(non-current) €529,639 thousand (€556,164 thousand)

(current) €95,084 thousand (€469,667 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.

0000	Note	31 December 2023			31 December 2022		
		Carrying amount	Current portion	Non-current portion	Carrying amount	Current portion	Non-current portion
Takeover rights		14,368	14,368	-	32,937	32,937	-
Financial assets deriving from concessions	(1)	14,368	14,368	-	32,937	32,937	-
Financial assets deriving from government grants	(1)	155,333	31,215	124,118	179,329	45,072	134,257
Term deposits	(1)	137,487	17,296	120,191	174,631	44,250	130,381
Derivative assets	(2)	153,562	1,270	152,292	515,385	315,682	199,703
Accrued income on medium/long-term financial assets		1,165	1,165	-	2,292	2,292	-
Other medium/long-term financial assets	(1)	35,829	5,932	29,897	32,643	3,194	29,449
Other medium/long-term financial assets		190,556	8,367	182,189	550,320	321,168	229,152
Securities		103,141	-	103,141	62,374	-	62,374
Other current financial assets	(1)	23,838	23,838	-	26,240	26,240	-
Total		624,723	95,084	529,639	1,025,831	469,667	556,164

(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.

The balance consists of:

- a) “Derivative assets”, consisting of Forward-starting Interest Rate Swaps hedging potential liabilities to be assumed by Autostrade per l’Italia and Interest Rate Swaps hedging certain borrowings outstanding (totalling €153,562 thousand). the reduction compared with 31 December 2022 (€361,823 thousand) is primarily linked to:
 - 1) the unwinding of Forward-starting Interest Rate Swaps (€282,431 thousand) in January and June 2023, at the time of the issue of bonds by Autostrade per l’Italia;
 - 2) a reduction of €84,707 thousand in fair value gains on derivatives due to a reduction in the relevant interest rates at 31 December 2023 compared with 31 December 2022;
- b) “Financial assets deriving from government grants” (€155,333 thousand), including amounts payable by the Grantor, third parties or other government entities as grants payable for construction services carried out. The reduction compared with the previous year reflects the collection of grants for work on the A1 Milan-Naples motorway relating to a number of lots included in the *Variante di Valico* and the upgrade of Florence interchange (€41,621 thousand);
- c) “Term bank deposits” (€137,487 thousand), relating 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 b). 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. The reduction in this item primarily reflects the collection (€41,621 thousand) referred to in point b). As a result, the amount payable to ANAS, recognised in “Other borrowings”, has decreased by the same amount;
- d) “Securities” held by the subsidiaries, Traforo del Monte Bianco and Raccordo Autostradale Valle D’Aosta (amounting to €103,141 thousand). The increase of €40,767 thousand compared with 31 December 2022 is due to the purchase in 2023 of further bonds by Raccordo Autostradale Valle D’Aosta.

Further details are provided in note 9.2, “Financial risk management”.

There was no indication of impairment of the financial assets recognised in the financial statements and described in this note during the period and the carrying amount approximates to fair value.

7.5 Deferred tax assets and deferred tax liabilities

Deferred tax assets - €134,529 thousand (€121,791 thousand)

Deferred tax liabilities - €611,245 thousand (€513,033 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.

€000	31 December 2023	31 December 2022
Deferred tax assets	1,381,817	1,403,098
Deferred tax liabilities eligible for offset	(1,247,288)	(1,281,307)
Deferred tax assets less deferred tax liabilities eligible for offset	134,529	121,791
Deferred tax liabilities not eligible for offset	(611,245)	(513,033)
Difference between deferred tax assets and liabilities (eligible and ineligible for offset)	(476,716)	(391,242)

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 2022	CHANGES DURING THE YEAR						31 December 2023
		Provisions	Releases	Provisions (releases) on other components of comprehensive income	Change in prior year estimates	Reclassifications to assets related to discontinued operations	Reclassifications and other changes	
Deferred tax assets on:								
Restatement of total amount subject to IFRIC 12 by Autostrade per l'Italia	288,489	-	(18,030)	-	-	-	-	270,459
Provisions	1,002,476	240,130	(246,096)	(31)	162	-	18	996,659
Impairments and depreciation of non-current assets	10,427	-	(934)	-	-	-	-	9,493
Derivative liabilities	20,694	-	-	(70)	-	-	-	20,624
Impairment of receivables and inventories	8,020	1,047	(1,638)	-	(1,526)	-	-	5,903
Tax loss carryforwards	(1,052)	10	(77)	-	-	-	-	(1,119)
Actuarial gains/(losses) on post-employment benefits	5,262	434	-	(2,973)	-	-	-	2,723
Other temporary differences	68,782	12,635	(6,623)	230	(27)	(1,953)	4,031	77,075
Total	1,403,098	254,256	(273,398)	(2,844)	(1,391)	(1,953)	4,049	1,381,817
Deferred tax liabilities on:								
Off-balance sheet amortisation of goodwill	(1,638,922)	(84,365)	-	-	-	-	-	(1,723,287)
Difference between carrying amount and fair value of assets acquired and liabilities assumed following	(12,337)	-	2,090	-	-	-	-	(10,247)
Derivative financial instruments	(125,108)	-	-	23,274	-	-	-	(101,834)
Other temporary differences	(17,973)	(6,574)	4,055	(322)	-	1,680	(4,031)	(23,165)
Total	(1,794,340)	(90,939)	6,145	22,952	-	1,680	(4,031)	(1,858,533)
Difference between deferred tax assets and liabilities (eligible and ineligible for offset)	(391,242)	163,317	(267,253)	20,108	(1,391)	(273)	18	(476,716)

The balance of net deferred tax assets, totalling €476,716 thousand as at 31 December 2023, primarily consists of:

- a) deferred tax assets of €996,659 thousand on the portion of provisions deductible in future years, primarily for the repair and replacement of motorway infrastructure and provisions made in relation to the commitments given by Autostrade per l'Italia in its agreement with the MIT;
- b) 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, amounting to €270,459 thousand;
- c) 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 €1,723,287 thousand.

The increase in net deferred tax liabilities of €85,474 thousand is essentially linked to the provision for deferred tax liabilities (€84,365 thousand) made following off-balance sheet amortisation of goodwill attributable to Autostrade per l'Italia, considering that the provisions and uses of deferred tax assets on provisions broadly offset each other.

7.6 Trading assets - €856,315 thousand (€832,775 thousand)

As at 31 December 2023, trading assets include:

- a) inventories of €165,420 thousand (€143,312 thousand as at 31 December 2022), primarily relating to stocks and spare parts used in maintenance and investment in the network. The increase of €22,108 thousand compared with 2022 is primarily linked to the inventories of Autostrade per l'Italia, Movyon and Amplia Infrastructures;
- b) contract assets of €88,585 thousand (€76,469 thousand as at 31 December 2022);
- c) trade receivables of €602,310 thousand (€612,994 thousand as at 31 December 2022), consisting of the following items.

€000	31 December 2023	31 December 2022	Increase/ (Decrease)
Trade receivables due from:			
Motorway users	313,146	343,968	(30,822)
Sub-operators at motorway service areas	74,370	73,459	911
Sundry customers	157,324	165,717	(8,393)
Gross trade receivables	544,840	583,144	(38,304)
Allowance for bad debts	(55,344)	(63,286)	7,942
Other trading assets	112,814	93,136	19,678
Net trade receivables	602,310	612,994	(10,684)

The following table shows an ageing schedule for amounts due from customers and other trade receivables.

€000	Total receivables as at 31 December 2023	Total not yet due	More than 90 days overdue	Between 90 and 365 days overdue	More than one year overdue
Trade receivables	544,840	411,294	39,356	24,842	69,348

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 easements for motorway crossings and sales of proprietary services and goods.

The following table shows movements in the allowance for bad debts for trade receivables during 2023, 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 2022	Additions	Uses	Reclassifications and other changes	31 December 2023
Allowance for bad debts	63,286	3,876	(11,748)	(70)	55,344

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.

7.7 Cash and cash equivalents - €2,203,585 thousand (€2,313,280 thousand)

This item includes cash in hand and investments maturing within the short term and is down €109,695 thousand.

Detailed explanations of the cash flows resulting in the reduction in the Group's cash in 2023 are contained in note 9.1, "Notes to the consolidated statement of cash flows".

7.8 Current tax assets and liabilities

Current tax assets - €12,805 thousand (€72,218 thousand)

Current tax liabilities - €149,210 thousand (€93,884 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 2023	31 December 2022	31 December 2023	31 December 2022
IRES	3,101	50,890	59,914	3,789
IRAP	584	20,818	52,362	150
Other income taxes	9,120	510	36,934	89,945
	12,805	72,218	149,210	93,884

As at 31 December 2023, the Group reports net current tax liabilities of €136,405 thousand, up €114,739 thousand compared with 31 December 2022 (€21,666 thousand). This primarily reflects:

- income tax payable for the year after deducting payment of the balance due for 2022 and payments on account for 2023 (€174,058 thousand)
- payment of the accrued portion of substitute tax payable by Autostrade per l'Italia on the exemption from taxation of off-balance sheet amortisation of goodwill (€48,945 thousand).

7.9 Other current assets - €133,880 thousand (€125,973 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 2023	31 December 2022	Increase/ (Decrease)
Receivables due from end users and insurance companies for damages	19,465	17,720	1,745
Receivable from public entities	2,078	1,728	350
Tax credits other than for income tax	32,375	30,400	1,975
Receivables from social security institutions	1,746	10,060	(8,314)
Amounts due from staff	2,290	2,074	216
Accrued income of a non-trading nature	521	1,040	(519)
Payments on account to suppliers and other current asset	78,540	65,902	12,638
Other current assets, gross	137,015	128,924	8,091
Allowance for bad debts	(3,135)	(2,951)	(184)
Other current assets	133,880	125,973	7,907

The allowance for bad debts 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.

7.10 Assets and liabilities held for sale

Assets held for sale – €32,259 thousand (-)

Liabilities held for sale – €13,316 thousand (-)

This item includes the assets and liabilities of Pavimental Polska as at 31 December 2023, which have been reclassified, in accordance with IFRS 5, to the specific items in “Assets and liabilities

held for sale”, as described in note 5, “Scope of consolidation”. A breakdown by nature of the items (trading, financial or other) is shown in the following table.

€000	31 December 2023	31 December 2022	Increase/ (Decrease)
Non-current non-financial assets	5,750	-	5,750
- Property, plant and equipment	2,448	-	2,448
- Intangible assets	22	-	22
- Deferred tax assets	1,953	-	1,953
- Investments	1,000	-	1,000
- Other non-current assets	327	-	327
Current non-financial assets	18,077	-	18,077
- Trading assets	17,691	-	17,691
- Other current non-financial assets	386	-	386
Non-current financial assets	3,368	-	3,368
Current financial assets	5,064	-	5,064
- Cash and cash equivalents	5,052	-	5,052
- Other current financial assets	12	-	12
Total assets held for sale	32,259	-	32,259
Non-current non-financial liabilities	3,333	-	3,333
- Non-current provisions for risks and charges	180	-	180
- Deferred tax liabilities	1,680	-	1,680
- Other non-current liabilities	1,473	-	1,473
Trading liabilities and other current non-financial liabilities	8,365	-	8,365
- Current provisions for risks and charges	115	-	115
- Trading liabilities	5,962	-	5,962
- Other current liabilities	2,288	-	2,288
Non-current financial liabilities	978	-	978
Current financial liabilities	640	-	640
Total liabilities held for sale	13,316	-	13,316

7.11 Equity – €2,915,003 thousand (€3,469,462 thousand)

The issued capital of the Parent Company, Autostrade per l’Italia SpA as at 31 December 2023 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 2022.

Equity attributable to owners of the parent, totalling €2,605,598 thousand, is down €540,881 thousand compared with 31 December 2022, essentially reflects the combined effect of:

- a) payment of the final dividend for 2022 (€924,332 thousand) and of the interim dividend for 2023 (€434,175 thousand) by Autostrade per l’Italia;
- b) comprehensive income for the period (€819,499 thousand).

Equity attributable to non-controlling interests, totalling €309,405, is down €13,578 thousand compared with 31 December 2022 (€322,983 thousand), primarily reflecting the payment of dividends by Group companies to non-controlling shareholders (€10,891 thousand) and the comprehensive loss for the year of €2,687 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.

7.12 Provisions

(non-current) - €2,266,396 thousand (€2,400,535 thousand)

(current) - €485,898 thousand (€380,605 thousand)

The following table shows details of provisions by type, showing the non-current and current portions.

€000	31 December 2023			31 December 2022		
	Carrying amount	non-current portion	current portion	Carrying amount	non-current portion	current portion
Provisions for employee benefits	114,076	103,134	10,942	74,348	63,301	11,047
Provisions for repair and replacement of motorway infrastructure	1,071,900	947,936	123,964	1,060,082	929,545	130,537
Provisions for renewal of motorway infrastructure	91,487	76,259	15,228	83,590	68,634	14,956
Other provisions for risks and charges	1,474,831	1,139,067	335,764	1,563,120	1,339,055	224,065
Total provisions	2,752,294	2,266,396	485,898	2,781,140	2,400,535	380,605

The following table shows provisions at the beginning and end of the period and changes in 2023.

€000	Carrying amount as at 31 December 2022	CHANGES DURING THE YEAR							Carrying amount as at 31 December 2023
		Operating provisions	Financial provisions	Uses	Actuarial gains/(losses) recognised in comprehensive income	Currency translation differences	Reclassification to assets held for sale	Reclassifications and other changes	
Provisions for employee benefits									
	74,342	960	2,524	(9,034)	(13,335)	-	-	(1)	55,456
	6	58,620	-	(7)	-	-	-	1	58,620
Total	74,348	59,580	2,524	(9,041)	(13,335)	-	-	-	114,076
Provisions for repair and replacement of motorway infrastructure									
	1,060,082	532,368	14,198	(534,748)	-	-	-	-	1,071,900
Provisions for renewal of motorway infrastructure									
	83,590	20,202	1,598	(13,903)	-	-	-	-	91,487
Other provisions for risks and charges									
	1,563,120	25,868	5,045	(119,802)	-	24	(295)	871	1,474,831
Total provisions	2,781,140	638,018	23,365	(677,494)	(13,335)	24	(295)	871	2,752,294

PROVISIONS FOR EMPLOYEE BENEFITS

(non-current) - €103,134 thousand (€63,301 thousand)

(current) - €10,942 thousand (€11,047 thousand)

At 31 December 2023, this item essentially consists of:

- the present value of provisions for post-employment benefits (*TFR*) to be paid to staff employed under Italian law;
- recognition, in "Other provisions for employee benefits" of the impact of the extraordinary early retirement scheme implemented in accordance with art. 4, paragraphs 1 to 7-ter of Law 92 of 28 June 2012, as amended. The provisions have been

made to cover the costs, accounted for in staff costs, linked to the agreements reached by Autostrade per l'Italia and Essediesse with the labour unions. These provide for bridge payments for the people (140 at Autostrade per l'Italia and 93 at Essediesse) meeting the requirements to access such payments and identified on the basis of the years remaining until they reach pensionable age. This transaction is part of the reorganisation of operations that will lead to efficiency improvements in business processes following the technological and digital transformation carried out.

The increase of €39,728 thousand primarily regards:

- a) provisions for the above extraordinary early retirement scheme introduced in 2023, amounting to €58,620 thousand;
- b) net actuarial gains for the year of €13,335 thousand;
- c) uses to cover payments and advances during the year, amounting to €9,034 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 2023 are summarized below.

The following table shows a sensitivity analysis for post-employment benefits at the end of the year based on changes in the individual rates used to calculate actuarial movements.

Financial assumptions						
Annual discount rate (*)					3.08%	
Annual inflation rate					2.00%	
Annual rate of increase in post-employment benefits					3.00%	
Annual rate of increase in real salaries					0.65%	
Annual turnover rate					da 1% a 7%	
Annual rate for advances paid					da 0.5% a 3.5%	
Duration (years)					da 5 a 17	
(*) 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 to the Group 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 2023						
€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	55,007	54,844	55,396	54,467	54,218	55,656

PROVISIONS FOR THE REPAIR AND REPLACEMENT OF MOTORWAY INFRASTRUCTURE

(non-current) - €€947,936 thousand (€929,545 thousand)

(current) - €123,964 thousand (€130,537 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 up €11,818 thousand on 31 December 2022 due to:

- a) operating provisions for the year, amounting to €532,368 thousand, in connection with an updated estimate of the cost of repairs to network infrastructure;
- b) financial provisions (€14,198 thousand);
- c) uses during the year of €534,748 thousand in relation to maintenance of the motorway network, including €170,091 thousand in non-recurring maintenance.

PROVISIONS FOR THE RENEWAL OF MOTORWAY INFRASTRUCTURE

(non-current) - €76,259 thousand (€68,634 thousand)

(current) - €15,228 thousand (€14,956 thousand)

Provisions for the renewal of motorway infrastructure made by Traforo del Monte Bianco, including the non-current and current portions, amount to €91,487 thousand (€83,590 thousand as at 31 December 2022). Compared with 31 December 2022, the net increase of €7,897 thousand essentially reflects operating provisions (€20,202 thousand), partially offset by uses during the year for work carried out (€13,903 thousand).

OTHER PROVISIONS FOR RISK AND CHARGES

(non-current) - €1,139,067 thousand (€1,339,055 thousand)

(current) - €335,764 thousand (€224,065 thousand)

These provisions essentially regard estimates of liabilities, at the end of the period and the amount is down €88,289 thousand primarily due to:

- a) uses of €119,802 thousand, essentially connected with the commitments included in the settlement agreement with the MIT and the Government, relating to toll discounts for road users and discounts to compensate for disruption caused by roadworks (€67,978 thousand) and to works included in the unremunerated investment plan (€29,819 thousand in 2023);
- b) operating provisions (€25,868 thousand), which reflect the effect of movements in the interest rates used to discount the provisions relating to the settlement agreement with the MIT to present value.

Further information on developments in the principal disputes outstanding as at 31 December 2023 is provided in note 10.7, "Significant legal and regulatory aspects".

7.13 Financial liabilities

(non-current) €10,754,497 thousand (€10,311,026 thousand)
(current) €1,361,103 thousand (€1,144,764 thousand)

MEDIUM-LONG TERM FINANCIAL LIABILITIES

(non-current) €10,754,497 thousand (€10,311,026 thousand)
(current) €1,333,182 thousand (€1,059,944 thousand)

As at 31 December 2023, medium/long-term financial liabilities amount to €12,087,679 thousand. These liabilities essentially consist of bonds issued by Autostrade per l'Italia and bank borrowings.

The following two tables provide an analysis of medium/long-term financial liabilities, showing:

- a) an analysis of the balance by nominal value and maturity (current and non-current portions);

€000	Note	31 December 2023				Maturity		31 December 2022			
		Face value	Carrying amount	Current portion	Non-current portion	between 13 and 60 months	after 60 months	Face value	Carrying amount	Current portion	Non-current portion
Bond issues	(1)(2)(3)	9,347,784	9,272,270	998,727	8,273,543	4,070,651	4,202,892	8,593,372	8,529,838	748,911	7,780,927
Bank borrowings	(3)	2,380,999	2,390,564	111,670	2,278,894	455,249	1,823,645	2,454,758	2,454,765	105,929	2,348,836
Other borrowings		169,731	166,119	37,732	133,387	133,387	0	214,878	209,971	63,406	146,565
Lease liabilities		37,503	37,503	7,928	29,575	19,351	10,224	35,674	35,674	8,089	27,585
Medium/long-term borrowings	(2)(3)	2,588,233	2,594,186	152,330	2,441,856	607,987	1,833,869	2,705,310	2,700,410	177,424	2,522,986
Derivative liabilities	(4)		39,098	-	39,098	-	39,098		7,113	-	7,113
Accrued expenses on medium/long-term financial liabilities			182,125	182,125	-	-	-	133,609	133,609	-	-
Other medium/long-term financial liabilities			182,125	182,125	-	-	-	133,609	133,609	-	-
Total			12,087,679	1,333,182	10,754,497	4,678,638	6,075,859	11,370,970	1,059,944	10,311,026	

(1) The par value of the bond denominated in 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 in part as hedging derivatives and partly 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 2023		31 December 2022	
		Carrying amount (1)	Fair value (2)	Carrying amount (1)	Fair value (2)
Bond issues					
- listed fixed rate	from 2024 to 2038	9,272,270	8,904,206	8,529,838	7,576,406
		9,272,270	8,904,206	8,529,838	7,576,406
Bank borrowings					
- fixed rate	from 2024 to 2036	970,717	979,347	1,049,206	975,279
- floating rate	from 2024 to 2034	1,419,847	1,470,486	1,405,559	1,424,632
		2,390,564	2,449,833	2,454,765	2,399,911
Other borrowings					
- non-interest bearing	(3) from 2024 to 2028	166,119	166,119	209,971	209,971
		166,119	166,119	209,971	209,971
Lease liabilities					
		37,503	33,937	35,674	35,674
Medium/long-term borrowings		2,594,186	2,649,889	2,700,410	2,645,556
Derivative liabilities					
		39,098	39,098	7,113	7,113
Accrued expenses on medium/long-term financial liabilities		182,125	182,125	133,609	133,609
Other medium/long-term financial liabilities		182,125	182,125	133,609	133,609
Total		12,087,679	11,775,318	11,370,970	10,362,683

(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 nominal 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 2023				31 December 2022	
	Face value	Carrying amount	Average interest rate applied to 31 December 2023	Effective interest rate as at 31 December 2023	Face value	Carrying amount
Euro (EUR)	11,786,841	11,701,545	3.24%	3.23%	11,149,506	11,049,202
Jen (JPY)	149,176	164,911	5.30%	3.39%	149,176	181,046
Total	11,936,017	11,866,456	3.26%		11,298,682	11,230,248

- 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 2022	New borrowings	Repayments	Reclassification to liabilities held for sale	Currency translation differences and other changes	Carrying amount as at 31 December 2023
Bond issues	8,529,838	1,485,354	(750,000)		7,078	9,272,270
Bank borrowings	2,454,765	34,685	(108,759)		9,873	2,390,564
Other borrowings	209,974	-	(7,769)		(36,086)	166,119
Lease liabilities	35,674	-	(11,004)	(1,618)	14,451	37,503
Medium/long-term borrowings	2,700,413	34,685	(127,532)	(1,618)	(11,762)	2,594,186
Total	11,230,251	1,520,039	(877,532)	(1,618)	(4,684)	11,866,456

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 (CCIRSs). The fair value of the non-current portion of hedging instruments as at 31 December 2023 is recognised in “Derivative assets” and “Derivative 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) €8,273,543 thousand (€7,780,927 thousand)
(current) €998,727 thousand (€748,911 thousand)

The item “Bond issues”, consists of bonds issued by Autostrade per l’Italia to institutional investors only (€9,272,270 thousand).

As at 31 December 2023, the balance is up €742,432 thousand compared with as at 31 December 2022, essentially reflects the combined effect of:

- two bond issues, in January and June 2023, amounting to €750,000 thousand each, maturing in 2031 and 2033, respectively;
- repayment on 12 June 2023 of retail bonds with a residual nominal value of €750,000 thousand.

Limited to the private placement in Japanese yen (amounting to 20,000,000 thousand yen, equal to €164,911 thousand as at 31 December 2023), 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) the 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 2023 they have all been complied with.

MEDIUM/LONG-TERM BORROWINGS

(non-current) €2,441,856 thousand (€2,522,986 thousand)

(current) €152,330 thousand (€177,424 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 2023, amounting to €2,390,564 thousand.

The reduction of €106,224 thousand in medium/long-term borrowings compared with 31 December 2022 essentially reflects repayments of bank borrowings under the related contracts.

With regard to certain borrowings, the Group is required to comply with the minimum ratio for "Operating Cash Flow available for Debt Service" and the "Debt-service coverage ratio" (DSCR), both complied with as at 31 December 2023.

The credit facilities obtained by the subsidiaries, Amplia and Tangenziale di Napoli, are also subject to compliance with certain financial metrics, which at the reporting date have been fully complied with.

DERIVATIVE LIABILITIES

(non-current) €39,098 thousand (€7,113 thousand)

(current) €- (-)

As at 31 December 2023, this item includes Cross Currency Swap executed to hedge the Group's exposure to foreign currency risk relating to the yen-denominated bond issue. The increase in this item compared with 31 December 2022, amounting to €31,985 thousand, is linked to the fall in interest rates as at 31 December 2023 compared with 31 December 2022 (€19,869 thousand) and a weakening of the Japanese yen against the euro (€12,116 thousand).

OTHER MEDIUM/LONG-TERM FINANCIAL LIABILITIES

(non-current) €- (-)

(current) €182,125 thousand (€133,609 thousand)

The balance of this item, including the current and non-current portions, is up €48,516 thousand. This essentially reflects an increase in accrued payments due on bond issues.

SHORT-TERM FINANCIAL LIABILITIES - €27,921 thousand (€84,820 thousand)

An analysis of short-term financial liabilities is shown below.

€000	31 December 2023	31 December 2022
Bank overdrafts repayable on demand	11,000	33,214
Short-term borrowings	15,999	19,499
Current derivative liabilities	1	2
Other current financial liabilities	921	32,105
Short-term financial liabilities	27,921	84,820

The reduction of €56,899 thousand compared with 31 December 2022 primarily reflects the reduction in the balance of other current financial liabilities (€31,184 thousand) due to the settlement of dividends payable to the non-controlling shareholders of Traforo del Monte Bianco declared in previous years.

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).

€000	31 December 2023	31 December 2022
Cash	(1,849)	(1,513)
Cash equivalents ⁽¹⁾	(355)	(800)
Other current financial assets ⁽²⁾	(2)	(348)
Liquidity (A)	(2,206)	(2,661)
Other financial liabilities ⁽³⁾	28	83
Current portion of medium/long-term financial liabilities	1,333	1,060
Current financial liabilities (B)	1,361	1,143
Current net debt (C=A+B)	(845)	(1,518)
Non-current financial liabilities ⁽⁴⁾	2,481	2,530
Debt instruments ⁽⁵⁾	8,273	7,781
Non-current financial liabilities (D)	10,754	10,311
Net debt as defined by ESMA recommendations (E=D+C)	9,909	8,793

RECONCILIATION OF NET DEBT AS DEFINED BY ESMA RECOMMENDATION AND NET DEBT

€000	31 December 2023	31 December 2022
Net debt as defined by ESMA recommendation (E)	9,909	8,793
Current financial assets⁽⁶⁾ net of derivatives (F)	(100)	(120)
Non-current financial assets (G)	(529)	(556)
Net debt (H=E+F+G)	9,280	8,117

(1) This item includes cash equivalents and intercompany current account receivables from related parties, as reported in note 7.7 in the "Consolidated financial statements as at and for the year ended 31 December 2023".

(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 2023".

(3) Includes the value of "Bank overdrafts repayable on demand", "Short-term borrowings" and "Other current financial liabilities", as reported in note 7.13 in the "Consolidated financial statements as at and for the year ended 31 December 2023".

(4) Includes the value of "Medium/long-term borrowings", "Non-current derivative liabilities" and "Other non-current financial liabilities", as reported in note 7.13 in the "Consolidated financial statements as at and for the year ended 31 December 2023".

(5) Includes the value of "Bond issues", as reported in note 7.13 in the "Consolidated financial statements as at and for the year ended 31 December 2023".

7.14 Other non-current liabilities – €21,355 thousand (€29,254 thousand)

The following table shows a breakdown of this item as at 31 December 2023:

€000	31 December 2023	31 December 2022
Accrued expenses of non-trading nature	20,950	21,161
Payable to staff	-	5,523
Amounts payable for expropriations	405	405
Social security contributions payable	-	1,738
Other payables	-	427
Other non-current liabilities	21,355	29,254

7.15 Trading liabilities – €1,890,041 thousand (€1,829,641 thousand)

An analysis of trading liabilities is shown below.

€000	31 December 2023	31 December 2022
Amounts payable to suppliers	1,109,788	1,022,413
Payable to operators of interconnecting motorways	700,542	734,980
Tolls in the process of settlement	69,422	69,852
Accrued expenses, deferred income and other trading liabilities	10,289	2,396
Trading liabilities	1,890,041	1,829,641

Trading liabilities totalling €1,890,041 thousand, are up €60,400 thousand, primarily due to:

- a) an increase in amounts payable to external suppliers of Autostrade per l'Italia (€87,375 thousand), primarily reflecting maintenance and investment;
- b) a reduction in amounts payable to the operators of interconnecting motorways (€34,438 thousand) by Autostrade per l'Italia as a result of the greater amount of advances paid in 2023 compared with those paid in 2022, which were based on the reduced volume of traffic registered in 2021.

The carrying amount of trading liabilities approximates to fair value.

7.16 Other current liabilities – €487,262 thousand (€415,797 thousand)

An analysis of other current liabilities is shown below.

€000	31 December 2023	31 December 2022
Concession fees payable	88,877	84,515
Amounts payable to staff	81,164	69,278
Taxation other than income taxes	72,003	21,019
Social security contributions payable	36,535	36,424
Guarantee deposits from users who pay by direct debit	2,418	217
Amounts payable to public entities	388	92
Amounts payable for expropriations	-	228
Other payables	205,877	204,024
Other current liabilities	487,262	415,797

The balance is up €71,465 thousand compared with 31 December 2022. This essentially reflects an increase in VAT payable (€46,478 thousand) by Autostrade per l'Italia under the “split payment” regime for VAT applied from 1 January 2023 and accounted for in the item, “Taxation other than income taxes”.

8. Notes to the consolidated income statement

This section includes the notes to amounts in the income statement and amounts for 2022 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 – €3,837,877 thousand (€3,708,536 thousand)

Toll revenue of €3,837,877 thousand is up €129,341 thousand on 2022 (€3,708,536 thousand). This is the result of growth of 3.6% in traffic using the network (3.1% if the negative impact of the traffic mix¹ is taken into account) and the toll increase of 1.59% granted to Autostrade per l'Italia. This item also includes increases deriving from the use of provisions for risks and charges made in previous years to cover the discounts and exemptions granted to road users and amounting to €68,799 thousand in 2023 (€101,887 thousand in 2022). As a result, the impact of such components on income is zero. Finally, this item also includes the surcharges added to the concession fee payable to ANAS, amounting to €382,461 thousand (€374,672 thousand in 2022) and accounted for in operating costs under the item "Concession fees", as described in note 8.7, "Other operating costs". After stripping out this surcharge, toll revenue is up €121,552 thousand.

8.2 Revenue from construction services – €1,455,224 thousand (€916,186 thousand)

An analysis of this revenue is shown below.

€000	2023	2022	Increase/ (Decrease)
Revenue from construction services for which additional economic benefits are received	1,454,552	916,186	538,366
Revenue from construction services provided by sub-operators	672	-	672
Revenue from construction services	1,455,224	916,186	539,038

Revenue from construction services, amounting to €1,455,224 thousand, consists of revenue from the construction of infrastructure and from works carried out by sub-operators. This revenue represents the fair value of the consideration due in return for the construction and upgrade services rendered in relation to concession assets during the period. 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".

¹ The effect of the change in traffic within each of the different toll classes compared with the comparative period.

Details of total investment in concession assets during the year are provided in note 7.2, “Intangible assets”.

8.3 Other operating income – €489,117 thousand (€466,590 thousand)

An analysis of other operating income is provided below.

€000	2023	2022	Increase/ (Decrease)
Revenue from sub-concessions	162,756	151,818	10,938
Maintenance revenue	19,268	21,356	(2,088)
Other revenue from motorway operation	19,770	16,929	2,841
Revenue from the sale of technology devices and services	52,120	58,795	(6,675)
Refunds	24,645	26,442	(1,797)
Damages and compensation	49,285	17,784	31,501
Advertising revenue	4,065	2,928	1,137
Other income	157,208	170,538	(13,330)
Other operating income	489,117	466,590	22,527

Other operating income is up €22,527 thousand compared with 2022. The increase in this item primarily reflects recognition of insurance proceeds of €29,000 thousand paid to Autostrade per l’Italia by the insurance company following the claim made under the All Risks policy agreed by the Company for the period of insurance in which the Polcevera road bridge event took place.

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	2023				2022			
	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	3,838	-	-	3,838	3,709	-	-	3,709
Revenue from construction services	-	1,455	-	1,455	-	916	-	916
Other operating income	111	108	270	489	123	121	222	466
Total revenue	3,949	1,563	270	5,782	3,832	1,037	222	5,091

8.4 Raw and consumable materials –€276,626 thousand (-€202,338 thousand)

This item consists of purchases of materials and the change in inventories of raw and consumable materials. The increase of €74,288 thousand primarily regards the higher cost of raw materials and an increase in capital expenditure and maintenance of motorway infrastructure.

€000	2023	2022	Increase/ (Decrease)
Construction materials	(167,994)	(72,588)	(95,406)
Electrical and electronic materials	(32,622)	(53,197)	20,575
Lubricants and fuel	(25,157)	(38,081)	12,924
Other raw and consumable materials	(74,820)	(50,197)	(24,623)
Cost of materials	(300,593)	(214,063)	(86,530)
Change in inventories of raw, ancillary and consumable materials and goods for resale	22,570	10,590	11,980
Capitalised cost of raw materials	1,397	1,135	262
Raw and consumable materials	(276,626)	(202,338)	(74,288)

8.5 Service costs –€1,712,103 thousand (-€1,313,964 thousand)

Service costs break down as follows.

€000	2023	2022	Increase/ (Decrease)
Construction and similar	(963,159)	(740,014)	(223,145)
Professional services	(368,749)	(259,144)	(109,605)
Transport and similar	(68,132)	(64,184)	(3,948)
Utilities	(63,988)	(63,955)	(33)
Insurance	(30,303)	(30,157)	(146)
Statutory Auditors' fees	(852)	(868)	16
Other services	(216,920)	(155,642)	(61,278)
Service costs	(1,712,103)	(1,313,964)	(398,139)

Service costs are up €398,139 thousand compared with 2022 (€1,313,964 thousand). The increase reflects the higher costs incurred in 2023 due to the increase in capital expenditure and maintenance of motorway infrastructure.

“Service costs” do not include the costs of works included in the unremunerated investment programme (€29,819 thousand in 2023 and €338,214 thousand in 2022, respectively), which are presented as a direct reduction in provisions for risks and charges made in previous years.

8.6 Staff costs –€807,223 thousand (-€658,820 thousand)

Staff costs break down as follows:

€000	2023	2022	Increase/ (Decrease)
Wages and salaries	(513,394)	(443,510)	(69,884)
Social security contributions	(156,242)	(133,677)	(22,565)
Accantonamenti ad altri fondi per dipendenti	(58,620)	-	(58,620)
Payments to supplementary pension funds, INPS and for post-employment benefits	(29,919)	(29,296)	(623)
Directors' remuneration	(4,455)	(4,215)	(240)
Other staff costs	(47,748)	(52,181)	4,433
Gross staff costs	(810,378)	(662,879)	(147,499)
Capitalised staff costs attributable to assets not held under concession	3,155	4,059	(904)
Staff costs	(807,223)	(658,820)	(148,403)

Staff costs of €148,403 thousand are up compared with 2022, essentially due to:

- other provisions for employee benefits, primarily due to the impact of the extraordinary early retirement scheme introduced by Autostrade per l'Italia and EssediEsse (€58,620 thousand);
- an increase in the overall average cost due to the costs linked to the national collective labour agreement and an increase in the workforce.

The following table shows the average number of employees (by category and including agency staff).

AVERAGE WORKFORCE				
	2023	2022	Increase/(Decrease)	
			absolute	%
Senior managers	154	143	11	7.7%
Middle managers	516	464	52	11.2%
Administrative staff	4,383	3,935	448	11.4%
Operational personnel	2,446	2,375	71	3.0%
Toll collectors	1,618	1,691	(73)	(4.3%)
Total	9,117	8,608	509	5.91%

8.7 Other operating costs —€575,269 thousand (—€543,684 thousand)

Other operating costs for 2023 are detailed in the table below.

€000	2023	2022	Increase/ (Decrease)
Concession fees	(473,756)	(462,423)	(11,333)
Lease expense	(24,761)	(12,273)	(12,488)
Grants and donations	(35,617)	(22,015)	(13,602)
Direct and indirect taxes	(13,006)	(17,968)	4,962
Other	(28,129)	(29,005)	876
Other costs	(76,752)	(68,988)	(7,764)
Other operating costs	(575,269)	(543,684)	(31,585)

Other operating costs are up €31,585 thousand compared with the previous year, essentially due to:

- a) an increase in grants and donations (€13,602 thousand), primarily reflecting specific agreements with public bodies in connection with the upgrade of infrastructure;
- b) an increase in lease expense (€12,488 thousand), mainly attributable to Movyon and regarding payments for software licences;
- c) an increase in concession fees (€11,333 thousand), linked to traffic growth, toll revenue and sub-concession agreements.

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, which converted, with amendments, Law Decree 78/2009, 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 Group’s results.

8.8 Operating change in provisions —€30,534 thousand (€79,013 thousand)

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.

This item reflects net provisions of €30,534 thousand, primarily reflecting the negative impact of the reduction in the interest rates used to discount provisions for risks and charges and provisions for the repair and replacement of motorway infrastructure, given that provisions and uses of the latter broadly offset each other. In 2022, this item reflected a net use (income) of €79,013 thousand due to the opposite movement in discount rates.

8.9 Amortisation and depreciation —€714,189 thousand (-€639,466 thousand)

An increase of €74,723 thousand compared with 2022, essentially reflects an increase in amortisation of intangible assets deriving from concession rights, in relation to the higher value of construction services carried out in 2022 and of other intangible assets.

8.10 Financial income/(expenses) –€399,373 thousand (-€310,963 thousand)

Financial income – €109,815 thousand (€125,845 thousand)

Financial expenses –€509,438 thousand (-€436,539 thousand)

Foreign exchange gains/(losses) – €250 thousand (-€269 thousand)

An analysis of financial income and expenses is shown below.

€000	2023	2022	Increase/ (Decrease)
Financial income accounted for as an increase in financial assets	951	952	(1)
Income from derivative financial instruments	32,875	101,623	(68,748)
Interest and fees receivable on bank and post office deposits	65,738	4,468	61,270
Other	10,251	18,802	(8,551)
Financial income (a)	109,815	125,845	(16,030)
Financial expenses from discounting of provisions for construction services required by contract and other provisions	(23,461)	(12,596)	(10,865)
Interest on medium/long-term borrowings	(133,285)	(67,127)	(66,158)
Losses on derivative financial instruments	(33,919)	(67,262)	33,343
Interest on bonds	(294,384)	(264,882)	(29,502)
Interest expense accounted for as an increase in financial liabilities	(4,411)	(4,192)	(219)
Interest and fees payable on bank and post office deposits	(2,387)	(4,794)	2,407
Other	(17,591)	(15,686)	(1,905)
Other financial expenses	(485,977)	(423,943)	(62,034)
Total financial expenses (b)	(509,438)	(436,539)	(72,899)
Foreign exchange gains	15,272	24,118	(8,846)
Foreign exchange losses	(15,022)	(24,387)	9,365
Foreign exchange gains/(losses) (c)	250	(269)	519
Financial income/(expenses) (a+b+c)	(399,373)	(310,963)	(88,410)

“Financial expenses from the discounting of provisions” are computed on the basis of the value of the provisions and the discount rates used at 31 December of the previous year. The increase of €10,865 thousand primarily reflects higher interest rates at 31 December 2022 (resulting in recognition of the financial expenses in question in 2023) compared with those at 31 December 2021 (which influenced the comparative amounts for 2022).

“Other financial expenses”, after “Other financial income”, amount to €376,162 thousand marking an increase of €78,064 thousand compared with 31 December 2022 (€298,098 thousand). This primarily the change in the fair value of Autostrade per l’Italia’s IRSs redesignated as cash flow hedges in the second half of 2022 (€75,215 thousand).

8.11 Income tax (expense)/benefit –€381,020 thousand (-€349,375 thousand)

A comparison of the net tax charges for the two comparative periods is shown below.

€000	2023	2022	Increase/ (Decrease)
IRES	(207,106)	(133,952)	(73,154)
IRAP	(75,895)	(10,791)	(65,104)
Other income taxes	(2,142)	(123,429)	121,287
Current tax benefit of tax loss carry-forwards	3,202	4,586	(1,384)
Current tax expense	(281,941)	(263,586)	(18,355)
Recovery of previous years' income taxes	7,218	7,254	(36)
Previous years' income taxes	(970)	(17,175)	16,205
Differences on current tax expense for previous years	6,248	(9,921)	16,169
Provisions	254,256	172,403	81,853
Releases	(273,398)	(350,205)	76,807
Changes in prior year estimates	(1,391)	14,788	(16,179)
Deferred tax income	(20,533)	(163,014)	142,481
Provisions	(90,939)	(134,621)	43,682
Releases	6,145	221,703	(215,558)
Changes in prior year estimates	-	64	(64)
Deferred tax expense	(84,794)	87,146	(171,940)
Deferred tax income/(expense)	(105,327)	(75,868)	(29,459)
Income tax (expense)/benefit	(381,020)	(349,375)	(31,645)

Income tax expense amounts to €381,020 thousand in 2023 (€349,375 thousand in 2022). Despite the reduction in profit before tax, this item is up €31,645 thousand compared with 2022, which benefitted from recognition of the impact of the exemption from taxation of off-balance sheet amortisation of goodwill attributable to Autostrade per l'Italia, totalling €95,945 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.

€000	2023			2022		
	Taxable income	Tax	Tax rate	Taxable income	Tax	Tax rate
Profit/(Loss) before tax from continuing operations	1,256,069			1,498,445		
IRES tax expense computed using statutory rate applied by Parent Company		301,457	24.0%		359,627	24.0%
Temporary differences deductible in future years	916,198	219,888	17.5%	612,214	146,931	9.8%
Temporary differences taxable in future years	(353,545)	(84,851)	(6.8%)	(349,935)	(83,984)	(5.6%)
Reversal of prior year temporary differences	(975,987)	(234,237)	(18.6%)	(1,232,975)	(295,914)	(19.7%)
Permanent differences	15,790	3,790	0.3%	11,276	2,706	0.2%
Irap		75,895			10,791	
Other income tax expense (*)		-			123,429	
Totale		281,941	22.4%		263,586	17.6%

(*) Other income tax expense of €123,113 thousand in 2022 regards payment of the substitute tax payable on the exemption from taxation of off-balance sheet amortisation of goodwill attributable to Autostrade per l'Italia.

9. Other financial information

9.1 Notes to the consolidated statement of cash flows

Consolidated cash flow in 2023, compared with 2022, is analysed below. The consolidated statement of cash flows is included in the “Consolidated financial statements”.

Cash flows during 2023 resulted in a decrease in cash and cash equivalents of €82,429 thousand compared with an increase of €429,845 thousand in 2022.

Cash flow from operating activities amounts to €1,916,764 thousand in 2023, up €565,880 thousand compared with 2022 (€1,350,884 thousand). Cash flow in 2023 reflects:

- a) operating cash flow¹ of €1,719,827 thousand, up €469,310 thousand compared with 2022 (€1,250,517 thousand), primarily due to a reduction in operating uses of provisions for risks and charges, reflecting the fact that the provisions of €1.2 billion for “unremunerated investment²” included in the Settlement Agreement with the MIT were almost completely used up at the end of December 2022;
- b) the cash inflow from movements in working capital and other changes, amounting to €196,937 thousand, including the performance of trade receivables and payables described above.

Cash used in investing activities amounted to €1,269,077 thousand, primarily in relation to:

- a) investment in concession assets (€1,468,455 thousand);
- b) investment in purchases of property, plant and equipment and other intangible assets (€161,292 thousand) previously reported in the relevant notes;
- c) the net change in current and non-current financial assets, resulting in an inflow of €314,090 thousand, primarily following the unwinding of Forward-starting Interest Rate Swaps (€282,431 thousand) at the time of the bond issues, and a reduction in financial assets due to the collection of grants totalling €41,621 thousand, as described in note 7.4, “Financial assets”.

Cash used in financing activities in 2023 amounts to €729,761 thousand. This primarily reflects a combination of the following:

- a) Autostrade per l’Italia’s payment of the final dividend paid for 2022, amounting to €924,332 thousand, and the interim dividend for 2023, totalling €434,175 thousand;
- b) repayment, in June 2023, of retail bonds worth €750,000 thousand;

¹ “**Operating cash flow**” indicates 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.

² Unremunerated investment of €29,819 thousand in 2023 and €338,214 thousand in 2022.

- c) the two sustainability-linked bond issues, in January and June 2023, with a nominal value of €1,500 million, previously referred to in note 7.12, “Financial liabilities”.
- d) the repayment of medium/long-term borrowings, totalling €116,528 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) market risk, principally linked to the effect of movements in interest and foreign exchange rates on financial assets acquired and financial liabilities assumed;
- b) 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;
- 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 2022, 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 2023 is approximately five years. The average cost of the Group's medium/long-term borrowings in 2023 was 3.26% (including the impact of cash flow hedges entered into).

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 2023 as cash flow hedges;
- 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 2023, 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, 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 2023 amount to a total notional amount of €1,000 million, accounted for as cash flow hedges with any changes recognised in equity. Gains or losses are or will be taken to profit or loss when the interest flows from the hedged financial liabilities crystallise.

As at 31 December 2023, as a result of the hedges entered into, 91% 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 Group's functional currency.

As at 31 December 2023, 1% of the medium/long-term of the Group's debt is denominated in currencies other than the euro (yen). Taking account of the above Cross Currency Swaps, the Group's net debt is, however, effectively not exposed to currency risk on translation.

The following table summarises outstanding derivative financial instruments as at 31 December 2023 (compared with 31 December 2022) and shows the corresponding market and notional values of the hedged financial asset or liability.

€000		31 December 2023		31 December 2022	
Type	Purpose of hedge	Fair value asset/(liability)	Notional amount	Fair value asset/(liability)	Notional amount
Cash flow hedges (1)					
Cross Currency Swaps	Currency and interest rate risk	(33,482)	149,176	(7,113)	149,176
Forward-Starting Interest Rate Swaps	Interest rate risk	152,042	1,000,000	507,084	2,500,000
Interest Rate Swaps	Interest rate risk	(4,096)	358,252	8,301	504,483
		114,464	1,507,427	508,271	3,153,659
Non-hedge accounting derivatives (1)					
Derivatives embedded in loans	Interest rate risk	(1)	7,497	(2)	11,442
		(1)	7,497	(2)	11,442
	Total	114,463	1,514,924	508,269	3,165,101
	of which:				
	fair value (asset)	153,562		515,384	
	fair value (liability)	(39,099)		(7,115)	

(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 2023 and on equity as at 31 December 2023.

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 analysis were:

- in terms of interest rate risk, an unexpected 1% fall in market interest rates would have had a negative impact on the consolidated income statement, totalling €21,941 thousand, before the related taxation, essentially attributable to a reduced return on the investment of liquidity, and a negative impact on other comprehensive income of €77,874 thousand, essentially attributable to a reduction in outstanding derivative instruments; in contrast, an unexpected 1% rise in market interest rates would have a negative impact on the Group's income statement of approximately €11,019 thousand, primarily due to the exposure to the variable rate payable on the Term Loan 2017 from CDP, partially offset by an increase in the return on the investment of liquidity;
- in terms of currency risk, an unexpected and unfavourable 10% shift in the exchange rate would have resulted in a negative impact on other comprehensive income, totalling €4,106 thousand, linked to the movement in fair value losses on Cross Currency Swaps in yen.

Liquidity risk

Liquidity risk relates to the risk that cash resources may be insufficient to meet operational requirements and 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 2023, the Group has credit facilities amounting to €2,425 million with a weighted average residual term to maturity of approximately four years and a weighted average residual drawdown period of approximately three years and seven months, including:

- a) a revolving credit facility amounting to €750 million and having a weighted average residual term to maturity of two years and three months obtained in 2021;
- b) seven revolving credit facilities amounting to €850 million and having a weighted average residual term to maturity of three years and four months obtained in 2022;
- c) six revolving credit facilities amounting to €725 million and having a weighted average residual term to maturity of three years and two months obtained by Autostrade per l'Italia in 2023;
- d) a term loan worth a residual amount of €10 million and having a weighted average residual term to maturity of four years and three months obtained by Amplia Infrastructures in 2023;
- e) a term loan worth a residual amount of €90 million and having a weighted average residual term to maturity of one year and six months obtained by Tangenziale di Napoli in 2023.

Details of drawn and undrawn committed credit facilities are shown below.

€000			31 December 2023		
Credit facility	Drawdown period expires	Final maturity	Available	used	unused
Sustainability-linked revolving facility	27 January 2026	27 April 2026	750,000	-	750,000
Sustainability-linked revolving facility	28 June 2027	18 September 2027	100,000	-	100,000
Sustainability-linked revolving facility	14 July 2026	14 October 2026	100,000	-	100,000
Sustainability-linked revolving facility	17 July 2027	17 October 2027	100,000	-	100,000
Sustainability-linked revolving facility	27 July 2026	27 October 2026	100,000	-	100,000
Sustainability-linked revolving facility	28 July 2027	28 October 2027	100,000	-	100,000
Sustainability-linked revolving facility	28 July 2027	28 October 2027	150,000	-	150,000
Sustainability-linked revolving facility	07 August 2026	17 November 2026	200,000	-	200,000
Sustainability-linked revolving facility	10 October 2026	10 January 2027	100,000	-	100,000
Sustainability-linked revolving facility	10 October 2026	10 January 2027	150,000	-	150,000
Sustainability-linked revolving facility	12 October 2025	12 January 2026	150,000	-	150,000
Sustainability-linked revolving facility	03 December 2024	03 March 2025	50,000	-	50,000
Sustainability-linked revolving facility	31 December 2027	31 March 2028	200,000	-	200,000
Sustainability-linked revolving facility	03/04/2028	03 July 2028	75,000	-	75,000
Term Loan Amplia	31 March 2024	31 March 2028	20,000	10,000	10,000
Term Loan TANA	31 May 2025	30 June 2025	105,000	15,000	90,000
Credit facilities			2,450,000	25,000	2,425,000

The following schedules show the distribution of payments falling due on medium/long-term financial liabilities as at 31 December 2023 and as at 31 December 2022.

€000	Carrying amount	31 December 2023				
		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)	(9,272,270)	(10,886,360)	(1,274,782)	(1,216,193)	(3,618,075)	(4,777,310)
Medium/long-term borrowings (1)						
Total bank borrowings	2,390,564	(2,998,648)	(244,009)	(227,565)	(1,697,881)	(829,193)
Total other borrowings and lease liabilities	203,662	(66,826)	(22,641)	(8,226)	(21,609)	(14,351)
Total medium/long-term borrowings (B)	2,594,226	(3,065,474)	(266,649)	(235,791)	(1,719,490)	(843,544)
Total non-derivative financial liabilities (C)=(A)+(B)	(11,866,456)	(13,951,834)	(1,541,431)	(1,451,984)	(5,337,565)	(5,620,854)
Derivatives (2)						
Interest rate swaps (3)	5,616	16,472	2,694	2,442	5,929	5,407
Cross Currency Swaps (4)	33,482	(89,160)	(4,524)	(4,524)	(13,614)	(66,498)
Floors	1	-	-	-	-	-
Total derivatives	39,099	(72,688)	(1,830)	(2,082)	(7,685)	(61,091)

(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 2023, 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 (IRS) 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	Carrying amount	31 December 2022				
		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)	8,529,838	(9,700,525)	(963,457)	(1,201,108)	(2,701,929)	(4,834,031)
Medium/long-term borrowings (1)						
Total bank borrowings	2,454,765	(3,078,567)	(206,383)	(204,417)	(1,709,386)	(958,381)
Total other borrowings and lease liabilities	245,645	(81,282)	(27,942)	(11,345)	(25,319)	(16,676)
Total medium/long-term borrowings (B)	2,700,410	(3,159,849)	(234,325)	(215,762)	(1,734,705)	(975,057)
Total non-derivative financial liabilities (C)=(A)+(B)	11,230,248	(12,860,374)	(1,197,782)	(1,416,870)	(4,436,634)	(5,809,088)
Derivatives (2)						
Interest rate swaps (3) (5)	7,113	(73,183)	(4,112)	(4,134)	(12,403)	(52,534)
Cross Currency Swaps (4)	2	-	-	-	-	-
Floors	1	-	-	-	-	-
Total derivatives	7,115	(73,183)	(4,112)	(4,134)	(12,403)	(52,534)

(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 2022, 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 (IRS) 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.

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.

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	Expected flows (1)	31 December 2023			
			Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Interest rate swaps						
Derivative assets	153,562	153,732	9,010	18,627	53,043	73,052
Derivative liabilities	(39,099)	(38,442)	(1,388)	(4,624)	(13,025)	(19,405)
Total cash flow hedges	114,463					
Accrued expenses on cash flow hedges	(245)					
Accrued income on cash flow hedges	1,071					
Total cash flow hedge derivative assets/liabilities	115,189	115,290	7,622	14,003	40,018	53,647
		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		153,561	13,785	17,767	53,552	68,457
Income from cash flow hedges		(39,098)	(2,456)	(4,978)	(12,644)	(19,020)
Total income (losses) from cash flow hedges		114,463	11,329	12,789	40,908	49,437

(1) Expected cash flows from swap differentials are calculated on the basis of market curves at the measurement date.

€000	Carrying amount	Expected flows (1)	31 December 2022			
			Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Interest rate swaps						
Derivative assets	515,384	516,372	30,235	67,062	197,302	221,773
Derivative liabilities	(7,113)	(7,370)	(3,812)	(3,504)	(8,946)	8,893
Total cash flow hedges	508,271					
Accrued expenses on cash flow hedges	(1,436)					
Accrued income on cash flow hedges	2,167					
Total cash flow hedge derivative assets/liabilities	509,003	509,003	26,422	63,558	188,356	230,667
		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		524,454	41,884	71,569	195,150	215,851
Income from cash flow hedges		(16,183)	(3,772)	(3,492)	(8,919)	-
Total income (losses) from cash flow hedges		508,271	38,113	68,077	186,231	215,851

(1) Expected cash flows from swap differentials are calculated on the basis of market curves at the measurement date.

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.

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 an objective indication 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 7.6, "Trading assets", whilst information on other financial assets is provided in note 7.4, "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.

€000	Revenue (*)		Non-current assets (**)	
	2023	2022	31 December 2023	31 December 2022
Italy	5,736	5,074	16,957	16,095
Poland (***)	37	5	-	1
France	3	5	-	-
Other countries	6	7	-	-
Total	5,782	5,091	16,957	16,096

(*) 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.

(***) In accordance with IFRS 5, non-current assets as at 31 December 2023 attributable to Pavimental Polska have been reclassified to assets held for sale.

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:

- a) **Motorways:** includes the activities of the Group's motorway operators (Autostrade per l'Italia, Tangenziale di Napoli, Società Italiana per Azioni per il Traforo del Monte Bianco, Raccordo Autostradale Valle D'Aosta, Società Autostrada Tirrenica, Autostrade Meridionali);
- b) **Engineering and construction:** includes the activities involved in the design, construction and maintenance of infrastructure carried out by Amplia Infrastructures, Pavimental Polska, Ciel 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 provided by Movyon, Free To X and Infomobility, Control Card;
- d) **Other services:** primarily includes the services provided by Essediesse, Ad Moving, Giove Clear and Elgea 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.

2023							
€000	Motorways	Engineering and construction	Innovation and technology	Other services	Consolidation adjustments	Unallocated items	Total consolidated amounts
TOTAL REVENUE	4,156	839	196	55	(918)	-	4,328
EBITDA	2,353	51	17	(20)	(0)	-	2,401
Amortisation, depreciation, impairment losses, reversals of impairment losses and provisions for renewal work						(739)	(739)
EBIT							1,662
Financial income/(expenses)						(406)	(406)
Profit/(Loss) before tax from continuing operations							1,256
Income tax benefits/(expense)						(381)	(381)
Profit/(Loss) from continuing operations							875
Profit/(Loss) from discontinued operations						-	-
Profit for the year							875
Operating cash flow	1,666	35	16	3	-	-	1,720
Capital expenditure	1,504	24	28	-	74	-	1,630

2022							
€000	Motorways	Engineering and construction	Innovation and technology	Other services	Consolidation adjustments	Unallocated items	Total consolidated amounts
TOTAL REVENUE	3,989	627	151	48	(640)	-	4,175
EBITDA	2,428	25	6	2	(2)	-	2,459
Amortisation, depreciation, impairment losses, reversals of impairment losses and provisions for renewal work						(647)	(647)
EBIT							1,812
Financial income/(expenses)						(314)	(314)
Profit/(Loss) before tax from continuing operations							1,498
Income tax benefits/(expense)						(349)	(349)
Profit/(Loss) from continuing operations							1,149
Profit/(Loss) from discontinued operations						-	-
Profit for the year							1,149
Operating cash flow	1,222	23	4	1	-	-	1,250
Capital expenditure	1,058	16	33	-	(13)	-	1,094

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 2023 (with the relevant comparatives as at 31 December 2022). The complete list of the Group's investments as at 31 December 2023 is provided in Annex 1, "The Autostrade per l'Italia Group's scope of consolidation and investments".

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.

Non-controlling interests in consolidated companies	Country	31 December 2023		31 December 2022	
		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%
Società Autostrada Tirrenica SpA	Italy	100.00%	-	99.99%	0.01%
Amplia Infrastructures SpA	Italy	99.80%	0.20%	99.80%	0.20%
Pavimental Polska Sp. Zo. O.	Poland	99.80%	0.20%	99.80%	0.20%
Costruzioni Impianti Elettromeccanici SpA	Italy	99.80%	0.20%	99.80%	0.20%
Forti 3. Scarl	Italy	69.23%	30.77%	-	-

10.3 Guarantees

The Group has certain personal guarantees in issue to third parties as at 31 December 2023. These include the following:

- the surety bond provided to INPS (€13 million) to implement the *Contratto di Espansione*, a form of early retirement for workers who have yet to reach retirement age, in 2021 and 2023 (€10.7 million) 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;
- bank guarantees provided by the Group's operators to the Ministry of Infrastructure and Transport, as required by the covenants in the relevant concession arrangements totalling €39.2 million;
- the guarantees issued by Amplia Infrastructures SpA to guarantee execution of the works it has been contracted to perform, amounting to €33.4 million, including approximately €1.1 million for the benefit of the Group companies;
- the provision, by Amplia Infrastructures SpA, of a special lien on the TBM (Tunnel Boring Machine) to the lending bank, CACIB, in compliance with the requirements of the loan agreement funding the machine's purchase (€58.6 million).

Shares in the investees, Strada dei Parchi, Tangenziale Esterna and Bologna & Fiera Parking, have also pledged to the respective providers of financing.

10.4 Reserves

As at 31 December 2023, Group companies have recognised contract reserves quantified by contractors in relation to:

- a) investing activities, totalling €1,353 million (€1,104 million as at 31 December 2022). 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 €47 million (€44 million as at 31 December 2022), 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

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, identified in accordance with IAS 24.

Following the sale of the investment in Autostrade per l'Italia held by Mundys (formerly Atlantia) to the parent, HRA, from 5 May 2022, the scope of related parties has changed. As a result, with sole regard to revenue and costs, comparative amounts for 2022 also include transactions completed until 5 May 2022 with companies that were previously identified as related parties under the criteria established in the procedure issued by the previous parent, Mundys.

€000	Principal trading transactions with related parties			
	Trade and other receivables	Trade payables and tax liabilities	Operating revenue	Operating costs
	31 December 2023		2023	
Holding Reti Autostradali	1.9	59.9	0.8	-
Total parents	1.9	59.9	0.8	-
Pavimental Est	(0.1)	-	-	-
Spea	2.9	7.8	4.4	2.5
Spea Brasile	0.2	-	-	-
Tecne Speri Bridge Designers	0.5	2.9	0.2	4.9
TECNE - SYSTRA SWS ADVANCED TUNNELING SRL	0.5	0.7	-	3.4
Total associates	4.0	11.4	4.6	10.8
CESI	-	-	-	(0.1)
CDP Reti Group	0.1	-	0.1	0.1
Eni	0.8	0.9	(0.1)	6.4
MEF	-	63.1	-	2.6
Maticmind	-	1.4	-	4.3
MIP Politecnico di Milano	-	-	-	0.3
Poste Italiane	-	3.1	-	0.9
Snam Group	-	0.2	0.1	4.9
Terna Group	-	-	-	0.7
Fincantieri Group	-	0.4	-	-
CDP	-	-	-	0.2
Uirnet	0.1	-	-	-
Open Fiber	1.5	-	3.2	(0.3)
Total related parties	2.5	69.1	3.3	20.0
ASTRI pension fund	-	8.5	-	20.1
CAPIDI pension fund	-	1.6	-	3.7
Total pension funds	-	10.1	-	23.8
Key management personnel	-	13.3	-	16.7
Total key management personnel (1)	-	13.3	-	16.7
TOTAL	8.4	163.8	8.7	71.3
	31 December 2022		2022	
Holding Reti Autostradali	0.3	-	0.4	-
Total parents	0.3	-	0.4	-
Spea	4.3	14.4	2.2	20.1
Tecne Speri Bridge Designers	0.9	0.8	0.1	1.3
TECNE - SYSTRA SWS ADVANCED TUNNELING SRL	0.3	0.1	-	0.5
Other associates	-	0.1	-	-
Total associates	5.5	15.4	2.3	21.9
CDP Reti Group	0.1	-	-	-
Eni	(2.1)	1.2	7.8	4.5
MEF	-	60.1	-	2.6
Maticmind	-	1.2	-	1.6
MIP Politecnico di Milano	-	0.1	-	0.1
Poste Italiane	-	2.1	-	0.7
Snam Group	-	0.2	0.1	-
Terna Group	-	-	-	0.1
PSC Group	-	1.2	-	-
Fincantieri Group	-	0.4	-	0.2
Uirnet	0.1	-	-	-
Open Fiber	1.0	0.4	2.7	-
Other affiliates	-	-	0.1	0.1
Total other affiliates	(0.9)	66.9	10.7	9.9
Abertis Group	-	-	1.6	0.1
Autogrill Italia	-	-	19.8	0.2
Aeroporti di Roma Group	-	-	0.1	-
Mundys (formerly Atlantia)	-	-	0.1	-
Telepass	-	-	5.8	3.3
Telepass Pay	-	-	0.1	1.1
Salexport Group	-	-	8.0	-
Sociedad Gestion Vial	-	-	0.4	-
Other related parties (until 5 May 2022)	-	-	-	0.2
Total other related parties (until 5 May 2022)	-	-	35.9	4.9
ASTRI pension fund	-	7.2	-	20.6
CAPIDI pension fund	-	1.4	-	3.2
Total pension funds	-	8.6	-	23.8
Key management personnel	-	8.2	-	16.0
Total key management personnel (1)	-	8.2	-	16.0
TOTAL	4.9	99.1	49.3	76.5

€000	Principal financial transactions with related parties			
	Financial assets	Financial liabilities	Financial income	Financial expenses
	31 December 2023		2023	
Pavimental Est (1)	0.3	-	-	-
Spea	-	0.8	-	1.4
Total Group companies	0.3	0.8	-	1.4
Poste Italiane	7.7	-	-	0.1
CDP	-	1,377.5	-	71.5
Total related parties	7.7	1,377.5	-	71.6
TOTAL	8.0	1,378.3	-	73.0
	31 December 2022		2022	
Spea	1.4	1.6	-	-
Pavimental Est (1)	0.3	-	-	-
Total associates	1.7	1.6	-	-
Poste Italiane	7.6	-	-	-
CDP	-	1,391.1	-	19.9
Total related parties	7.6	1,391.1	-	19.9
Mundys (formerly Atlantia)	-	-	0.2	1.4
Telepass	-	-	-	3.0
Total other related parties (until 5 May 2022)	-	-	0.2	4.4
TOTAL	9.3	1,392.7	0.2	24.3

(1) Other current financial assets are fully covered by specific provisions.

Related party transactions do not include transactions of an atypical or unusual nature and are conducted on an arm's length basis.

No non-recurring events and/or transactions took place in 2023.

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

In terms of tax-related relations, described in detail in note 7.8, "Current tax assets and liabilities", as at 31 December 2023 the Group reports tax liabilities of €59.9 million payable to the parent, Holding Reti Autostradali, resulting from its participation in the tax consolidation arrangement headed by the latter.

The Autostrade per l'Italia Group's transactions with other related parties

In terms of relations between Autostrade per l'Italia Group operators, the item "Trade payables and tax liabilities" primarily includes concession fees payable by the Group to the MEF, amounting to €62.6 million as at 31 December 2023.

In terms of financial transactions, loans totalling €1,377.5 million (including €23 million classified as current) have been granted by Cassa Depositi e Prestiti. A further €7.7 million relates to postal current accounts with Poste Italiane. Finally, financial expenses of €71.5 million were paid to Cassa Depositi e Prestiti in 2023, an increase on the previous year due primarily to an increase in floating rate loans from this lender, following use of the committed credit facility (€700 million) in late 2022.

All related party transactions are conducted on an arm's length basis.

10.6 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.

Autostrade per l'Italia's toll increase with effect from 1 January 2023

Following the request for a toll increase submitted by ASPI for 2021, 2022 and 2023, amounting to 4.71% (3.12% for 2021 and 2022 and 1.59% for 2023), on 31 December 2022, the Grantor published the Interministerial Decree issued by the MIT and the Ministry of the Economy and Finance (the "MEF") on 30 December 2022, marking the conclusion of the tariff adjustment procedure. The Grantor concluded that the overall toll increase applicable from 1 January 2023, after compounding, would be 4.69%, including the increase of 3.10% for 2021 and 2022 and the increase of 1.59% for 2023. As provided for in the concession arrangement and in the Settlement Agreement with the Grantor dated 21 October 2021, the Grantor then applied a discount of 1.35%, thus reducing the effective toll increase to be paid by road users, in 2023, to 3.34%. In the same Decree, the Grantor, after noting ASPI's declared willingness to bring forward to 2023 application of a part of the general toll discounts for all road users, by spreading the toll increase resulting from application of the terms of the concession arrangement over an extended period of time, stated that *"it is hereby established that, with effect from 1 January 2023, tolls will increase by 2.00%. It is hereby established that, with effect from 1 July 2023, tolls will rise by the full amount of the awarded increase of 3.34%."*

Autostrade per l'Italia's toll increase with effect from 1 January 2024

The Interministerial Decree issued by the MIT and MEF on 29 December 2023 granted ASPI an increase of 1.51% from 1 January 2024, in line with the request made by the Company in October 2023. General discounts will continued to be applied to road users in 2024.

Toll increase for subsidiaries with effect from 1 January 2023

With regard to Raccordo Autostradale Valle d'Aosta ("RAV"), Autostrada Tirrenica ("SAT") and Tangenziale di Napoli ("TANA"), in response to the requests for toll increases for 2023 – 2.00% for SAT, 21.51% for RAV and 0.23% for TANA, including the increases not granted for the years 2020-2022, the Grantor, in line with art. 13(c.3) of Law Decree 162/2019, as amended (the *Milleproroghe* Decree), did not grant the toll increases for 2023, whilst awaiting finalisation of the processes involved in updating the operators' financial plans, drawn up in compliance with ART's determinations. In the case of SAT and RAV, the process of updating the financial plans, initiated with the submission of various proposals over the years by SAT and RAV, in line with ART's determinations, has yet to be completed.

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, the requested increase of 7.36% was applied from 1 January 2023.

The supplementary toll increase of 0.95%, to fund construction of a second bore for the Fréjus tunnel, was instead not granted as *"the Italian and French administrations have not completed the process of assessing the need to fund the additional cost of the second bore for the Fréjus. As a result, the additional component may not be taken into account"*.

Toll increase for subsidiaries with effect from 1 January 2024

With regard to RAV and SAT, whilst awaiting the update of the respective concession arrangements, the Grantor responded separately to the companies requests for increases (17.96% for RAV and 4.06% for SAT) on 30 December 2023. The two responses, identical in terms of content, stated that, in implementation of art. 8, paragraph 10 of the *Milleproroghe* Law Decree for 2024, on 28 December 2023 it granted both operators an increase of 2.3%. The above legislation also requires companies whose regulatory periods have expired to submit proposed updates of their financial plans, drawn up in compliance with the ART determination, by 30 March 2024.

With regard to Tangenziale di Napoli, the MIT has awarded an increase for 2024 of 0.76%, in line with the company's proposal.

Società Italiana per il Traforo del Monte Bianco (SITMB), on the other hand, has been awarded a toll increase for 2024 of 5.1%, which, as noted with regard to 2023, does not take into account the supplementary increase to fund construction of the second bore for the Frejus tunnel, but only the average rate of inflation in Italy and France between September 2022 and August 2023.

Tangenziale di Napoli's Addendum

On 14 June 2023, the Grantor informed Tangenziale di Napoli that the interministerial decree approving the II Addendum to Tangenziale di Napoli's concession arrangement had been registered with the Court of Auditors on 4 May 2023, and that the Addendum, containing the financial plan for the regulatory period 2019-2023, was thus effective from this latter date.

Subsidiaries' financial plans

With regard to subsidiaries' financial plans, the following should be noted:

- on 7 December 2023, TANA submitted its proposal to the MIT for the new Addendum and the related financial plan for the regulatory period 2024—2028, drawn up in compliance with the Transport Regulator's determinations introducing a new tariff framework;
- on 29 December 2023, RAV and SAT submitted their proposals for new Addenda and financial plans (drawn up in accordance with the new tariff framework set out in ART's determinations), both for the regulatory period 2024-2028.

In this regard, as noted above, the *Milleproroghe* Decree of the end of 2023 set 30 March 2024 as the deadline for submitting proposals for the update of operators' financial plans following the expiry of their five-year regulatory periods. In the light of the toll increases awarded to the two companies in application of the *Milleproroghe* Decree, the two companies will decide on the submission of new proposals for updates of their respective financial plans.

Quantification of financial support for motorway operators to cover losses incurred as a result of the health emergency caused by Covid-19 for 2020 and 2021

This regards the administrative process relating to quantification of the financial support due to operators to compensate for losses incurred as a result of the health emergency caused by Covid-19, in the period after June 2020 (the amount recoverable for the period March-June 2020 was awarded to ASPI in the revised financial plan that came into effect from 29 March

2022). Following sent numerous requests for the process to be completed, on 27 January 2023, ASPI sent ART (providing a copy to the MIT) a note in which it highlighted the necessity to finalise all the elements needed to complete the complex process of updating the next Financial Plan and Regulatory Financial Plan, also in view of the imminent expiry of the current regulatory cycle, and requested prompt finalisation of the procedure.

On 20 February 2023, the MIT requested ASPI to review the amounts involved based on a note issued by ART on 30 January 2023, with further details regarding the method of calculation. The MIT asked ASPI to provide an adequate response to ART's observations, which are not reflected in the method defined by the regulator. On 13 April 2023, ASPI replied to the MIT's note (providing a copy to ART), in part accepting the regulator's observations, recalculating the amount of the support originally requested and, in particular, contesting ART's concerns regarding quantification of the lost revenue. ASPI thus noted that it was awaiting completion of the procedure in order to quickly recover its losses as a result of COVID-19, as revised, without prejudice to any further action.

In the absence of a response from the MIT and ART, on 21 April 2023, ASPI appealed the above decisions before the Regional Administrative Court.

With regard to Tangenziale di Napoli, following effectiveness of the Financial Plan in the first half of 2023, the recoverable amount for the period March-June 2020 was awarded to the operator.

In terms of the Group's other operators – with the exception of Traforo del Monte Bianco - the financial support to compensate for the net losses incurred as a result of the health emergency caused by Covid-19, to be collected through tolls, may only be quantified following finalisation of the addenda to the respective single concession arrangements. This is currently in progress.

General expenses for investment provided for in the Concession Arrangement

On 11 August 2023, the MIT issued Ministerial Decree 201, updating and replacing Ministry of Public Works decree 1334 of 22 May 1992, relating to limits on the admissibility of the general expenses included in the details of overall expenses shown in the investment plans provided for in the Concession Arrangement. The Decree has established that "the item 'General expenses' referred to in the details of overall expenses for projects planned by motorway operators is recognised, for the purposes of the arrangements, within a range of between 13% and 17% of the value of the works". On 25 October 2023, the MIT sent operators an explanatory circular clarifying the limits and the method for applying the measures contained in the Decree.

ART Determination 139/23 – WACC to use when updating or revising existing motorway concession arrangements

On 14 September 2023, the Transport Regulator ("ART") published Determination 139/2023 setting the "*weighted average cost of capital to use during the process of updating or revising existing motorway concession arrangements, pursuant to art. 43 of Law Decree 201/2011, and for new concessions*". ASPI responded on 9 November 2023, requesting ART to re-examine the Determination, with particular regard to (i) the decision to set the debt premium at zero and (ii) the need to redefine the sample used when setting equity beta, determined without adequate consultation. On 12 January 2024, three Extraordinary Appeals were then filed with the President of Italy, on behalf of RAV, SAT and Tangenziale di Napoli (Group companies directly impacted by the above Determination), challenging ART Determination 139/23. The appeals claim that the Determination is unlawful due to a lack of consultation with the

regulated entities and the arbitrary nature of the way in which certain WACC metrics were decided on. The criticisms contained in the respective appeals specifically relate to: (i) the criterion used to determine the debt premium used by ART in the Determination being challenged; (ii) the change – with respect to what was established in the earlier Determination 64/2019 – to the comparables used by ART in determining the cost of equity and, specifically, in determining equity beta.

ART Determination 181/2023 – assessment of the impact of regulation on the method underlying the frameworks used for setting toll rates

On 23 November 2023, ART published Determination 181, initiating an assessment of the impact of regulation on the method used as the basis for the frameworks used for setting the tolls to be applied on motorways operated under concession, adopted by ART, *“with the purpose of identifying potential corrections to the method on which the Regulator bases the frameworks”*. The deadline for completion of the assessment procedure, originally set as 15 December 2023, was extended by Determination 197/2023 dated 24 January 2024. The aim of the above assessment is *“to define potential future scenarios for the method on which the tariff frameworks are based, in view, among other things, of the results of an assessment of its efficacy, efficiency and timeliness”*.

On 8 February 2024, ART published Determination 15, containing operational indications for application of the principles and criteria for the economic regulation of motorway concessions, partly in view of a potential review of the tariff setting method, to be submitted for public consultation, to reflect intervening changes in the sector.

These operational indications specifically regard the application of mechanisms relating to figurative items and the adjustment of tariffs to reflect the performance of investment.

New Public Contracts Code and art. 186 on the award of contracts by the holders of concessions

The new Public Contracts Code came into force on 1 April 2023 and was effective from 1 July 2023, except for the legislation governing digitalisation, transparency and documentary access, which were effective from 1 January 2024.

Significant changes include art. 186 governing the procedure for awarding contracts by the holders of concessions. Under this article, outsourcing must account for between 50% and 60% of contracts awarded for works, services and goods. This percentage must be set by the Grantor in consultation with the holder of the concession, based on certain legislative criteria, including i) the economic scale and nature of the enterprise; ii) the period in which the concession was awarded; iii) its residual duration; iv) purpose; v) economic value; vi) investment carried out.

In implementation of paragraphs 2 and 5 of art. 186 of the new Public Contracts Code, on 20 June 2023, ANAC, Italy’s National Anti-corruption Authority, finalised the *“Indications on the method for calculating the percentage of contracts for works, services and goods to be outsourced by the holders of public works and service concessions not awarded in compliance with EU law”*.

On 6 November 2023, ASPI challenged the decisions taken by the MIT and ANAC Determination 265, on the basis of which the Grantor had requested a significant quantity of data and information for the purpose of calculating the share of outsourced contracts referred to in paragraph 2 of art. 186.

ASPI's challenge is based on the following aspects: (i) the lack of any basis for initiating the process of identifying share represented by outsourcing, (ii) the inapplicability of the ANAC Determination to motorway concessions, due to the erroneous application of paragraph 5 and 6 of art. 186 of the Public Contracts Code.

The Discounts Circular ("*Circolare Ribassi*")

On 10 May 2023, following prior consultation with motorway operators, the Grantor sent all the operators a circular containing a new procedure for determining the discounts to apply in contracts awarded to subsidiaries and associates. This replaced the earlier procedure with effect from this date.

This procedure sets out the method for calculating the discounts applicable for concession-related purposes and applies from 10 May 2023 to contracts awarded within groups of companies. The applicable discount is to be announced every six months by the Grantor and *"is based on the average of the discounts applied in open and closed tender procedures for the award of similar contracts by ANAS SPA, motorway operators and the rail sector in the previous six months..."*.

Basic rights of motorway users

Following the launch of an initial survey by ART with Determination 59/2022 – in response to which the Group's operators provided their observations – the Regulator issued Determination 16/2023 initiating a procedure aimed at defining *"the basic content of specific rights, including compensation, that users can expect to be upheld by motorway operators and the providers of services pertaining to motorway networks"*. Later, in Determination 130/2023, ART began to consult on the above procedure – in which Group companies took part, providing their observations – and extended the deadline for completing the procedure until 31 December 2023. This deadline was then further extended, on the last occasion until 30 June 2024 (Determination 200/2023). On 28 December 2023, ART convened a technical working group with the Grantor and representatives of the operators to look into the issues covered by the procedure. The working group met on 18 January 2024.

Cashback for road hauliers in the Liguria area

On 13 June 2023, ASPI signed a memorandum of understanding with Genoa City Council, the Mar Ligure Occidentale Port Authority, Liguria Regional Authority, the Ministry of Infrastructure and Transport and Italy's Road Hauliers Association. This was in implementation of the provisions of the agreements entered into by ASPI on 14 October 2021 with the Grantor and local authorities in Liguria providing for, among other things, funding of €180 million to compensate for disruption to traffic on the motorway network in the Liguria region.

The memorandum establishes that, within the above €180 million, the sum of €70 million should be used to compensate road hauliers for the disruption suffered over the years.

Legal challenge filed by the associations AIPE, CONFIMI Abruzzo and ADUSBEF

On 27 May 2022, AIPE, CONFIMI Abruzzo and ADUSBEF filed a legal challenge, accompanied by an application for injunctive relief, against the actions and opinions of the public bodies involved (CIPESS, the Cabinet Office, the MEF, the MIT, ART, the NARS, the Court of Auditors

and the Attorney General) in the process that resulted in signature of the agreement entered into by ASPI and the Grantor on 14 October 2021, and formal approval of the Third Addendum to ASPI's Single Concession Arrangement of 2007.

The associations have also extended the challenge brought against the above public bodies to include ASPI, Atlantia (now Mundys), CDP, CDP Equity, Blackstone and Macquarie as nominal opponents.

On 19 October 2022, Lazio Regional Administrative Court handed down a non-final ruling, in which – having rejected the application for an adjournment and excluded AIPE and CONFIMI ABRUZZO from the proceeding (but not ADUSBEF, whose legal standing to bring the action was upheld) – it raised three preliminary matters to be referred to the European Court of Justice regarding the applicability of art. 43 of Legislative Decree 201/2011 (Law 214/2011), in relation to the regulations provided for in articles 38, 43 and 44 of Directive 2014/23. The Court thus adjourned the case whilst awaiting a ruling from the Court of Justice, which has been asked to apply the accelerated procedure.

On 26 October 2022, the Attorney General appealed the ruling before the Council of State, requesting injunctive relief. The appeal argues that ADUSBEF has no legal standing in the case as it is an association representing the consumers of banking and financial services, without any connection with motorway concessions. ASPI, HRA and Atlantia (now Mundys) then filed cross-appeals. At the hearing held on 17 November 2022, a public hearing on the merits was scheduled for 27 April 2023. On 23 December 2022, AIPE and CONFIMI ABRUZZO also lodged a cross-appeal against the judgement at first instance in order to have their legal standing recognised.

At the same time, in a ruling dated 19 December 2022, the European Court of Justice turned down the request for application of the above procedure. On 1 March 2023, ASPI, HRA and Atlantia (now Mundys) filed their briefs, as requested by the court.

On 13 June 2023, the chancery division of the Court of Justice notified the observations submitted by the other parties (ADUSBEF, CONFIMI and AIPE), in addition to those of further bodies (the European Commission, the German Republic, the Republic of Estonia). From this date, the parties have three weeks to apply for a hearing date.

On 24 July 2023, the European Court of Justice halted the procedure pursuant to article 55, paragraph 1.b) of the Court's Rules of Procedure.

On 23 August 2023, the Council of State filed its ruling on the challenge, only in part upholding the appeals brought by the Cabinet Office, the MEF, the MIT, Atlantia (now Mundys), HRA and ASPI against the non-final ruling issued by Lazio Regional Administrative Court on 19 October 2022. The Council of State has ruled that Adusbef has legal standing, whilst deciding that the actions brought by Codacons and another association are inadmissible, confirming the lack of legal standing for AIPE and Confimi Abruzzo.

On 8 September 2023, Mundys appealed to the Council of State against the above ruling of 23 August and the consequent cancellation and/or review of Lazio Regional Administrative Court's non-final ruling, dated 19 October 2022. ASPI, the Cabinet Office, the MEF, the MIT and Codacons filed appearances and a date for the relevant hearing is awaited.

The case was discussed at a hearing on 11 January 2024 and the Council of State reserved its decision.

On 2 October 2023, it was notified by the chancery division of the Court that the procedure was to restart. During the hearing to discuss the case before the European Court of Justice, the Attorney General announced that the conclusions reached would be communicated to the

parties in writing on 30 April 2024. The Court reserved its decision, which will be announced within the non-peremptory deadline of six months from the date of the hearing.

Autostrada Tirrenica (SAT)

Toll increases for 2013, 2015, 2016, 2017, 2018, 2019, 2020 and 2021

With regard to the legal actions brought by SAT in relation to the failure to grant toll increases for the years from 2013 to 2021, with the exclusion of 2014, the following events have occurred:

- tolls for 2013: on 6 February 2023, a judgement was handed down ordering the MIT and MEF, jointly and severally, to pay the sum of €186,877.00 for the period covered by the unlawful suspension of tolls for 2013, being the period from 1 January 2013 to 9 April 2013 (the date on which the suspension was revoked), plus legal interest.
- toll increases for 2015 and 2018: Lazio Regional Administrative Court judgement 10572 of 25 July 2022 partially upheld Autostrada Tirrenica's claim against the Acting Commissioner, cancelling the decree issued by the latter on 28 October 2020 insofar as it: (i) "sets a percentage of zero for the K component in place of 1.32%" and (ii) "does not recognise SAT's right to recoup the increase for 2015 by applying an increase of 5.68%".
- tolls for 2016, 2017 and 2018: the Council of State upheld Autostrada Tirrenica's appeal requesting partial cancellation of the earlier Lazio Regional Administrative Court judgement. As a result, in October 2023, the MIT informed SAT that it had approved a toll increase of 12.44% for 2017 and 2018. SAT and the MIT then agreed to spread the increase as follows: (i) a toll increase of 6.22% to be applied from 1 December 2023; (ii) an annual increase of up to 2.3% from 1 January 2024.
- litigation regarding tolls for 2019, 2020 and 2021 is still in progress.

In implementation of the judgements handed down by the Council of State, the company specified that, in order to ease the effect of the toll increases on road users, from 1 December 2023, it would apply an increase of 6.22%, equal to half of the 12.44% increase granted (including 6.85% for 2017 and 5.59% for 2018) and, from 1 July 2024, it would apply the further portion of the increase approved by the Acting Commissioner (equal to 6.22%) unless, by that date, all the concession-related and regulatory documents have been finalised, allowing for recognition of the toll increases provided for in the financial plan in the process of being completed.

SAT therefore applied the above toll increase of 6.22% on its network from 1 December 2023.

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, 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.

The impact of the above elements (the sale of designs and the Government grant) has been included in the proposed financial plan submitted by Autostrade Tirrenica at the end of December 2023.

Action to ascertain the validity of the contractual provisions and the constitutional illegitimacy of art. 35, paragraph 1-ter of the Milleproroghe Law Decree

On 27 April 2023, Lazio Regional Administrative Court unexpectedly declared the appeal annulled due to the failure to file a request for a hearing within the deadline of one year from the removal of the case from the register, thereby failing to observe the agreements reached at the last hearing on 12 January 2022. On this occasion, as the court records show, it was agreed that – given the pending process for approving the financial plan and the inclusion of the appeal in question among those to be waived – there would be a “public hearing scheduled by a separate order, following submission of a reasoned request by the appellant”. The annulment does not, in any event, mean that the action has been lost as, given that it regards rights not subject to expiry, the appeal may be resubmitted at any time within the statute of limitations (10 years).

Raccordo Autostradale Valle d’Aosta’s legal action relating to toll increases for 2021

With regard to the appeal lodged by the company against the ruling of 31 December 2020, which rejected its application for increases in 2021, following the Valle d’Aosta Regional Administrative Court ruling that dismissed the company’s appeal, the company lodged an appeal with the Council of State on 17 March 2022. The case is currently pending.

Autostrade Meridionali

Expiry of Autostrade Meridionali’s concession

Following signature of the of the First Addendum to Autostrade Meridionali’s concession arrangement, the transfer of the concession to operate the A3 Naples-Pompeii-Salerno from Autostrade Meridionali to the incoming operator was completed. On 18 July 2022, Autostrade Meridionali and the Grantor signed an agreement setting out the final amount of the takeover right as of 31 March 2022, totalling €443 million. The company had already collected the sum of €410 million from the incoming operator on 1 April 2022. The company is still waiting to receive the outstanding balance of €33 million.

On 19 July 2023, the MIT and Autostrade Meridionali signed a further agreement, under which the Ministry confirmed that it would pay the company a further €8 million (increasing the overall amount receivable to €41 million) as reimbursement for amounts advanced by the company in place of the current operator.

On 17 November 2023, the company collected a further sum of approximately €27 million from the MIT. The remaining receivable for the takeover right amounts to €14 million at the date of preparation of this document.

Proceeding initiated by the Antitrust Authority for disruption to traffic

Following the closure, in 2021, of the Antitrust proceeding in which 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 appeal against the fine is still pending before Lazio Regional Administrative Court), the Authority initiated proceedings against ASPI for non-compliance with the request to take appropriate measures to eliminate the unfair commercial practice.

This non-compliance proceeding closed on 19 May 2022 with a ruling from the Antitrust Authority that took into account the commitments linked to the introduction of a cashback scheme and the complexity and innovative nature of the solutions proposed by ASPI, whilst imposing a fine of €10,000.00.

In any event, ASPI deemed it right to appeal this latest ruling, lodging an appeal citing additional grounds as part the case pending before Lazio Regional Administrative Court, relating to the appeal against the ruling of 26 March 2021.

A date for the related hearing has yet to be set.

Antitrust Authority proceeding relating to alleged abuse of a dominant position in the electronic tolling market

Following a complaint from UnipolTech SpA (UnipolMove), the Antitrust Authority (AGCM) launched an investigation of Autostrade per l'Italia SpA and AISCAT (the Italian association of toll road and tunnel operators), pursuant to art. 14 of Law 287/90, for alleged abuse of a dominant position, which it is assumed has been committed through AISCAT in breach of art. 102 of the Treaty on the Functioning of the European Union. The AGCM is contesting conduct that, according to the Authority, has excluded and/or prevented new suppliers of electronic tolling systems from entering the market. The alleged conduct began in January 2019 and in terms of the contested breaches, AISCAT's conduct is attributable to ASPI.

The relevant market referred to in the allegation includes: (1) the motorway market, geographically divided into sections, where each operator holds a dominant position in relation to the section it operates; (2) the downstream market for electronic tolling services on the national network, in which ASPI is alleged to have had a dominant position until May 2022 through Telepass, after which the Company exited the Atlantia Group.

The allegations are as follows:

- closure of the national electronic tolling system. AISCAT is alleged to have "directed" operators interested in supplying electronic tolling for light vehicles towards the European electronic tolling service (EETS) rather than admitting them to the Italian electronic tolling system (SIT-MP, reserved for heavy vehicles), with the EETS being more expensive (e.g., it is in operation in at least four member states). In this way, Telepass retained its monopoly position in the supply of electronic tolling for light vehicles in Italy;

- tolling providers do not give new entrants into the electronic tolling market the right to offer road users discounted tolls, whilst Telepass does have this option;
- the contractual conditions for accessing the EETS/SIT-MP systems are discriminatory when compared with those applied to Telepass;
- a different treatment of erroneous charges with respect to Telepass. Only Telepass has access to a database shared by tolling providers that enables cross-checks of vehicles accessing the network, avoiding charges for sections not effectively used;
- the failure to adjust tollgates and signage to accommodate EETS providers.

Telepass SpA and Axxès SAS are parties to the proceeding.

As part of the proceeding, the Company may submit commitments which, if accepted by the AGCM, would avoid the risk of sanctions and would also bring the investigation to an end without a ruling against the Company. The submission of commitments does not prejudice the Company's position, which continues to be that the AGCM's allegations are without grounds, and does not constitute an admission of culpability.

On 3 July 2023, the AGCM published the proposed commitments submitted by ASPI in its weekly bulletin and on its website. These include:

1. requests to AISCAT to implement procedures for: (i) the certification of new devices; and (ii) the re-certification of new versions of legacy devices. In both cases, the criteria used should be similar to existing criteria applied in the certification of new devices/re-certification of existing devices used by EETS and SIT-MP providers;
2. with regard to discounts offered by motorway operators: i) the provision – to operators who use the service offered by the subsidiary, Movyon – of infrastructure that, once implemented, will enable discounts to be shown on the invoices issued to all operators and allow the latter to see the value of the discount applied to each journey their customers make;
3. the offer to all providers of an extension of the deadline for charging for erroneous charges from 60 to 180 days and a commitment to update Movyon's platform to allow the automatic reconversion of unpaid tolls on the ASPI Group's network, and the operators that use Movyon's platform to charge for effective journeys made;
4. accelerated implementation of technical and contractual corrections making it possible for operators that use Movyon's service to adjust – for up to 11 months – for erroneous charges and unpaid tolls and, therefore, be charged the correct amount if the affected provider updates their systems as a result;
5. modification / addition to EETS and SIT-MP agreements to include: i) an express termination provision in the event that the contract between the provider and one or more interconnected motorway operators is terminated; ii) no consequence in the event of termination of a contract between the provider and one or more non-interconnected motorway operators; iii) abolition of the obligation for the provider to charge the motorway operator a commission no higher than that applied to other operators of similar services; and iv) the right of operators to transfer the contract provided that the transferee meets the same requirements and provides the same guarantees as the transferor and appropriate proof is provided;
6. the sending to the operators of car parks equipped, by Movyon, with dynamic access control equipment and payment systems compatible with Telepass devices, of a

communication in which providers, and any providers indicated thereby, are offered the necessary assistance to enable their systems to read the devices of other operators; and

7. a proposal to set up a working group with all the EETS and SIT-MP providers involved, to assess the potential and feasibility for including cashbacks in invoices or other forms of cooperation in this regard.

The commitments submitted by ASPI are not of an economic and financial nature and involve the implementation and/or acceleration of processes already initiated, or additions to new processes whose adoption was already envisaged or proposed by ASPI in the course of business.

AISCAT also held a general meeting at which member motorway operators were requested to consider implementation of the SIT-MP tolling system with the introduction of a unified interoperable tolling system for heavy and light vehicles using the Italian motorway network. This could be introduced via the simple signature of an addendum to the existing SIT-MP contract and could be used for light vehicle in Italy without the need for certification in other countries.

The extended commitments were welcomed by the AGCM, which has deemed them to be capable of resolving the competition issues that led it to initiate the investigation. On 14 December 2023, the AGCM thus announced its decision to close the proceeding without ruling against the Company, rendering the extended commitments put forward by ASPI (and by AISCAT) obligatory.

Class action brought by Altroconsumo

On 15 November 2022, Altroconsumo, a consumers' association, filed a class action pursuant to art. 140 bis of the Consumer Code, representing 16 motorway users/consumers.

The action regards the ascertainment of alleged and generic breaches by ASPI, up until 18 May 2021, of the contracts entered into with consumers/users of the motorway network and obtainment of the injunction for the repayment of a portion of tolls collected up until 18 May 2021.

On 10 October 2023, the Court ruled that the class action brought by Altroconsumo was inadmissible. The plaintiff then appealed the inadmissibility ruling before the Court of Appeal in Rome.

On 9 January 2024, the Court of Appeal in Rome turned down the appeal brought by Altroconsumo, confirming the earlier court ruling.

Investigation of the collapse of a section of the Polcevera road bridge by the Public Prosecutor's Office in Genoa and admission to a settlement procedure

On 7 April 2022, the judge appointed to preside at the preliminary hearing ruled in favour of Autostrade per l'Italia's request to settle pursuant to Legislative Decree 231/2001, in return for a payment of a fine and the forfeit of any proceeds from the offences, by setting aside the sum of €28 million. This amount was covered by provisions for risks and charges made in previous years.

In this regard, the Prosecutors, in accepting the request for a settlement, noted that ASPI had adopted a series of initiatives fully complying with the conditions set out in art. 17 of Legislative Decree 231/2001 (“reparation for damages resulting from the offence”).

As a result of the settlement, the ongoing criminal trial solely involves the natural persons, also taking into account the fact that, on 19 September 2022, the Court ruled in favour of ASPI’s request for exclusion from the trial. As a result, the Company does not have civil liability for the conduct of the natural persons. As a result, in case of conviction, the individual defendants will be required to pay any damages, although there is a potential for civil claims to be filed.

The criminal trial is currently at the pleading stage.

Investigation by the Public Prosecutor’s Office in Genoa regarding: (i) the installation of integrated “Integautos” safety and noise barriers on the A12; (ii) alleged false surveillance reports regarding several of the network’s bridges; and (iii) event that took place in the Bertè tunnel on the A26 motorway on 30 December 2019

The proceedings in question have been combined and, under Legislative Decree 231/2001, the Company is under investigation for making false statements by a public officer in an official document. The investigation also involves 47 natural persons, 14 of whom employed by ASPI, with the remaining parties represented by employees of SPEA, Tecne (formerly SPEA), the Ministry and external consultants. These defendants are under investigation for the same offence in addition to public procurement fraud and the endangerment of transport safety.

With specific regard to ASPI’s position, in relation to alleged breaches of Legislative Decree 231/2001, in 2022 the Company was admitted to a settlement procedure in return for payment of a fine.

On 29 September 2023, the Public Prosecutor requested that 47 people be committed for trial. Following a series of adjournments, the first hearing was held on 18 January 2024 and lawyers for the civil claimants filed their claims, requesting the preliminary hearing judge to include ASPI and SPEA as civil defendants.

The civil claimants were initially around thirty and included the Ministry of Transport, Genoa City Council and neighbouring councils, natural persons, associations and committees, unions and a company.

At the hearing of 15 February, lawyers for the natural persons filed defence briefs.

At the hearing of 7 March, the preliminary hearing judge excluded all the civil claimants except for the Ministry of Transport and the councils.

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.

Upholding the appeal, the Supreme Court annulled the not-guilty judgement and referred the case back to the Court of Appeal in Florence for a re-trial.

At the hearing of 25 September 2023, the Public Prosecutor accepted that the statute of limitations applied to all the offences, leaving only the charge of illegal trafficking in waste.

The Court of Appeal in Florence thus invited the parties to present their evidence and, given the request from certain counsel for the trial to proceed in parallel with the Morandi trial, adjourned the hearing until 16 September 2024 when the witnesses for the prosecution will be heard.

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 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.

In August 2023, the preliminary investigating magistrate dismissed the case at the request of the Public Prosecutor.

Investigation by the Public Prosecutor’s Office in Genoa of environmental offences committed by a Chief Engineer at AMPLIA and the company itself in breach of Legislative Decree 231/2001

In October 2023, the Public Prosecutor’s Office in Genoa notified that its investigation of a Chief Engineer at AMPLIA and of the company pursuant to legislative Decree 231/01 had come to an end. The investigation regarded two alleged instances of the negligent discharge of waste from work on construction of the high-speed railway line at Terzo Valico dei Giovi.

The company has filed a defence brief with the aim of demonstrating that the allegation was without grounds.

Investigation by the Public Prosecutor’s Office in Genoa of environmental offences committed by a Chief Engineer at AMPLIA and the company itself in breach of Legislative Decree 231/2001

On 5 March 2024, the Public Prosecutor’s Office in Genoa issued a second notice advising that its investigation of another Chief Engineer at AMPLIA, again in relation to the construction of

the high-speed railway line at Terzo Valico dei Giovi, had been concluded. The investigation relates to the unauthorised handling of special non-hazardous waste. The company is again under investigation pursuant to Legislative Decree 231/01.

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 Amplia 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 against former employees of the Company 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").

At the hearing held on 1 March 2022, 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. At the hearing held on 7 June 2022, the court noted fulfilment of the conditions provided for in art. 17 of Legislative Decree 231/2001 (payment of damages in full; adoption and implementation of an appropriate organisational, management and control model; availability of the proceeds for forfeiture) in order to avoid bans being imposed on ASPI, Amplia and SPEA. All the witnesses summoned by the parties were admitted. The witnesses called by the Public Prosecutor are currently giving 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 was 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 revealed 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 after anomalies were found in the bid.

In the relevant proceedings, ASPI's Contract Manager, who was in charge of the tender procedure for lot 7, the Chairman of SAT (not in his role) 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"*.

A subsequent examination of the documents produced following the investigation showed that there was no evidence of any payment to ASPI's official, with other persons under investigation having denied that the alleged payments were made to the official.

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. Following notification of this measure, both people decided to resign from their positions with the two companies.

Through its legal counsel appointed specifically for this purpose, ASPI took immediate steps to contact the Public Prosecutor's Office in Benevento to offer its full cooperation. In response, it was made clear to the Company that: (i) the Company was in no sense involved in the investigation; (ii) it may potentially be considered an injured party with regard to the alleged offences once the facts have been ascertained.

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.

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.

ASPI's Head of Procurement was instead under investigation as an accomplice, exclusively regarding the offence of obstruction of a public tender. In December, the Public Prosecutor called a halt to the investigation and requested dismissal of the case, which was confirmed in February 2023.

Proceedings are, on the other hand, continuing with regard to other persons and notification of completion of the preliminary investigation is awaited.

Investigation by the Public Prosecutor's Office at the Court of Rome concerning the determination of tariffs, the use of toll revenue and the distribution of dividends

As part of a criminal investigation looking at the last twenty-five years of ASPI's operations, and focusing specifically on the determination of tariffs, the use of toll revenue and the distribution of dividends, on 21 December 2022, the Anti-corruption Unit of the *Guardia di Finanza* (Finance Police) made its first visit to ASPI's headquarters to serve a disclosure order relating to documentation referring to the years between 1997 and 2022.

Lastly, on 29 March 2023, the same unit from the *Guardia di Finanza* served a further disclosure order designed on this occasion to acquire additional documentation regarding the years from 1980 to 2008.

All the documentation requested by the Public Prosecutor's Office was provided by the relevant departments within the Company.

An initial meeting was held with the Public Prosecutor's Office, which revealed that the Company is not currently involved in the investigation. Following further contact with the Public Prosecutor's Office in early 2024, it was confirmed that ASPI is not involved in the investigation.

Investigation by the Public Prosecutor's Office at the Court of Benevento concerning an accident on 4 June 2023 on the Naples-bound carriageway of the A16 at km 100+730

This event, which is still being investigated by the traffic police at the request of the investigating magistrates, involved a number of cars and a coach. According to the initial findings, an accident took place involving four light vehicles, all of which were uninsured and carrying immigrant street vendors with counterfeit goods. A few minutes later, a coach carrying 40 people crashed into one or more of the above vehicles occupying the carriageway. The coach then struck the crash barrier on the righthand side of the motorway, flipping on to its right side and then sliding along the embankment.

The accident resulted in the death of one occupant of the cars and serious injury to another and slight injuries to 28 coach passengers, whilst one of the coach drivers had severe injuries.

Finally, notices of investigation for the offences of culpable vehicular homicide or grievous or very grievous bodily harm were served on the following: the sole project manager at the Cassino VI Area Office, relating to the upgrade of the barriers installed on the section of motorway where the accident occurred; the then head of the "Safety Barrier Design" unit; the external designer who worked on the barriers in question.

Accident in the Monte Sperone West tunnel on 24 May 2023

On 24 May 2023, a part of a radio cable and two light fittings in the “Monte Sperone West” tunnel (A/12 Genoa/Livorno) fell to the ground, striking the windscreens of two cars and causing slight injury to three people.

The traffic police subsequently intervened and, on the orders of the Public Prosecutor, impounded the tunnel (resulting in its closure to traffic) to enable the technical experts appointed by the Public Prosecutor’s Office to examine the site and determine the related causes. The inspections carried out confirmed that there were no structural defects in the tunnel, which was reopened to traffic on 26 May 2023.

Footage from a camera located within the tunnel would appear to show a coach, travelling through the tunnel in the overtaking lane (despite use of the outside lane by lorries and coaches being prohibited within the tunnel), catching the radio cables which, as they fall, hit the light fittings causing them in turn to become detached. The above footage has been handed over to the authorities.

The Public Prosecutor’s Office has opened an investigation of persons unknown for the offences of culpable collapse and grievous bodily harm.

Investigation by the Public Prosecutor’s Office in Genoa into a fire in the Monte Giugo tunnel on the A12

Following a truck fire in the above tunnel on 9 July 2023, resulting in damage to equipment located in the tunnel and to a part of its structure, the traffic police were delegated by the investigating Public Prosecutor to impound the tunnel to enable the technical expert appointed by the Public Prosecutor’s Office to examine the site and determine the related causes.

As notified to the ordinary police or to the traffic police by the local Genoa office, together with an initial explanation of the consequences of the event in question, work on the upgrade of the equipment located inside the tunnel to bring it into line with the requirements of Legislative Decree 264/06 had been completed.

After checks by the police conducting the investigation on the adoption of all the compensatory measures required by art. 4 of the above legislation, and the filing of the technical expert’s report, stating that there was no structural damage capable of affecting the safety of the tunnel, on 14 July 2023 the infrastructure was released from seizure.

A criminal action has been brought against persons unknown for the offences of grievous bodily harm and negligent arson.

Legal action brought against SwissRe and co-insurers regarding compensation under the All Risks policy

Given the refusal of the insurance company, Swiss Re - on its own behalf and acting on behalf of co-insurers - to pay compensation under the All Risks policy taken out by ASPI for the period of cover in which the accident occurred on the Polcevera road bridge, it was decided to initiate judicial mediation proceedings to seek a possible settlement of the opposing interests.

Despite attempts by the mediator, the procedure ended without an agreement, and it was then decided to initiate civil proceedings to establish the right to compensation under the policy.

After ASPI's writ of summons was served on the insurance companies, talks between the parties recommenced in an attempt to reach an amicable settlement. This occurred following ASPI's acceptance of the payment of €29 million in order to settle the claim under the policy. The pending legal action has thus been abandoned.

Proceedings brought by the Autostrade per l'Italia Group against CRAFT and Alessandro Patané

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 Movyon against Alessandro Patané

On 7 December 2022, in the appeal against judgement 120/2019, filed by ASPI and Movyon at the Court of Appeal in Rome (R.G. 1075/2019), issued in the action against Alessandro Patané Srl to ascertain the groundlessness of the claims brought by the latter related to the Sicve system software, the Court of Appeal issued judgement 7492/2022, in which:

- it deemed ASPI's ownership of the SICVe software to be unproven (according to the Court, ASPI should have provided other proof of its right, as for example registering the software in the special public register at the OLAF Department of the SIAE). However, for the same reason, the ownership of Patané's companies has also not been proven, and, in the event of a new and different dispute, Mr Patané would face the same burden of proof;
- it upheld ASPI's request to ascertain whether or not the payment of €242,000.00 requested by Alessandro Patané Srl in accordance with the Memorandum of Understanding of 25 March 2013 is due, given that ASPI has never requested work to start on a project;
- dismissed the ASPI's claim for defamation, following the article "Tutor: the extraordinary battle of Alessandro Patané (MPA Group)", published on the website www.automobilista.it on 27 July 2013. The Court deemed that Patané's accusations included in the article constituted the legitimate exercise of his right to criticize. In addition, no proof of the damages was provided.

ASPI and Movyon have appealed the above judgement before the Supreme Court.

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.

On 8 August 2023, the Supreme Court rejected Craft's appeal, ordering the company to pay Autostrade per l'Italia's legal expenses.

Proceeding before the Civil Court of Rome – Business Division – ASPI and MOVYON/Alessandro Patanè (R.G. 48316/23)

In response to the numerous actions brought by Mr Patanè, involving significant claims for damages from ASPI, Movyon and the latter's customers, ASPI and Movyon decided to file an action for unfair competition pursuant to art. 2598, paragraphs 2 and 3 of the Italian Civil Code with the aim of causing Mr Patanè to cease and desist. Mr Patanè filed an appearance and a hearing was scheduled for 15 March 2024. This was then postponed until 20 March 2025 due to an excessive backlog of cases.

Litigation involving Società Italiana per il Traforo del Monte Bianco (SITMB)

First action

The first legal action challenges the resolutions of an extraordinary general meeting of the shareholders of SITMB held on 24 October 2017, which voted to amend the articles of association regarding "statutory reserves" and the distribution of "retained earnings" allocated to reserves by previous general meetings. ANAS challenged the resolutions adopted by both SITMB's ordinary general meeting of 2017 regarding the distribution of retained earnings (€61 million), including payment of this sum to shareholders in the form of so-called surplus benefits, and those adopted by the extraordinary general meeting of 2017, which amended articles 13 and 20 SITMB's Articles of Association.

The remaining portion of the surplus benefits from 2017, amounting to €31 million, was paid to the shareholder, ANAS in early 2023, leading to signature of the agreement in December 2022 that finally settled the "first action" involving SITMB and ANAS. The case was thus cancelled by the Court of Appeal in Turin on 30 June 2023.

Second and third action

On 21 April 2020, ANAS filed a legal challenge against the resolutions adopted by the general meeting of Traforo del Monte Bianco's shareholders that had approved the financial statements for 2018 and 2019 and the resulting appropriation of the results, requesting that the court declare the resolutions null and void. The Court of Turin requested the parties to initiate a mandatory mediation procedure, which resulted in a series of meetings. In February 2024, the parties reached a settlement, which became effective in March 2024. This commits the parties to abandon the second and third actions. Key aspects of the settlement agreed by the parties regard the amendments to the Articles of Association approved by the extraordinary general meeting of shareholders held on 4 March 2024, which related to amendments to the articles regarding the payment of dividends and a one-off payment of a preferred dividend of approximately €4.5 million from profit for 2023, to be paid to the holders of Class B shares (ANAS and Valle d'Aosta Regional Authority), via the approval of a temporary article of association.

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.). Certain assessments notified to the Company impose fines for illegal occupation of public land amounting to 250% of the requested rent. 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 judgement 8628/2020 regarding COSAP, the Supreme Court has recently ruled that the tax is payable by the holder of the municipal concession. The Company, in the belief that city and town councils do not have the power to award concessions for the construction of motorway infrastructure, given that such concessions are granted by the State, has continued to appeal against the notices of assessment before the relevant court.

This approach was confirmed in two letters from the MIT addressed to AISCAT, ASPI and all motorway operators in the summer of 2023. In the letters, the Ministry has clarified the fact that motorway infrastructure cannot be classed as “illegal” and that no authorisation is required from local authorities. Both the letters confirm the position expressed by the Company in all the court hearings on this matter.

In keeping with ASPI's defence and the clarification provided by the MIT, the Council of State has very recently ruled (December 2023) in the Company's favour, in contrast with the ruling handed down by the Supreme Court. The Council of State has thus ruled that no fines are payable for illegal occupation and that no ground rent is due.

Finally, various merit courts have ruled that TOSAP is not payable by ASPI due to the lack of subjective and objective grounds for application of the tax. The Supreme Court's continues to rule against the Company in contrast with the approach taken by the Council of State and the MIT.

Agreement with the MIT of 14 October 2021: stamp duty

On 22 April 2022, the Rome I Tax Office, via payment demand 1/2022, requested APSI to pay €22.8 million in stamp duty on the agreement between ASPI and the MIT dated 14 October 2021.

In the demand, the tax authority qualified the sums already paid by ASPI for the reconstruction of the Polcevera road bridge (totalling €583 million) as the fulfilment of an obligation (and not as an act of acknowledgement), and thereby subject to stamp duty of 3%.

The Company challenged the demand in an appeal before the relevant court.

In ruling 12905/3/2022 of 18 November 2022, the Rome Tax Tribunal of First Instance upheld ASPI's appeal for most of the tax claim, determining that:

- reconstruction costs of the Polcevera road bridge (€17.5 million) are not liable to stamp duty of 3%;

- the additional charges included in the Agreement (€5.3 million) are liable to stamp duty.

In December 2022, ASPI settled the amounts due to the tax authority confirmed by the ruling. On 1 February 2023, the Italian tax authority appealed the ruling at first instance. ASPI appeared before the court to contest the objections raised by the tax authority and lodged a cross-appeal against the portion of stamp duty deemed to be payable. The appeal is pending.

Procedures for the award of contracts by ASPI to external contractors and to Group companies

Appeal ruling of Tuscany Regional Administrative Court regarding the tender procedure for the award of the contract to widen the Florence South-Incisa section of motorway to three lanes

On 16 June 2022, Tuscany Regional Administrative Court annulled the contested revocation of the tender procedure for awarding the contract to widen the Florence South-Incisa section of motorway to three lanes, dated 11 March 2022. Following this, and also in view of Constitutional Court Ruling 218/2021 (regarding the award of contracts by operators), ASPI had awarded the contract for the work to the associate, Amplia.

According to the administrative court at first instance, although art. 177 of Legislative Decree 50 of 2016 as amended (the Code) was ruled to be unconstitutional by the Constitutional Court in Ruling 218/21, due to the unreasonable nature of the obligations regarding outsourcing through public tenders imposed on operators not selected by tender, the ruling does not entirely remove the outsourcing obligations for operators not selected by tender (under art. 1, paragraph 2(c) and 2(d) of the Code).

In an appeal (R.g. no. 7052/2022) notified on 7 September 2022, ASPI challenged the Regional Administrative Court ruling before the Council of State. Subsequently, the first instance appellant filed a cross-appeal with a request for precautionary relief, reiterating the pleas that were not upheld at first instance, as well as challenging the part of the first instance judgement in which the Regional Administrative Court ruled that it lacked jurisdiction with regard to the claim of ineffectiveness of the contract entered into between ASPI and Amplia. At a hearing on 3 November 2022, the cross-appellant withdrew its application for precautionary relief and requested an early ruling on the merits, which the Court granted on 23 February (from 23 March). On that date, a public hearing was held to discuss the merits of the dispute, on conclusion of which the applicant requested early publication of the text of the ruling and the case was taken under advisement.

On 27 February 2023, the Council of State published the text of judgement 2007/203 in which, ruling on the main and the cross-appeals, as proposed by the parties, it upheld ASPI's main appeal and, as a result, in rejecting the challenged judgement, rejected Medil's cross-appeal, which was therefore declared inadmissible.

Since, as mentioned, the Medil consortium had requested early publication of the text of the ruling, the grounds for the judgment are not yet available.

On 30 May 2023, Council of State judgement 5330/2023 finally set out the grounds for its decision to uphold ASPI's appeal.

The Council of State upheld, and confirmed, ASPI's interpretation of the law regarding contract awards following Constitutional Court Ruling 218/2021 (establishing, briefly, that the transparency obligations required by the applicable legislation had been fully complied with), and with regard to the legality of ASPI's revocation of the tender procedure and its subsequent award of the contract to AMPLIA.

Claim for damages for non-award of a contract following Constitutional Court judgement 218/2021 and Council of State judgement 5330/2023

Following the Council of State judgement 5330/2023 of 30 May and with regard to the procedure for awarding the contract to widen the Florence South-Incisa section of motorway to three lanes, dated 11 March 2022, on 7 July 2023 the Medil consortium filed a claim for damages with Tuscany Regional Administrative Court as compensation for not being awarded the contract.

The Medil consortium's claim amounts to €51,856,931.70, with an additional subordinated claim of €14,834,452.15 for pre-contractual liability.

As regards the damages for non-award of the contract, the Medil consortium claims that ASPI illegally excluded the consortium from the tender process, delaying the award until the Constitutional Court issued judgement 218/2021, as a result of which ASPI then legally withdrew the call for tenders.

As regards pre-contractual liability, the Medil consortium maintains that the tender process had reached the point at which Medil would have been legally awarded the contract. This was then compromised by ASPI's decision to withdraw the call for tenders.

ASPI filed its appearance on 24 July 2023.

The date for the hearing on the merits of the dispute has yet to be fixed.

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.

10.7 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 Group'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 Group 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 motorway network.

The following table shows the grants collected in 2023.

€000		
Grantor	Grant collected	Description
Anas SpA or the Ministry of Infrastructure and Transport	37,396	Release of a portion of the term deposits following the disbursement carried out by banks related to loans agreed for the recognition of the grants provided for in laws 662/1996, 345/1997 and 135/1997 - IFRIC 12 construction services for which no additional benefits are received
Anas SpA or the Ministry of Infrastructure and Transport	4,225	Release of a portion of the term deposits following the disbursement carried out by banks related to loans agreed for the recognition of the grants provided for in laws 662/1996, 345/1997 and 135/1997 - IFRIC 12 construction services for which no additional benefits are received
Anas SpA	935	Layout and upgrade of the Bologna ring road system for the construction of the new "La Muffa" toll station. (Concession arrangements of 30 July 1999, 8 February 2002 and Addendum of 2 August 2004)
European Climate, Infrastructure and Environment Executive Agency (CINEA)	665	EU MATIS project on road networks. (Grant Agreement of 13 September 2023 Project 101122786 — 22-EU-TG-MATIS)
Emilia Romagna Regional authority	258	Redevelopment and upgrade of the Bologna ring road system (Concession arrangements of 30 July 1999, 8 February 2002 and Addendum of 2 August 2004)
Marche Regional authority	369	Planning and implementation of the redevelopment project for the flyovers 164 and 166 on the A14 motorway in the Camerano (AN) district. (Concession arrangement of 5 December 2022)
Municipality of Moncalzati (AV)	12	Proceeds from the sale of land, following approval from the MIT, to the Municipality of Moncalzati (AV)
European Commission, in the form of the organizing Coordinator Fundacion Tecnalia Research & Innovation	76	LIASON-Lowering transport environmental Impact along the whole life cycle of future road transport infrastructure.
European Commission, in the form of the organizing Coordinator Cemosa-Centro de Estudios de Materiales y Control de Obras	60	Development of a global digital governance framework for sustainable eco-friendly (zero-emissions) transport infrastructure, with a reduced energy and financial footprint over its OMICRON-Towards more automated and optimised road maintenance, renewal and upgrade by means of robot technologies and intelligent decision support tools.
European Climate, Infrastructure and Environment Executive Agency (CINEA)	5,970	Development of technologies (including robots), models and tools for the maintenance and upgrade of the network to reduce accidents and improve efficiency (cost efficiencies and increased capacity). Connecting Europe Facility (CEF)
European Commission through the Coordinator (RWS-NL)	11	Grant for investment in EV charging stations 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
GSE	7,045	Reduced tariff and grant from GSE for net metering for photovoltaic energy production
GSE	27	Conto Energia (grant to incentivise energy production and back efforts to improve energy efficiency in relation to photovoltaic plants)
Total	57,049	

10.8 Events after 31 December 2023

EIB loan to fund ASPI's modernisation plan

On 15 February 2024, Autostrade per l'Italia agreed a loan of €1.2 billion with the European Investment Bank ("EIB"). The proceeds from the EIB loan include at least €800 million backed by InvestEU with a term of 15 years (in line therefore with the expiry of the concession) and to be disbursed directly. The funds will contribute to funding for modernisation of the network, making it more sustainable and resilient, including in respect of any future climate events. The EIB has committed to providing a further €400 million in indirect funding via a bank that has yet to be selected, with the aim of supporting progress on Autostrade per l'Italia's modernisation plan.

Liquidation and unwinding of Autostrade Meridionali

On 21 February 2024, the board of directors of the subsidiary, Autostrade Meridionali, decided to propose the company's voluntary liquidation and subsequent liquidation to the extraordinary general meeting of shareholders to be held on 8 April 2024.

Bond issue

On 28 February 2024, Autostrade per l'Italia placed two new tranches of Sustainability-Linked Bonds worth €500 million each with terms of 8 and 12 years and paying coupon interest of 4.25% and 4.625%, respectively.

In line with the commitments set out in the Sustainability-Linked Financing Framework published in December 2022, interest payable on the new bonds is linked to the achievement of specific medium- to long-term targets for cuts in greenhouse gas emissions and the installation of EV charging points on the motorway network. The issue was accompanied by the unwinding of derivative assets with the same nominal value (€1,000 million) and the collection of approximately €170 million in fair value gains.

Approval of the design for the tunnel under the Port of Genoa

On 2 March 2024, the Ministry of Infrastructure and Transport (the “MIT”) announced approval of the design for the construction of an urban tunnel under the Port of Genoa that will cross the city. This project was included in the undertakings given by Autostrade per l’Italia in the settlement agreement entered into with the MIT in October 2021 at a cost of up to €700 million, already included in provisions for risks and charges made in previous years.

Annexes to the consolidated financial statements

Annex 1 – The Autostrade per l'Italia Group's scope of consolidation and investments as at 31 December 2023

Annex 2 - Disclosures of the fees paid to the Independent Auditors pursuant to art. 2427, paragraph 1.16-*bis* of the Italian Civil Code

The above annexes are unaudited.

Annex 1

The Autostrade per l'Italia Group's scope of consolidation and investments as at 31 December 2023

NAME	REGISTERED OFFICE	BUSINESS	CURRENCY	SHARE CAPITAL/CONSORTIUM FUND AS AT 31 DECEMBER 2023 (UNITS)	HELD BY	% INTEREST IN SHARE CAPITAL/CONSORTIUM FUND AS AT 31 DECEMBER 2023	TOTAL GROUP INTEREST AS AT 31 DECEMBER 2023 (%)	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%	
Amplia Infrastructures SpA	Rome	Design, construction and maintenance	EURO	30,116,452	Autostrade per l'Italia SpA	99.8%	99.8%	
Autostrade Meridionali SpA	Naples	Motorway operator	EURO	9,056,250	Autostrade per l'Italia SpA	58.98%	58.98%	(1)
C.I.E. - Costruzioni Impianti Elettromeccanici SpA	Rome	Design and plant engineering	EURO	400,000	Amplia Infrastructures S.p.A.	100%	99.8%	
Control Card Srl	Zola Predosa (BO)	Engineering services	EURO	10,452	Infomobility SpA	100%	100%	(2)
ELGEA SpA	Rome	Production, sale and storage of energy	EURO	1,000,000	Autostrade per l'Italia SpA	100%	100%	(3)
EsseDIEse Società di Servizi SpA	Rome	Administrative services	EURO	500,000	Autostrade per l'Italia SpA	100%	100%	
Free To X Srl	Rome	Design, construction and maintenance	EURO	20,000	Amplia Infrastructures S.p.A.	69.27%	69.27%	
Free To X SpA	Rome	Other activities	EURO	49,602,822	Autostrade per l'Italia SpA	100%	100%	
Free To X SpA	Rome	Other activities	EURO	50,000	Free To X Srl	100.00%	100.00%	(4)
Giovia Srl	Rome	Motorway services	EURO	10,000	Autostrade per l'Italia SpA	100%	100%	(5)
Infomobility Srl	Concordia sulla Secchia (Modena)	Motorway services	EURO	1,400,000	Moyvon SpA	100%	100%	(2)
Moyvon SpA	Rome	Motorway services	EURO	1,120,000	Autostrade per l'Italia SpA	100%	100%	
MoyvonMex S.A. de C.V.	Mexico City	Engineering, research and design services	MEXICAN PESO	5,000,000	Infomobility SpA	100%	100%	
Moyvon South East Europe Single Member Societ� Anonime „Moyvon SEE S.A.”	Athens	Engineering services	EURO	200,000	Moyvon SpA	100.00%	100%	
Pavimental Polska SP.zo.o.	Trzebinia (Poland)	Design, construction and maintenance	POUSH ZLOTY	3,000,000	Amplia Infrastructures SpA	100%	99.80%	
Raccordo Autostradale Valle d'Aosta SpA	Aosta	Motorway operator	EURO	343,805,000	Societ� Italiana per Azioni del Traforo del Monte Bianco	47.97%	24.46%	(6)
Societ� Autostrada Tirrenica SpA	Rome	Motorway operator	EURO	24,460,800	Autostrade per l'Italia SpA	99.93%	100.00%	(7)
Societ� 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) On 15 January 2024, the merger of Control Card Srl with and into Infomobility Srl was completed. At the same time as the merger, Infomobility Srl's name was changed to Moyvon Electronics Srl.

(3) On 8 November 2023, an extraordinary general meeting of Elgea SpA's shareholders approved an increase in the company's capital via a rights issue from €1,000,000.00 to €2,000,000.00 through the issue of 1,000,000 ordinary shares in ELGEA with a par value of €1.00 each. All the shares were subscribed for by ASPI.

(4) On 21 December 2023, Free to X SpA, a wholly owned subsidiary of Free to X Srl, which operates in the sustainable mobility sector, was established.

(5) On 29 November 2023, the shareholder resolution approving the change in the company's name from the former Giove Clear Srl to "Giovia Srl" was registered.

(6) 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.

(7) Based on the shareholder resolution adopted on the same date, on 29 December 2015, Societ  Autostrada Tirrenica purchased 109,690 own shares from non-controlling shareholders. As a result, the Group's stake is 100%, whilst the percentage interest calculated on the basis of the ratio of the shares held by Autostrade per l'Italia and the subsidiary's total shares outstanding is 99.93%.

NAME	REGISTERED OFFICE	BUSINESS	CURRENCY	SHARE CAPITAL/CONSORTIUM FUND AS AT 31 DECEMBER 2023 (UNITS)	HELD BY	% INTEREST IN SHARE CAPITAL/CONSORTIUM FUND AS AT 31 DECEMBER 2023	NOTE
INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD							
Associates							
Bologna & Fiera Parking SpA	Bologna	Other concessions	EURO	2,715,200	Autostrade per l'Italia SpA	36.81%	
Spea Engineering SpA	Rome	Design, construction and maintenance	EURO	6,966,000	Autostrade per l'Italia SpA	20.00%	(1)
Joint ventures							
GEIE del Traforo del Monte Bianco	Courmayeur (Aosta)	Motorway services	EURO	2,000,000	Societ� Italiana per Azioni per il Traforo del Monte Bianco	50.00%	
Tecne Spati Bridge Designers Srl	Rome	Engineering, research and design services	EURO	250,000	Tecne Gruppo Autostrade per l'Italia SpA	50.00%	
Tecne-Systra SWS Advanced Tunneling Srl	Turin	Engineering services	EURO	150,000	Tecne Gruppo Autostrade per l'Italia SpA	50.00%	

(1) Investment held for sale.

NAME	REGISTERED OFFICE	BUSINESS	CURRENCY	SHARE CAPITAL/CONSORTIUM FUND AS AT 31 DECEMBER 2023 (UNITS)	HELD BY	% INTEREST IN SHARE CAPITAL/CONSORTIUM FUND AS AT 31 DECEMBER 2023	NOTE
INVESTMENTS ACCOUNTED FOR AT FAIR VALUE							
Unconsolidated subsidiaries							
Pavimental-Est AO (in liquidation)	Moscow (Russia)	Design, construction and maintenance	RUSSIAN RUBLE	4,200,000	Amplia Infrastructures SpA	100.00%	
Other investments							
digITALog SpA (in liquidation)	Rome	Other activities	EURO	1,142,000	Autostrade per l'Italia SpA	1.401%	
Interporto Toscano Amerigo Vespucci SpA	Livorno	Other activities	EURO	11,756,695	Società Autostrada Tirrenica pA	0.43%	
Strada dei Parchi SpA	Rome	Motorway operation and construction	EURO	48,114,240	Autostrade per l'Italia SpA	2.00%	
Tangenziale Esterna SpA	Milan	Motorway operator	EURO	464,945,000	Autostrade per l'Italia SpA Amplia Infrastructures SpA	0.25% 1.25% 1.00%	

NAME	REGISTERED OFFICE	BUSINESS	CURRENCY	SHARE CAPITAL/CONSORTIUM FUND AS AT 31 DECEMBER 2023 (UNITS)	HELD BY	% INTEREST IN SHARE CAPITAL/CONSORTIUM FUND AS AT 31 DECEMBER 2023	NOTE
CONSORTIA							
Co.Im.A. Scarl	Rome	Design, construction and maintenance	EURO	10,000	Amplia Infrastructures SpA Movyon SpA Pavimental Polista SpA z.o.o.	75% 20% 5%	(1)
Consortio Autostrade Italiane Energia	Rome	Other activities	EURO	116,330	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 Amplia Infrastructures SpA	30.95% 2.21% 2.08% 1.24% 0.52% 1.13%	
Consortio Costruttori Teem (in liquidation)	Tortona	Design, construction and maintenance	EURO	10,000	Amplia Infrastructures SpA	100.0%	1.00%
Consortio MIDRA	Florence	Other activities	EURO	73,989	Movyon SpA		33.33%
Consortio Ramonti Scarl (in liquidation)	Tortona	Design, construction and maintenance	EURO	10,000	Amplia Infrastructures SpA		49.00%
Consortio Rfcc (in liquidation)	Tortona	Design, construction and maintenance	EURO	510,000	Amplia Infrastructures SpA		30.00%
Consortio Tecne - Rina	Genoa	Architecture and engineering	EURO	50,000	Tecne Gruppo Autostrade per l'Italia SpA		51%
Consortio Tecnologie - Consortio Costruttori Grandi Impianti (in liquidation)	Rome	Design, construction and maintenance	EURO	180,000	C.I.E.L. Costruzioni Impianti Elettromeccanici SpA		2.78%
Contratto di rete AGROBOT	Perugia	research and development of prototype autonomous robot for agricultural use in the Umbria	EURO	2,500	Infomobility Srl		20%
Costruzioni Impianti Autostradali Scarl (in liquidation)	Rome	Design, construction and maintenance	EURO	10,000	Amplia Infrastructures SpA Movyon S.p.A. Pavimental Polista SpA z.o.o.	75.00% 20.00% 5.00%	100.00%
Ferroadriatica 2003 Società consortile Arl (in liquidation)	Rome	Design, construction and maintenance	EURO	10,400	C.I.E.L. Costruzioni Impianti Elettromeccanici SpA		49.69%
Lambro Scarl	Tortona	Design, construction and maintenance	EURO	200,000	Amplia Infrastructures SpA		2.78%
Open Fiber Network Solutions Scarl	Milan	Engineering services	EURO	100,000	Amplia Infrastructures SpA C.I.E.L. Costruzioni Impianti Elettromeccanici SpA	15.00% 5.00%	20.00%
Panigale Società consortile a rl	Cargi (Modena)	Design and construction	EURO	500,000	Amplia Infrastructures SpA		0.01%
Rome Advanced District	Rome	Experimental research and development in other natural sciences and engineering	EURO	700,000	Autostrade per l'Italia SpA		14.29%
Safe Roads Scarl	Tortona	Design, construction and maintenance	EURO	10,000	Movyon 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%	30.70%
Smart Mobility Systems Scarl	Tortona	Design, construction and maintenance	EURO	10,000	Movyon SpA		24.50%

(1) Struck off from Rome Companies' Register on 5 February 2024.
(2) A network contract with legal status.

Annex 2

Disclosures of the fees paid to the Independent Auditors pursuant to art. 2427, paragraph 1.16-*bis* of the Italian Civil Code

Autostrade per l'Italia SpA

Type of service	Provider of service	Fees
Audit	Parent Company's auditor	289
Assurance services	Parent Company's auditor	193
Other services	Network of the Parent Company's auditor	258
Total		740

Subsidiaries

Type of service	Provider of service	Fees
Audit	Parent Company's auditor	396
Audit	Network of the Parent Company's auditor	16
Assurance services	Parent Company's auditor	70
Other services	Parent Company's auditor	44
Total subsidiaries		526
Total Autostrade per l'Italia Group		1,266



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SEPARATE FINANCIAL
STATEMENTS AS AT AND
FOR THE YEAR ENDED
31 DECEMBER 2023



Statement of financial position

STATEMENT OF FINANCIAL POSITION

€	Note	31 December 2023	31 December 2022
ASSETS			
Non-current assets			
Property, plant and equipment	6.1	93,599,196	95,007,851
Property, plant and equipment		90,765,387	91,977,817
Investment property		2,833,809	3,030,034
Intangible assets	6.2	15,649,908,391	14,895,274,033
Intangible assets deriving from concession rights		9,432,830,016	8,691,277,021
Goodwill and other intangible assets with indefinite lives		6,111,258,461	6,111,258,741
Other intangible assets		105,819,914	92,738,271
Investments	6.3	374,992,132	350,349,054
Non-current financial assets	6.4	426,271,950	494,145,525
Non-current financial assets deriving from government grants		119,494,837	129,918,326
Non-current term deposits		119,494,835	129,918,323
Non-current derivative assets		152,041,890	199,152,006
Other non-current financial assets		35,240,388	35,156,870
Other non-current assets		-	-
Total non-current assets		16,544,771,669	15,834,776,463
Current assets			
Trading assets	6.5	804,753,758	720,144,964
Inventories		87,874,366	79,049,351
Contract work in progress		4,226,481	4,226,481
Trade receivables		712,652,911	636,869,132
Cash and cash equivalents	6.6	2,045,082,164	2,087,445,771
Cash		1,651,504,141	1,235,098,745
Cash equivalents		300,065,716	750,078,909
Intercompany current account receivables due from related parties		93,512,307	102,268,117
Current financial assets	6.4	282,119,815	638,861,219
Current financial assets deriving from government grants		31,215,130	45,072,361
Current term deposits		17,296,159	44,251,041
Current portion of medium/long-term financial assets		230,645,575	546,278,100
Other current financial assets		2,962,951	3,259,717
Current tax assets	6.7	92,315	66,501,069
Other current assets	6.8	88,124,616	77,409,556
Investments held for sale		1,000,000	-
Total current assets		3,221,172,668	3,590,362,579
TOTAL ASSETS		19,765,944,337	19,425,139,042

STATEMENT OF FINANCIAL POSITION

€	Note	31 December 2023	31 December 2022
EQUITY AND LIABILITIES			
Equity			
Issued capital		622,027,000	622,027,000
Reserves and retained earnings		1,149,365,924	941,196,304
Interim dividends		(434,174,846)	-
Profit/(Loss) for the year		873,102,229	1,197,956,438
Total equity	6.9	2,210,320,307	2,761,179,742
Non-current liabilities			
Non-current provisions	6.10	2,057,804,556	2,221,660,310
Non-current provisions for employee benefits		65,833,791	45,649,872
Non-current provisions for repair and replacement of motorway infrastructure		857,840,885	839,656,755
Other non-current provisions for risks and charges		1,134,129,880	1,336,353,683
Non-current financial liabilities	6.11	10,697,339,256	10,279,470,049
Bond issues		8,273,543,420	7,780,926,781
Medium/long-term borrowings		2,384,697,455	2,491,430,000
Non-current derivative liabilities		39,098,381	7,113,268
Other non-current financial liabilities		-	-
Net deferred tax liabilities	6.12	611,211,546	511,027,217
Other non-current liabilities	6.13	20,409,393	28,186,165
Total non-current liabilities		13,386,764,751	13,040,343,741
Current liabilities			
Trading liabilities	6.14	1,759,834,609	1,811,126,601
Trade payables		1,759,834,609	1,811,126,601
Current provisions	6.10	436,013,648	333,838,765
Current provisions for employee benefits		8,936,030	10,030,410
Current provisions for repair and replacement of motorway infrastructure		110,112,499	119,122,031
Current provisions for the risk of fines and penalties under the Single Concession Arrangement		16,405,661	16,480,661
Other current provisions		300,559,458	188,205,663
Current financial liabilities	6.11	1,552,374,731	1,167,047,869
Bank overdrafts repayable on demand		-	651
Intercompany current account payables due to related parties		164,734,757	43,505,370
Current portion of medium/long-term financial liabilities		1,305,639,974	1,033,541,848
Other current financial liabilities		82,000,000	90,000,000
Current tax liabilities	6.7	142,163,895	88,163,303
Other current liabilities	6.15	278,472,396	223,439,021
Liabilities related to discontinued operations		-	-
Total current liabilities		4,168,859,279	3,623,615,559
TOTAL LIABILITIES		17,555,624,030	16,663,959,300
TOTAL EQUITY AND LIABILITIES		19,765,944,337	19,425,139,042

INCOME STATEMENT

€	Note	2023	2022
REVENUE			
Toll revenue	7.1	3,638,380,440	3,491,414,878
Revenue from construction services	7.2	1,317,594,191	896,608,361
Other operating income	7.3	304,481,906	264,263,242
TOTAL REVENUE		5,260,456,537	4,652,286,481
COSTS			
Raw and consumable materials	7.4	(85,124,969)	(67,616,881)
Service costs	7.5	(1,872,646,467)	(1,386,693,073)
Gains/(losses) on sale of property, plant and equipment and intangible assets		1,427,937	824,320
Staff costs	7.6	(468,413,300)	(422,207,542)
Other operating costs	7.7	(542,781,796)	(516,367,895)
Concession fees		(462,587,938)	(448,682,827)
Lease expense		(11,426,238)	(7,768,795)
Other		(68,767,620)	(59,916,273)
Operating change in provisions	7.8	(18,659,271)	32,750,345
Uses of provisions/(Provisions) for repair and replacement of motorway infrastructure		4,450,484	63,666,395
(Provisions)/Uses of provisions for risks and charges		(23,109,755)	(30,916,050)
Amortisation and depreciation	7.9	(641,934,589)	(574,978,502)
Depreciation of property, plant and equipment		(26,628,364)	(22,674,559)
Amortisation of intangible assets deriving from concession rights		(543,204,814)	(486,469,580)
Amortisation of other intangible assets		(72,101,411)	(65,834,363)
(Impairment losses)/Reversals of impairment losses on current and non-current assets	7.10	(16,050,449)	(2,723,538)
TOTAL COSTS		(3,644,182,904)	(2,937,012,766)
OPERATING PROFIT/(LOSS)		1,616,273,633	1,715,273,715
Financial income		133,537,337	237,854,344
Dividends received from investees		20,081,475	100,758,629
Other financial income		113,455,862	137,095,715
Financial expenses		(504,208,024)	(429,432,635)
Financial expenses from discounting of provisions		(20,547,418)	(10,567,430)
Impairment losses on financial assets and investments		(2,134,480)	-
Other financial expenses		(481,526,126)	(418,865,205)
Foreign exchange gains/(losses)		10,868	6,743
FINANCIAL INCOME/(EXPENSES)	7.11	(370,659,819)	(191,571,548)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		1,245,613,814	1,523,702,167
Income tax (expense)/benefit	7.12	(372,511,585)	(325,745,729)
Current tax expense		(253,024,096)	(244,713,099)
Differences on current tax expense for previous years		1,367,744	(15,921,619)
Deferred tax income and expense		(120,855,233)	(65,111,011)
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		873,102,229	1,197,956,438
Dividends, after related taxation, from discontinued operations		-	-
PROFIT/(LOSS) FOR THE YEAR		873,102,229	1,197,956,438

STATEMENT OF COMPREHENSIVE INCOME

€000	Note	2023	2022
Profit/(Loss) for the year	(A)	873,102	1,197,956
Fair value gains/(losses) on cash flow hedges		(96,824)	519,512
Tax effect of fair value gains/(losses) on cash flow hedges		23,239	(124,683)
Other comprehensive income/(loss) reclassifiable to profit or loss for the year	(B)	(73,585)	394,829
Gains/(losses) from actuarial valuations of provisions for employee benefits	6.10	10,553	5,897
Tax effect of gains/(losses) from actuarial valuations of provisions for employee benefits		(2,533)	(1,415)
Other comprehensive income/(loss) not reclassifiable to profit or loss for the year	(C)	8,020	4,482
Other reclassifications of the cash flow hedge reserve		145	21,637
Tax effect of other reclassifications to the cash flow hedge reserve		(35)	(5,193)
Reclassifications of other components of comprehensive income to profit or loss for the year	(D)	110	16,444
Total other comprehensive income/(loss) for the year	(E=B+C+D)	(65,455)	415,755
Comprehensive income/(loss) for the year	(A+E)	807,647	1,613,711

STATEMENT OF CHANGES IN EQUITY

€000	Reserves and retained earnings					Reserves and retained earnings	Interim dividends	Profit/(Loss) for the year	Total equity
	Issued capital	Share premium reserve	Legal reserve	Cash flow hedge reserve	Other reserves and retained earnings				
Balance as at 31 December 2021	622,027	216,070	124,406	(75,020)	259,851	525,307	-	681,877	1,829,211
Comprehensive income for the year	-	-	-	411,273	4,482	415,755	-	1,197,956	1,613,711
<u>Owner transactions and other changes</u>									
Transfer of profit/(loss) for 2021 to retained earnings (AGM of 28 April 2022)	-	-	-	-	681,877	681,877	-	(681,877)	-
Distribution of equity reserves	-	-	-	-	(681,742)	(681,742)	-	-	(681,742)
Balance as at 31 December 2022	622,027	216,070	124,406	336,253	264,468	941,197	-	1,197,956	2,761,180
Comprehensive income for the year	-	-	-	(73,475)	8,020	(65,455)	-	873,102	807,647
<u>Owner transactions and other changes</u>									
Transfer of profit/(loss) for 2022 to retained earnings (AGM of 20 April 2023)	-	-	-	-	273,624	273,624	-	(273,624)	-
Final dividend for 2022 (AGM of 20 April 2023)	-	-	-	-	-	-	-	(924,332)	(924,332)
Interim dividend for 2023	-	-	-	-	-	-	(434,175)	-	(434,175)
Balance as at 31 December 2023	622,027	216,070	124,406	262,778	546,112	1,149,366	(434,175)	873,102	2,210,320

STATEMENT OF CASH FLOWS

€	Note	2023	2022
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES			
Profit/(Loss) for the year		873,102,229	1,197,956,438
Adjusted by:			
Amortisation and depreciation	7.9	641,934,589	574,978,502
Operating change in provisions		(64,184,272)	(513,604,415)
Financial expenses from discounting of provisions	7.11	20,547,418	10,567,430
Impairment losses/(Reversal of impairment losses) on non-current financial assets and investments		12,784,480	-
Impairment losses/(Reversal of impairment losses) on current and non-current assets		4,050,449	2,581,462
(Gains)/Losses on sale of non-current assets		(1,739,389)	(836,475)
Net change in deferred tax (assets)/liabilities through profit or loss	7.12	120,855,233	65,111,011
Other non-cash costs (income)		13,024,269	(67,150,870)
Change in working capital and other changes		12,778,066	69,420,902
Net cash generated from/(used in) operating activities [a]	8.1	1,633,153,072	1,339,023,985
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES			
Investment in assets held under concession	6.2	(1,317,594,191)	(896,608,361)
Purchases of property, plant & equipment	6.1	(23,058,379)	(31,170,122)
Purchases of other intangible assets	6.2	(85,182,774)	(89,633,400)
Government grants related to concession assets		32,218,591	1,045,984
Government grants related to other property, plant and equipment and intangible assets		419,439	-
Purchases of investments	6.3	(38,427,558)	(32,925,000)
Proceeds from sales of property, plant and equipment, intangible assets and investments		1,791,300	934,842
Net change in current and non-current financial assets		340,858,765	25,411,008
Net cash generated from/(used in) investing activities [b]	8.1	(1,088,974,807)	(1,022,945,049)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES			
Distribution of equity reserves		-	(681,741,592)
Dividends paid		(1,358,506,968)	-
Issuance of bonds	6.11	1,485,354,478	988,018,070
Increase in medium/long-term borrowings (excluding lease liabilities)	6.11	-	700,000,000
Bond redemptions	6.11	(750,000,000)	(583,750,715)
Repayments of medium/long-term borrowings	6.11	(101,744,097)	(127,448,041)
Repayment of lease liabilities	6.11	(7,151,554)	(6,455,930)
Net change in other current and non-current financial liabilities		24,278,399	(114,377,943)
Net cash generated from/(used in) financing activities [c]	8.1	(707,769,742)	174,243,849
Increase/(decrease) in cash and cash equivalents [a+b+c]	8.1	(163,591,477)	490,322,785
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		2,043,933,749	1,553,610,964
NET CASH AND CASH EQUIVALENTS AT END OF YEAR		1,880,342,272	2,043,933,749

ADDITIONAL INFORMATION ON THE STATEMENT OF CASH FLOWS

€000	2023	2022
Income taxes paid/(refunded)	128,931	367,716
Interest and other financial income collected	120,975	65,095
Interest expense and other financial expenses paid	480,959	420,265
Dividends collected	20,081	100,759
Foreign exchanges gains collected	18	42
Foreign exchange losses incurred	2	15

RECONCILIATION OF NET CASH AND CASH EQUIVALENTS

€000	2023	2022
Net cash and cash equivalents at beginning of year	2,043,941	1,553,612
Cash and cash equivalents	2,087,446	1,593,683
Intercompany current account payables due to related parties	(43,505)	(40,071)
Net cash and cash equivalents at end of year	1,880,347	2,043,941
Cash and cash equivalents	2,045,082	2,087,446
Intercompany current account payables due to related parties	(164,735)	(43,505)

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 Infrastructure and Transport (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 issued capital is held by Holding Reti Autostradali SpA ("HRA").

HRA is a holding company owned by CDP Equity SpA (51%), BP Miro (Lux) SCSp (21.85%), BIP-V Miro (Lux) SCSp (2.65%) and Italian Motorway Holdings Sàrl (24.5%). HRA is the ultimate parent of Autostrade per l'Italia and is responsible for management and coordination of the Company. None of the shareholders manages or coordinates HRA either directly or through parent companies.

HRA prepares its own consolidated financial statements, published in the manner and time frame established by law and available at its registered office.

It should be noted that, following the repayment of retail bonds amounting to €750 million, on 12 June 2023, the Parent Company, Autostrade per l'Italia, ceased to meet the definition of a listed issuer pursuant to art. 1, paragraph 1.w) of the Consolidated Financial Act (the "CFA"). However, the Company continues to have bonds traded on regulated markets (in Luxembourg and Ireland), even though the bonds are reserved for institutional investors and have denominations that are higher with respect to the related legislation. The Company therefore:

- a) continues to qualify as a Public Interest Entity pursuant to Legislative Decree 39/2010;
- b) continues to be subject to certain provisions of the CFA (in part different from those formerly applicable to ASPI) as a "listed issuer whose Member State of Origin is Italy" pursuant to art. 1, paragraph 1.w-*quater*, no. 4 of the CFA (assuming that Italy has been confirmed as the Member State of Origin);
- c) is exempted from the obligation to publish a half-year interim report, which the Parent Company thus prepares on a voluntary basis.

These separate financial statements as at and for the year ended 31 December 2023 were approved by the Company's Board of Directors at its meeting of 14 March 2024.

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 2023, have been prepared on a going concern basis and in accordance with articles 2 and 4 of Legislative Decree 38/2005.

The 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, 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 and the statement of comprehensive income are classified by nature of expense. The statement of comprehensive income, starting from the result for the period, shows the impact of gains and losses recognised directly in equity in application of IFRS. The statement of changes in equity presents changes during the period in the individual components of equity, 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.

Amounts in the statement of financial position and in the income statement are shown in euros, whilst amounts in the statement of cash flows, the statement of comprehensive income, 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.

Each component of the financial statements is compared with the corresponding amount for the comparative reporting period. For the purpose of providing a more accurate presentation of provisions for the repair and replacement of motorway infrastructure, a portion of the current provisions has been reclassified as non-current. This reclassification was also applied to the comparative amounts for 2022, totalling €383,547,969.

In making its judgements, management gave careful consideration to the significant risks connected with climate change, and to the impact of the current macroeconomic scenario on refinancing risks and on other financial risks.

The current process of climate change constitutes a risk factor with the potential to cause different forms of damage (e.g., impact on reputation, the value of assets, access to financial markets, operating costs and on the transition to a low-carbon economy).

The Group also continuously monitors the effects of the current macroeconomic scenario on its refinancing risks and other financial risks to assess the potential impacts, without so far having identified critical issues in this regard.

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 2023. 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 2023, details of which are provided in the following section and which have not had an impact on financial statement items.

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 2023, are shown in the table below by asset class.

Property, plant and equipment	Rate of depreciation
Buildings	3% - 16.7%
Right to use buildings	6.3% - 50%
Industrial and business equipment	9% - 25%
Other assets	12% - 25%
Leasehold improvements	6.3%
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

Concession rights

Under the concession arrangements falling within the scope of application of IFRIC 12, the Company provides services relating to i) the construction and upgrade of the infrastructure operated under concession and ii) operation and maintenance of the infrastructure.

"Concession rights" thus represent the operator's right to use the concession asset in view of the costs incurred in its design, construction and maintenance and are represented by investment in infrastructure assets, in the works carried out by sub-operators at service areas which revert free of charge to the Company on expiry of the related concessions.

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 and/or upgrade services carried out on behalf of the Grantor (measured as described in the standard on "Revenue") less finance-related amounts, consisting of amounts funded by government grants;
- b) rights to infrastructure constructed and financed by sub-operators at service areas that have reverted free of charge to Group companies on expiry of the related concessions.

Concession rights 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 concession held by Autostrade per l'Italia relates 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.

Other 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 goodwill deriving from business combinations. 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.

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 2023 are shown in the table below by asset class.

Intangible assets	Rate of amortisation
Development costs	14.3% - 33.3%
Industrial patents and intellectual property rights	10% - 33.3%
Licences 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 in the same manner as the cost of property, plant and equipment.

Based on technical, operational and commercial factors, the useful lives of certain categories of "other intangible assets" rose in 2023. This reflects the Group's initiation of a major overhaul of the IT infrastructure used in its business processes, of its technology platforms and the software used. As a result, it was necessary to review the useful lives of these assets, which as a result of the changes made are longer than previously estimated.

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 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 assets acquired and liabilities assumed.

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 amounts in the above points a) and b) is recognised as income in profit or loss in the year of acquisition.

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".

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 acquisition date, in that, this represents fair value, including any directly attributable transaction costs.

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. If positive, the difference between the purchase consideration paid and this amount is recognised as an increase in the value of the investment held in the transferee (or in the parent of the transferee in the case of indirect control) or, if negative, in equity in the same way as a dividend payment.

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 or, more generally, has the legal right to receive, or an obligation to pay, cash or cash equivalents.

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 (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 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. Receivables are measured at amortised cost using the effective interest method, applied to the cash flows expected to be generated by the asset, less provisions for impairment losses (recognised in profit or loss) for amounts considered uncollectible. The estimate for uncollectible amounts is based on the method described in the paragraph on “Impairment and the reversal of impairment of financial assets”.

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 concession assets, amounts due from public entities as grants or similar compensation relating to the construction of infrastructure (construction and/or upgrade services).

Impairment and the reversal of 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.

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.

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.

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.

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.

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

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 concession assets. 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.

In addition to provisions for post-employment benefits (*TFR*), liabilities deriving from employee benefits also include provisions to cover expenses incurred by the Group in relation to the use of early retirement schemes provided for in law.

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.

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.

Financial expenses and income

Interest income and expense is calculated with reference to the amount of the financial asset or liability using the effective interest rate method.

Dividends

Dividends are recognised when the unconditional right to receive payment is established. Dividends and interim dividends payable to the shareholders of subsidiaries are presented as movements in equity at the date on which they are approved by the Annual General Meeting of shareholders and by the Board of Directors, respectively.

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) the former, only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised;
- b) the latter, if present, always unless the related temporary differences arise from:
 - the initial recognition of goodwill;
 - the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, does not influence either book profit or taxable income (tax loss), and at the time of the transaction it does not give rise to the recognition of an equal amount of taxable, deductible differences;
 - investments in subsidiaries, associates and joint ventures, when the Parent Company is able to control the timing of the reversal of the differences and it is probable that the reversal will not occur in the foreseeable future.

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 2023, Autostrade per l'Italia participated in the tax consolidation arrangement headed by the parent, Holding Reti Autostradali.

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 HRA under the tax consolidation arrangement. Any tax credits are recognised in current tax assets.

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 an asset has been impaired, the recoverable amount is estimated, as described below, in order to verify and eventually measure the amount of the impairment loss, which is recognised in profit or loss. Irrespective of whether there is an indication of impairment, intangible assets with indefinite lives (e.g., goodwill, trademarks, etc.) 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 losses previously recognised. Goodwill impairments may under no circumstances be 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.

New accounting standards and interpretations, or revisions and amendments of existing standards, effective from 1 January 2023 and new accounting standards and interpretations, or revisions and amendments of existing standards and interpretations

As required by IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, the following table shows:

- a) new accounting standards and interpretations, and amendments of existing standards and interpretations that are already applicable, effective from 1 January 2023;
- b) 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 2023, and that may in the future be applied in the Company's financial statements.

Document title	Effective date of IASB document	Date of EU endorsement
New accounting standards and interpretations, or amendments of standards and interpretations applicable from 1 January 2023		
Amendments to IAS 1 – Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023	2 March 2022
Amendments to IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	1 January 2023	2 March 2022
Amendments to IAS 12 – Income Taxes - Deferred Tax related to Assets and Liabilities Arising from a Single Transaction	1 January 2023	11 August 2022
Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules	1 January 2023	8 November 2023
IFRS 17 Insurance Contracts - Including Amendments to IFRS 17	1 January 2023	19 November 2021
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		
Amendments to IAS 1 – Presentation of Financial Statements: Classification of Liabilities as Current or Non-current; Non-current Liabilities with Covenants	1 January 2024	19 December 2023
Amendments to IFRS 16 - Lease Liabilities in a Sale and Leaseback Transaction	1 January 2024	20 November 2023

Standards effective from 1 January 2023 have not had an impact on amounts in the consolidated financial statements, as no significant standards were applicable. Based on the assessments conducted to date, amendments applicable from 1 January 2024 are not expected to have a significant impact on the Company.

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. The financial feasibility of each concession (enabling operators to cover their costs and receive a fair return on invested capital resulting from their investment) is assured for each five-year

period, and throughout the concession term, by toll increases authorised by the Grantor. These are set in such a way as to also allow for their gradual application to road users over time.

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.

In addition, on 22 February 2018, ASPI and the Ministry of Infrastructure and Transport signed the Second Addendum to the Single Concession Arrangement. This regarded the addition of the construction of the northern section of the Casalecchio interchange among the commitments in the Concession Arrangement. The addendum was approved by a ministerial decree of 16 March 2018 and filed with the Court of Auditors on 31 May 2018.

Finally, on 21 March 2022, ASPI and the MIT signed the Third Addendum to the Single Concession Arrangement of 12 October 2007, updating the five-year Financial Plan for the period 2020-2024. The addendum was formally approved by joint decree 72 issued by the MIT, in agreement with the Ministry of the Economy and Finance on 23 March 2022, and filed with the Court of Auditors on 29 March 2022.

Autostrade per l'Italia's investment programme, included in the Financial Plan and confirmed in the most recently updated Financial Plan, includes a total commitment of €27.4 billion, including €14.1 billion to be spent in the period 2020-2038 (€10.9 billion in the period 2024-2038). As at 31 December 2023, investment amounting to approximately €16.6 billion has been carried out.

The Company's Financial Plan is updated every five years. In accordance with what was established in point 2.5 of ART determination 71/2019 and in specific requests from the Grantor, talks have already begun with the latter with regard to updating the Company's Financial Plan for the next five-year regulatory period 2025-2029, given the imminent expiry of the Plan currently in force for the first period from 2020 to 2024, which in any event also regulates the rebalancing of the concession through to its expiry in 2038. Under the regulatory framework, this update should be agreed by the end of 2024.

Key metrics used in updating the Financial Plan are:

- traffic estimates;
- inflation (official Government projections for 2024);
- WACC (set by ART) for the remuneration of investment;
- updated operating costs and an updated estimate of the cost of the investment programme.

With regard to this latter aspect, the general increase in costs in recent years (partly due to the impact of the COVID-19 pandemic and current geopolitical crises, with a series of ongoing conflicts), and the major impact of new legislation and guidelines on the safety, surveillance and maintenance of infrastructure, in addition to changes to certain capex projects, has meant that

the Group has had to significantly increase the size of its investment programmes and has seen a rise in operating costs.

Against this backdrop, on 18 January 2024, the Grantor requested all operators, including ASPI, to update their capex projections “for all the works to be included in the proposed update of the concession arrangement” and “updated in the light of current spending projections”. In addition, the Grantor’s letter also requested “information on the tariff increase needed to ensure the feasibility of the Financial Plan, quantified on the basis of existing contractual constraints”. In February 2024 ASPI, in common with the Group’s other operators, provided the Grantor with an investment plan updated “in the light of current spending projections” with the estimated adjustment to tariffs required.

In response to this request, ASPI conducted a preliminary update of the estimated costs to be incurred through to completion of the investment programme for the period 2020-2038 which, based on this preliminary assessment, will be significantly higher than the €14.1 billion provided for in the current Financial Plan. This reflects:

- significant rises in the prices of the raw materials used in construction due to rising inflation in 2021;
- the above impact of the new guidelines for the modernisation of infrastructure, designed to extend the useful lives of the assets and improve safety levels;
- changes to final designs requested by local and national authorities;
- additional capex.

Whilst awaiting the update of operators’ new Financial Plans, in a specific note sent to all the companies at the beginning of January 2024, the Grantor communicated the “*need to ensure that the additional financial requirements can be met within the context of the flows linked to the Financial Plan annexed to the Concession Arrangement in force.*”

As a result, to ensure the seamless continuation of the motorway upgrade works deemed to be priority, whilst also safeguarding the sustainability and bankability of the Financial Plans, the increased financial needs notified may be temporarily covered through a matching reduction in the financial resources earmarked for works to be carried out under the concession arrangement but that are not classed as immediately necessary. In any event, to avoid the need for substantial amendments to the concession, the overall resources employed must fall within the total capex spending established in the Financial Plan annexed to the existing Concession Arrangement.

It should also be noted that, following its assessment of the impact of regulation on the method used to set tolls under the motorway concession arrangements, initiated with determination 181/2023 and completed on 24 January 2024, ART has deemed it necessary to adjust the method. This will involve adopting operational indications and taking into account the potential need for amendments, to be submitted for public consultation, to reflect intervening changes in the sector. In this regard, the regulator has issued the following:

- on 8 February, determination 15/2024 with operational indications specifically regarding the application of mechanisms relating to (i) figurative items and (ii) the annual adjustment to the construction component of tariffs following the operator’s failure to carry out planned investment;
- on 29 February, determination 29/2024 launching a survey, to be completed by 22 March 2024, on (i) the effective use of reversible assets built, under construction or to be built and (ii) components of the cost of debt and their quantification.

The following table lists the sections of motorway operated under the concession as at 31 December 2023.

Section of motorway	Kilometres in service
	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 – Padova	127.3
A14 Bologna – Taranto	781.4
A16 Naples – Canosa	172.3
A23 Udine – Tarvisio	101.2
A26 Genoa – Gravellona	244.9
A27 Mestre – Belluno	82.2
A30 Caserta – Salerno	55.3
Total	2,854.6

5. Impact of climate change

The Company continued with its commitment to combatting the impact of climate change in 2023. Sustainability is at the heart of its strategy, in line with the sustainable development goals set out in the UN's 2030 Agenda. The Company plays a crucial role in three areas: reducing its carbon footprint, adapting its infrastructure to meet the challenges presented by extreme events and enabling sustainable forms of mobility on the motorway network.

The Company has already obtained SBTi (Science Based Target Initiative) validation of its targets for reductions in Scope 1, 2 and 3¹ emissions in 2022, in line with the goals of the UN's 2030 Agenda, and the scenario of limiting temperature increases to 1.5°C by 2050.

In detail, the commitments undertaken include:

¹ Scope 1: Emissions from sources that the Group directly controls such as, for example, the burning of fuel by its fleet of vehicles, operating vehicles and hire cars, fuel for emergency generators, heating, cogeneration, etc..

Scope 2: Emissions from sources not directly controlled by the Group and associated with the generation of electricity, heat and steam purchased and used by the Group.

Scope 3: Emissions from sources not under the direct control of the Group, but that are indirectly linked to the business. This includes all the emissions indirectly generated by the Group's value chain such as, for example, those connected with the supply chain (Scope 3 upstream), business travel, emissions due to the use of the infrastructure by road users (Scope 3 downstream), etc..

- a) reduction of absolute Scope 1 and 2 GHG emissions by 68% by 2030 (against a 2019 baseline);
- b) reduction of emission intensity, with reference to Scope 3 greenhouse gas emissions by 2030 (against 2019 baseline): 52% deriving from investment in modernisation of infrastructure under concession, and 55% deriving from procurement of construction business goods and services from third parties (non-captive customers of Amplia). In detail, the Scope 3 reduction mainly regards emissions deriving from the use of steel and concrete by Autostrade per l'Italia's contractors.

With reference to Scope 1 targets, as at 31 December 2023 20 electric vehicles are in service. this number will rise from 2024 following the tender process carried out in 2023 for long-term vehicle hire, in which suppliers were requested to include electric vehicles for each category of vehicle. In addition, at certain of the Company's sites, diesel-fuelled heating systems have been replaced by new systems fuelled by energy carriers with a reduced environmental impact.

As regards Scope 2 targets, the Group's electricity needs were almost entirely met in 2023 from certified renewable sources. 164 photovoltaic plants are in operation, providing installed capacity of 10.8 MWp and producing approximately 12 GWh of electricity per year (average annual production), including 40% for self-consumption directly onsite. The installation of LED lighting in tunnels and at motorway junctions, replacing the existing sodium lights, has begun and will be completed in 2024, saving approximately 2 GWh of energy a year and reducing Co2 emissions by over 520 tonnes a year. Finally, the Company has also installed heating systems using renewable energy for its buildings (solar heating), capable of average production in excess of 400 MWh per year.

To cut the Group's indirect Scope 3 upstream emissions and meet the commitments given to SBTi, Autostrade per l'Italia has set up technical working groups with the producers of construction materials to assess the potential use of construction materials "with lower emission factors". These regard materials representing 80% of the total emissions generated by capital expenditure, above all concrete and steel. Based on the assessments carried out, these materials can be progressively replaced with others with the same technical characteristics but producing lower emissions, or with materials produced using new technologies capable of reducing emissions or capturing CO2. Several types of green concrete were tested in 2023 and suppliers are being asked to provide EPD (Environmental Product Declaration) certification and an indication of the percentage of recycled materials used. Finally, the installation, by Free To X, of 100 high-powered electric charging stations at the same number of service areas was completed in 2023. A call for tenders will be held in 2024 with the aim of extending coverage to a further 108 service areas.

In terms of finance, in January and June 2023, the Company placed its first Sustainability-Linked bonds worth €1.5 billion, with the spreads linked to the achievement of specific targets for cuts in greenhouse gas emissions and the installation of charging points for electric vehicles on the motorway network. the two bonds were admitted to trading on the Luxembourg Stock Exchange's LGX platform for sustainable debt securities. Finally, new bilateral, revolving

sustainability-linked credit facilities, amounting to €725 thousand, have been agreed with leading Italian and international banks, with spreads tied to the achievement of specific ESG goals.

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 2023. Comparative amounts as at 31 December 2022 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 - €93,599 thousand (€95,008 thousand)

As at 31 December 2023, property plant and equipment has a carrying amount of €93,599 thousand, broadly in line with the figure as at 31 December 2022 (€95,008 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 2023			31 December 2022		
	Cost	Accumulated depreciation	Carrying amount	Cost	Accumulated depreciation	Carrying amount
Property, plant and equipment	398,123	(307,358)	90,765	377,913	(285,935)	91,978
Investment property	13,338	(10,504)	2,834	13,310	(10,280)	3,030
Total property, plant and equipment	411,461	(317,862)	93,599	391,223	(296,215)	95,008

The following table shows changes in 2023.

CHANGES DURING THE YEAR								
€000	Carrying amount as at 31 December 2022	Additions due to purchases and capitalisations	Assets entering service	Depreciation	Reduction due to disposals	Reclassifications and other adjustments	Reductions due to government grants	Carrying amount as at 31 December 2023
Land	1,269	-	-	-	-	39	-	1,308
Buildings	41,842	2,032	251	(1,284)	-	(108)	(241)	17,434
Right to use buildings	20,156	4,403	-	(3,539)	-	(2,651)	-	10,287
Right to use plant and machinery	-	-	-	-	-	-	-	-
Industrial and business equipment	167,609	14,982	4,090	(12,915)	(52)	-	-	37,327
Other assets	129,047	5,146	170	(5,940)	-	-	(179)	16,597
Right to use other assets	8,937	881	-	(2,316)	-	-	-	3,290
Property, plant and equipment under construction and advance payments	4,793	862	(4,511)	-	-	-	-	1,144
Leasehold improvements	4,260	36	-	(369)	-	-	-	3,378
Property, plant and equipment	377,913	28,342	-	(26,363)	(52)	(2,720)	(420)	90,765
Land	275	-	-	-	-	(39)	-	236
Buildings	13,035	-	-	(268)	-	111	-	2,598
Investment property	13,310	-	-	(268)	-	72	-	2,834
Total property, plant and equipment	391,223	28,342	-	(26,631)	(52)	(2,648)	(420)	93,599

Right-of-use assets relating to property, plant and equipment amount to €13,577 thousand as at 31 December 2023 and primarily regard the rental of properties for use as guest accommodation and for office (€10,287 thousand).

The effective duration of the contracts is between 2 and 15 years, after taking into account extension options available to the Company.

Investment property refers to portions of buildings and land not used in operations and leased (primarily to ASPI Group companies). The properties are valued at cost. The total fair value of these assets is estimated to be €14 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 €744 thousand in 2023, compared with direct maintenance and management costs of €5,416 thousand.

There were no significant changes in the expected useful lives of these assets during 2023.

Finally, as at 31 December 2023, property, plant and equipment is free of mortgages, liens or other collateral guarantees restricting use.

6.2 Intangible assets - €15,649,911 thousand (€14,895,275 thousand)

This item consists of:

- a) intangible assets deriving from concession rights, totalling €9,432,830 thousand (€8,691,276 thousand as at 31 December 2022) relating to the following categories:
 - 1) investment in construction services for which additional economic benefits are received (€9,346,722 thousand);
 - 2) rights deriving from construction services carried out by service area operators, represented by assets handed over free of charge to the Company on expiry of the related sub-concessions (€86,108 thousand);
- b) goodwill and other intangible assets with indefinite lives, totalling €6,111,555 thousand;
- c) other intangible assets, amounting to €105,820 thousand.

€000	31 December 2023			31 December 2022		
	Cost	Accumulated amortisation	Carrying amount	Cost	Accumulated amortisation	Carrying amount
Intangible assets deriving from concession rights	12,242,723	(2,809,893)	9,432,830	10,957,965	(2,266,689)	8,691,276
Goodwill and other intangible assets with indefinite lives	6,111,261	-	6,111,261	6,111,261	-	6,111,261
Other intangible assets	560,753	(454,933)	105,820	475,571	(382,833)	92,738
Intangible assets	18,914,737	(3,264,826)	15,649,911	17,544,797	(2,649,522)	14,895,275

The following table shows changes in 2023.

€000	CHANGES DURING THE YEAR							Carrying amount as at 31 December 2023
	Carrying amount as at 31 December 2022	Additions due to completion of construction services	Additions due to purchases and capitalisations	Amortisation	Assets entering service	Reductions due to government grants	Reclassifications and other adjustments	
Concession rights accruing from investment in infrastructure	8,599,428	1,317,594	-	(537,464)	-	(32,219)	(617)	9,346,722
Concession rights accruing from construction services provided by sub-operators	91,848	-	-	(5,740)	-	-	-	86,108
Intangible assets deriving from concession rights	8,691,276	1,317,594	-	(543,204)	-	(32,219)	(617)	9,432,830
Goodwill	6,111,198	-	-	-	-	-	-	6,111,198
Trademarks	63	-	-	-	-	-	-	63
Goodwill and other intangible assets with indefinite lives	6,111,261	-	-	-	-	-	-	6,111,261
Software development	64,906	-	55,591	(51,634)	-	-	2,283	71,146
Industrial patents and intellectual property rights	24,690	-	17,645	(20,243)	61	-	-	22,153
Concessions and licenses	764	-	1,447	(223)	-	-	-	1,988
Intangible assets under development and advance payments	2,378	-	10,500	-	(2,345)	-	-	10,533
Other intangible assets	92,738	-	85,183	(72,100)	(2,284)	-	2,283	105,820
Intangible assets	14,895,275	1,317,594	85,183	(615,304)	(2,284)	(32,219)	1,666	15,649,911

In 2023, the increase in intangible assets compared with 31 December 2022, amounting to €754,636 thousand, primarily due to a combination of the following:

- investment in infrastructure (€1,317,594 thousand);
- investment in other intangible assets (€85,183 thousand), essentially linked to the implementation of the Company's Transformation Plan, focusing on innovative technologies relating to the operation and safety of infrastructure and advanced digital mobility services;
- amortisation for the year (€615,304 thousand).

Research and development expenditure of approximately €2,971 thousand has been recognised in the income statement for 2023 (€1,721 thousand in 2022). 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.

Goodwill was recognised following the transfer of motorway assets from the former Autostrade – Concessioni e Costruzioni Autostrade SpA, 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 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 and the CGU's assets deriving from concession rights, these assets have been tested for impairment in accordance with IAS 36.

As required by IAS 36, this test was conducted using the Unlevered Discounted Cash Flow model, measuring value in use by discounting expected net operating cash flow, based on the most recent projections approved by management (in the business plan for the period 2021-2038 approved by the Board of Directors in February 2021). Value in use was thus determined by discounting expected net operating cash flows over the concession term. Use of the long-term plan covering a period equal to the concession term is more appropriate than the approach

provisionally suggested by IAS 36 (namely, a limited explicit projection period and the estimated terminal value), given the intrinsic nature of the related concession arrangements, including the regulations governing each sector and the predetermined duration of the arrangements.

A discount rate of 6.51% was used to carry out the impairment test. This discount rate, determined in accordance with IAS 36, differs from the rate of return on invested capital and on the construction and operating services provided for in the Single Concession Arrangement, set by the Transport Regulator based on a specific approach described in the relevant determination.

The impairment test confirmed that Autostrade per l'Italia's goodwill and concession rights accounted for in the financial statements as at 31 December 2023 are fully recoverable.

In addition, sensitivity analyses were carried out:

- based on cash flows based on scenarios yet to be approved by management and under different investment scenarios, including the one described in the above note 4 "Concessions", with the value of the work to be carried out significantly higher than in the existing Financial Plan. These scenarios, in any event, take into account the fact that tariffs will be rebalanced by 2038 under the Single Concession Arrangement;
- increasing the above discount rate by 1%, considering this to be the sole variable, in view of the rebalancing of tariffs under the regulatory framework, representative of a stress test of potential medium to long-term impacts.

The sensitivity analyses also confirmed that the assets accounted for are fully recoverable.

6.3 Investments - €374,992 thousand (€350,349 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;

€000	Cost	Accumulated (Impairment losses)	Carrying amount	Newly established companies	Reclassification s	Contributions following establishment	Impairment losses			
								Cost	Accumulated (Impairment losses)	Carrying amount
Società Autostrada Tirrenica p.a.	90,672	-	90,672	-	-	2	-	90,674	-	90,674
Tangenziale di Napoli SpA	54,785	-	54,785	-	-	-	-	54,785	-	54,785
Ampia Infrastructures SpA	44,386	(4,891)	39,495	-	-	-	-	44,386	(4,891)	39,495
Free To X Srl	56,000	-	56,000	-	-	20,000	-	76,000	-	76,000
Autostrade Meridionali SpA	15,340	-	15,340	-	-	-	-	15,340	-	15,340
Tecne Gruppo Autostrade per l'Italia SpA	11,025	-	11,025	-	-	325	-	11,350	-	11,350
Movyon SpA	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
Elgea SpA	2,000	-	2,000	-	-	-	-	2,000	-	2,000
AD Moving SpA	4,000	(3,165)	835	-	-	-	-	4,000	(3,165)	835
EsseDisse Società di Servizi SpA	701	-	701	-	-	18,000	(12,000)	18,701	(12,000)	6,701
Giovita Srl	326	-	326	-	-	-	-	326	-	326
Tech Solutions Integrators S.A.S.	-	-	-	-	-	-	-	-	-	-
Investments in subsidiaries (A)	287,388	(8,056)	279,332	-	-	38,327	(12,000)	325,715	(20,056)	305,659
Tangenziali Esterne di Milano SpA	64,867	(2,522)	62,345	-	-	-	-	64,867	(2,522)	62,345
Spea Engineering SpA	1,784	-	1,784	-	(1,000)	-	(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	-	(1,000)	-	(784)	65,895	(2,522)	63,373
Strada dei Parchi SpA	4,271	-	4,271	-	-	-	-	4,271	-	4,271
Tangenziale Esterna SpA	1,163	-	1,163	-	-	-	-	1,163	-	1,163
GigliAllog SpA (in liquidation)	426	-	426	-	-	-	-	426	-	426
ROME ADVANCED DISTRICT	-	-	-	100	-	-	-	100	-	100
Investments in other companies (C)	5,860	-	5,860	100	-	-	-	5,960	-	5,960
Investments (A+B+C)	360,927	(10,578)	350,349	100	(1,000)	38,327	(12,784)	387,570	(22,578)	374,992

- b) details of investments, showing, as well as other information, the percentage interest and relevant carrying amount as at 31 December 2023 (net of any unpaid, called-up issued capital).

Name	Registered office	Par value (€)	Capital/Consortium fund/Equity fund (€)	Interest (%)	Number of shares/units held	Profit/(Loss) for 2023 (€000) (1)	Equity as at 31 December 2023 (€000) (1)	Carrying amount as at 31 December 2023 (€000)
Società Autostrada Tirrenica SpA	Rome	0.15	24,400,000	100.00%	(3)	122,962,400	4,124	83,947
Tangenziale di Napoli SpA	Naples	5.16	188,077,480	100.00%		20,845,250	12,581	284,781
Amplia Infrastructures SpA	Rome	0.13	30,116,452	99.80%	231,196,989		88	54,236
Free To X SpA	Free To X	1.00	21,000,000	100.00%			119,236	39,499
Autostrade Meridionali SpA	Naples	1.00	9,956,250	38.88%		1,451	49,327	15,240
Tirreno Gruppo Autostrade per l'Italia SpA	Rome	1.00	5,693,795	100.00%	5,693,795		10,156	21,119
Movyon SpA	Rome	1.00	1,120,000	100.00%	1,120,000		5,314	80,175
Società Italiana per Azioni per il Traforo del Monte Bianco	Pré Saint Didier (Aosta)	51.65	199,749,200	51.00%	1,362,480		11,512	234,948
Spea SpA	Rome	1.00	2,000,000	100.00%	2,000,000		187	2,099
Ad Motors SpA	Rome	1.00	1,000,000	100.00%	1,000,000		942	834
EssediEsse Società di Servizi SpA	Rome	1.00	500,000	100.00%	500,000	(17,638)	5,037	6,701
Giovà S.r.l.	Rome	10,000	10,000	100.00%	1	1,260	2,455	326
Investments in subsidiaries (A)								305,659
Investments in associates (B)								63,373
Investments in other companies (C)								5,960
Investments (A+B+C)								374,992

(1) The figures refer to the financial statements for the year ended 31 December 2023, as approved by the board of directors of each company.

(2) The figures refer to the financial statements for the year ended 31 December 2022.

(3) Following Autostrade per l'Italia's purchase, on 2 May 2023, of 2,000 shares in Società Autostrada Tirrenica SpA, the total shares outstanding held by Autostrade per l'Italia. On 29 December 2015, Società Autostrada Tirrenica purchased 109,600 own shares from non-controlling shareholders. As a result, the Company's stake is 100% as at 31 December 2023, calculated on the basis of the ratio of the shares held by the Company and the subsidiary's total shares outstanding.

(4) As at 31 December 2023, the investment in Spea Engineering SpA has been reclassified to "Investments held for sale".

The change in this item, amounting to €24,643 thousand, primarily reflects:

- payments of €20,000 thousand to the subsidiary, Free To X Srl, and €18 million to the subsidiary, EssediEsse Società di Servizi SpA, for capital increases;
- the impairment loss on the investment in EssediEsse Società di Servizi SpA (€12,000 thousand), based on the outcome of the impairment test described below;
- reclassification of the remaining carrying amount of the investment in Spea Engineering SpA to "Investments held for sale" (€1,000 thousand), in relation to the sale of this investment at the beginning of 2024.

With regard to the recoverability of the carrying amount of investments as at 31 December 2023, there was an indication, based on internal sources of information, of an impairment caused by significant changes with an unfavourable effect (paragraph 111 of IAS 36) in 2023 with regard to the subsidiary, EssediEsse. The test was carried out on the basis of cash flows in the company's updated multi-year plan and using the Discounted Dividend Model. Value in use was determined by discounting expected dividends at a rate equal to the Ke (8.71%) of the WACC calculated on the basis of the requirements of IAS 36. The test resulted in the need to recognise an impairment loss of €12 million as at 31 December 2023.

Finally, with regard to Autostrade Meridionali, as at 31 December 2023, a significant change has resulted from the absence of further business opportunities and the likely initiation of the company's liquidation. The related test confirmed that the investment is fully recoverable, based on the carrying amount of the investment as at 31 December 2023.

6.4 Financial assets

(non-current) - €426,272 thousand (€494,145) thousand

(current) - €282,119 thousand (€638,860 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 2023			31 December 2022		
		Carrying amount	current portion	non-current portion	Carrying amount	current portion	non-current portion
Financial assets deriving from government grants	(1)	150,710	31,215	119,495	174,990	45,072	129,918
Term deposits	(1)	136,791	17,296	119,495	174,168	44,250	129,918
Derivate assets	(2)	153,312	1,270	152,042	514,834	315,682	199,152
Medium/long-term loans		241,755	226,000	15,755	240,804	226,000	14,804
Accrued income on medium/long-term financial assets		1,165	1,165	-	2,292	2,292	-
Staff loans		3,873	695	3,178	4,551	772	3,779
Multi-year accrued financial income		4,632	104	4,528	4,016	89	3,927
Other loans and receivables		13,190	1,411	11,779	14,090	1,443	12,647
Other medium/long-term financial assets	(1)	264,615	229,375	35,240.00	265,753	230,596	35,157.00
Short-term loans		-	-	-	1,350	1,350	-
Other financial assets		2,963	2,963	-	1,910	1,910	-
Other current financial assets	(1)	2,963	2,963	-	3,260	3,260	-
Financial assets		708,391	282,119	426,272	1,133,005	638,860	494,145

(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 hedges in level 2 of the fair value hierarchy.

The balance consists of:

- a) derivative assets include Forward-Starting Interest Rate Swaps hedging future liabilities to be assumed by the Company and Interest Rate Swaps hedging a number of outstanding loans (totalling €153,312 thousand). The reduction compared with 31 December 2022 (€361,522 thousand) primarily reflects:
 - 1) the unwinding of Forward-starting Interest Rate Swaps (€282,431 thousand) at the time of the issue of bonds in January and June 2023;
 - 2) a reduction of €84,707 thousand in fair value gains on cash flow hedges due to a reduction in the relevant interest rates at 31 December 2023 compared with 31 December 2022;
- b) financial assets deriving from government grants (€150,710 thousand) include amounts payable by the Grantor, third parties or other government entities as grants payable for construction services carried out. The reduction compared with the previous year reflects the collection of grants for work on the A1 Milan-Naples motorway relating to a number of lots included in the *Variante di Valico* and the upgrade of Florence interchange (€41,621 thousand);
- c) term bank deposits (€136,791 thousand) 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 b). 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. The reduction in this item primarily reflects the collection (€41,621 thousand) referred to in point b). As a result, the amount payable to ANAS, recognised in “Other borrowings”, has decreased by the same amount;
- d) medium/long-term loans (€241.755 thousand as at 31 December 2023) primarily include the loans granted to the subsidiaries, Autostrada Tirrenica (€226,000 thousand, at a fixed rate of 5% and maturing on 30 September 2024). With regard to this latter loan, in February 2024 the original maturity date was extended to 30 September 2025.

Further details are provided in note 8.2 “Financial risk management”.

There was no evidence of impairment of the financial assets recognised in the financial statements and described in this note during the period and the carrying amount approximates to fair value.

6.5 Trading assets – €804,754 thousand (€720,145 thousand)

As at 31 December 2023, trading assets consist of:

- a) €87,874 thousand (€79,049 thousand as at 31 December 2022), relating to stocks and spare parts used in maintenance and investment in the network;
- b) contract work in progress of €4,226 thousand, unchanged compared with 31 December 2022 and connected to work carried out for the Grantor, in this case a customer;
- c) trade receivables of €712,654 thousand (€636,870 thousand as at 31 December 2022), which consist of the following.

€000	31 December 2023	31 December 2022	Increase/ (Decrease)
Trade receivables due from:			
Motorway users	310,016	332,650	(22,634)
Sub-operators at motorway service areas	74,370	73,459	911
Sundry customers	83,609	77,434	6,175
Trade receivables, gross	467,995	483,543	(15,548)
Allowance for bad debts	(47,693)	(46,995)	(698)
Other trading assets	292,352	200,322	92,030
Trade receivables, net	712,654	636,870	75,784

The increase in trade receivables of €75,784 thousand, compared with 31 December 2022, essentially reflects an increase in other trading assets (€92,030 thousand) reflecting advances and prepayments to suppliers for motorway investment.

The following table shows an ageing schedule for trade receivables.

€000	Total receivables as at 31 December 2023	Total not yet due	More than 90 days overdue	Between 90 and 365 days overdue	More than one year overdue
Trade receivables	467,995	382,045	3,112	19,141	63,697

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 2022	Additions	Uses	31 December 2023
Allowance for bad debts	46,995	3,707	(3,009)	47,693

The allowance for bad debts for trade receivables is broadly in line with 31 December 2022.

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 - €2,045,082 thousand (€2,087,446 thousand)

This item includes cash, investments maturing within the short term and the balance receivable on current accounts with related parties and is down €42,364 thousand compared with 31 December 2022.

Details of the cash flows resulting in the increase in cash and cash equivalents during 2023 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 6.11, "Financial liabilities".

6.7 Current tax assets and liabilities

Current tax assets - €92 thousand (€66,501 thousand)

Current tax liabilities - €142,164 thousand (€88,164 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 2023	31 December 2022	31 December 2023	31 December 2022
IRES	92	47,376	54,294	1,984
Claims for IRES refunds	-	201	-	-
IRAP	-	18,924	50,936	-
Other income tax expense	-	-	36,934	86,180
Total	92	66,501	142,164	88,164

Since 1 January 2023, the parent, Holding Reti Autostradali, meets the legal requirements for establishing its own tax consolidation arrangement with Autostrade per l'Italia and its subsidiaries. As a result, having closed the tax consolidation arrangement with the subsidiaries, Società Autostrada Tirrenica p.A., Free To X Srl and Elgea SpA, participates as a consolidated entity in HRA's tax consolidation arrangement. It thereby accounts for tax assets and liabilities due from and to the latter.

As at 31 December 2023, the Company's net current tax liabilities amount to €142,072 thousand (€21,663 thousand as at 31 December 2022).

The increase of €120.409 thousand essentially reflects:

- income tax payable for the year after deducting payment of the balance due for 2022 and payments on account for 2023 (€173,039 thousand);
- payment of the accrued portion of substitute tax payable by Autostrade per l'Italia on the exemption from taxation of off-balance sheet amortisation of goodwill (€48,945 thousand).

6.8 Other current assets - €88,122 thousand (€77,410 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 2023	31 December 2022	Increase/ (Decrease)
Receivables due from end users and insurance companies for damages	19,375	17,599	1,776
Receivable from public entities	2,066	1,716	350
Receivables from social security institutions	445	436	9
Payments on account and other receivables	68,827	60,135	8,692
Other current assets, gross	90,713	79,886	10,827
Allowance for bad debts	(2,591)	(2,476)	(115)
Other current assets, net	88,122	77,410	10,712

The item is broadly in line with the previous year.

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 determined in keeping with the accounting policies described in note 3, "Accounting standards and policies applied".

6.9 Equity - €2,210,320 thousand (€2,761,180 thousand)

As at 31 December 2023, 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 2022.

Equity of €2,210,320 thousand is down €550,860 thousand compared with 31 December 2022 (€2,761,180 thousand) is due to a combination of the following:

- a) payment of the final dividend for 2022 (€924,332 thousand) and of the interim dividend for 2023 (€434,175 thousand);
- b) comprehensive income for the period (€807,647 thousand), consisting of profit for the year (€873,102 thousand) and the other comprehensive loss (€65,455 thousand), which primarily reflects the reduction in the fair value of derivative financial instruments.

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 2023 (€000)	Permitted uses (A, B, C, D)*	Available portion (€000)	Uses between 1 January 2020 - 31 December 2022 (art. 2427, 7-bis of Italian 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	262,777	-	-	-	-
Extraordinary reserve	441,269	A, B, C	441,269	-	-
Reserve for actuarial gains and losses on post-employment benefits	(11,757)	-	(11,757)	-	-
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	-	-	-	-
Reserve for transactions under common control	36,666	A, B, C	36,666	-	-
Retained earnings	447,967	A, B, C	447,967	-	-
Other reserves and retained earnings	546,113		248,569	-	-
Reserves and retained earnings	1,149,366		464,639		
Total	1,771,393		464,639		
of which:					
Non-distributable (1)			22,089		
Distributable			442,550		

*** 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 represents the undistributable portion to cover unmortised development costs.

6.10 Provisions

(non-current) - €2,057,805 thousand (€2,221,659 thousand)

(current) - €436,013 thousand (€333,839 thousand)

The following table shows details of provisions by type, showing the non-current and current portions.

€000	31 December 2023			31 December 2022		
	Carrying amount	non-current portion	current portion	Carrying amount	non-current portion	current portion
Provisions for employee benefits	74,770	65,834	8,936	55,680	45,650	10,030
Provisions for repair and replacement of motorway infrastructure	967,953	857,841	110,112	958,778	839,656	119,122
Provisions for fines and penalties under Single Concession Arrangement	16,406	-	16,406	16,481	-	16,481
Provisions for tax risk	20,652	-	20,652	17,678	-	17,678
Provisions for sundry risks and charges	1,414,037	1,134,130	279,907	1,506,881	1,336,353	170,528
Other provisions for risks and charges	1,434,689	1,134,130	300,559	1,524,559	1,336,353	188,206
Total provisions	2,493,818	2,057,805	436,013	2,555,498	2,221,659	333,839

The following table shows changes in 2023.

CHANGES DURING THE YEAR									
€000	Balance as at 31 December 2022	Operating provisions	Finance-related provisions	Reductions due to payment of benefits and advances	Actuarial gains/(losses) recognised in comprehensive income	Transfers (to)/from other companies	Uses		Carrying amount as at 31 December 2023
							Direct	Indirect	
Provisions for employee benefits	55,680	35,245	1,890	(7,482)	(10,553)	(10)			74,770
Provisions for post-employment benefits	55,680	245	1,890	(7,482)	(10,553)	(10)			39,770
Other provisions for employees	-	35,000	-	-	-	-			35,000
Provisions for repair and replacement of motorway Infrastructure	958,778	494,560	13,626	-	-	-	-	(499,011)	967,953
Provisions for fines and penalties under Single Concession Arrangement	16,481	(75)	-	-	-	-	-	-	16,406
Other provisions for risks and charges	1,524,559	23,184	5,033	-	-	-	(118,087)	-	1,434,689
Provisions for tax risk	17,678	4,446	-	-	-	-	(1,472)	-	20,652
Provisions for disputes, risks and other charges	1,506,881	18,738	5,033	-	-	-	(116,615)	-	1,414,037
Total provisions	2,555,498	552,914	20,549	(7,482)	(10,553)	(10)	(118,087)	(499,011)	2,493,818

PROVISIONS FOR EMPLOYEE BENEFITS

(non-current) - €65,834 thousand (€45,650 thousand)

(current) - €8,936 thousand (€10,030 thousand)

As at 31 December 2023, this item consists of:

- 1) the present value of provisions for post-employment benefits (*TFR*) to be paid to staff employed under Italian law;
- 2) recognition, in “Other provisions for employee benefits” of the impact of the extraordinary early retirement scheme implemented in accordance with art. 4, paragraphs 1 to 7-ter of Law 92 of 28 June 2012, as amended. The provisions have been made to cover the costs, accounted for in staff costs, linked to the agreements reached by Autostrade per l'Italia with the labour unions. These provide for bridge payments for the 140 people meeting the requirements to access such payments and identified on the basis of the years remaining until they reach pensionable age. This transaction is part of the reorganisation of operations that will lead to efficiency improvements in business processes following the technological and digital transformation carried out.

The increase of €19,090 thousand essentially reflects:

- a) provisions for the above extraordinary early retirement scheme (€35,000 thousand);
- b) actuarial gains (€10,553 thousand);
- c) uses to cover payments and advances of post-employment benefits during the year, amounting to € (€7,482 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 as at 31 December 2023 are summarised below.

Financial assumptions	
Annual discount rate (1)	3,08%
Annual inflation rate	2,00%
Annual rate of increase in post-employment benefits	3,00%
Annual rate of increase in real salaries	0,65%
Annual turnover rate	2,00%
Annual rate for advances paid	2,50%
Duration (years)	5.72
(1) The annual discount rate is used to determine 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 5-7 years.	
Demographic assumptions	
Mortality	Government General Accounting Office projections
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 2023, indicating the effects on the defined benefit obligation of reasonably possible changes in the actuarial assumptions used at that date.

Sensitivity analysis as at 31 December 2023						
€000	Change in actuarial assumptions					
	turnover rate		inflation rate		discount rate	
	+1%	-1%	+0.25%	-0.25%	+0.25%	-0.25%
Balance of post-employment benefits	39,824	39,712	40,087	39,456	39,278	40,272

PROVISIONS FOR THE REPAIR AND REPLACEMENT OF MOTORWAY INFRASTRUCTURE
(non-current) - €857,841 thousand (€839,656 thousand)
(current) - €110,112 thousand (€119,122 thousand)

The provisions are up €9,175 thousand compared with 31 December 2022, reflecting the combined effect of:

- operating provisions for the year, amounting to €494,560 thousand, in connection with an updated estimate of the cost of repairs to network infrastructure;
- financial provisions (€13,626 thousand);
- uses during the year of €499,011 thousand, in relation to maintenance of the motorway network, including €155,779 thousand in non-recurring maintenance.

PROVISIONS FOR FINES AND PENALTIES UNDER THE SINGLE CONCESSION ARRANGEMENT
(current) - €16,406 thousand (€16,481 thousand)

The value of these provisions as at 31 December 2023 is unchanged compared with the previous year and consist of:

- a) the total amount of €9,506 thousand for penalties imposed (or that could be imposed based on the alleged breaches) for the years from 2009 to 2019 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 €6,900 thousand for penalties or fines imposed in relation to snow events, disruption to traffic and inspections.

Further information on significant legal and regulatory aspects is provided in note 9.4, "Significant legal and regulatory aspects".

OTHER PROVISIONS FOR RISKS AND CHARGES

(non-current) - €1,134,130 thousand (€1,336,353 thousand)

(current) - €300,559 thousand (€188,206 thousand)

These provisions relate to risks and charges deemed to be likely to occur at the end of the period. The item is down €89,870 thousand from the figure for 31 December 2022, primarily due to a combination of the following:

- a) direct uses of €118,087 thousand, primarily relating to commitments included in the settlement agreement with the MIT and the Government, relating to toll discounts for road users and discounts to compensate for disruption caused by roadworks (€67,978 thousand) and to works forming part of the unremunerated investment plan (€29,819 thousand carried out in 2023);
- b) operating provisions (€23,184 thousand), which reflect the effect of movements in the interest rates used to discount the provisions relating to the settlement agreement with the MIT to present value.

Further details on disputes pending as at 31 December 2023, and developments during the year, are provided in note 9.4, "Significant legal and regulatory aspects".

6.11 Financial liabilities

(non-current) - €10,697,339 thousand (€10,279,470 thousand)

(current) - €1,552,375 (€1,167,048)

MEDIUM/LONG-TERM FINANCIAL LIABILITIES

(non-current) - €10,697,339 thousand (€10,279,470 thousand)

(current) - €1,305,640 thousand (€1,033,543 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):

€000	Note	31 December 2023			31 December 2022				
		Face value	Carrying amount	Current portion	Non-current portion	Face value	Carrying amount	Current portion	Non-current portion
Bond 2004-2024		1,000,000	998,727	998,727	-	1,000,000	995,918	995,918	
Bond 2009-2038 (IPV) (1)		149,176	164,911	-	164,911	149,176	181,046	181,046	
Bond 2010-2025		500,000	499,102	-	499,102	500,000	498,607	498,607	
Bond 2012-2032		35,000	35,000	-	35,000	35,000	35,000	35,000	
Bond 2012-2032 (Zero Coupon Bond)		88,608	88,608	-	88,608	88,608	84,196	84,196	
Bond 2013-2033		75,000	73,424	-	73,424	75,000	73,288	73,288	
Bond 2014-2038		75,000	73,163	-	73,163	75,000	73,069	73,069	
Bond 2014-2034		125,000	124,160	-	124,160	125,000	124,094	124,094	
Bond 2015-2023		-	-	-	-	750,000	748,911	748,911	
Bond 2015-2025		500,000	499,246	-	499,246	500,000	498,849	498,849	
Bond 2015-2026		750,000	747,919	-	747,919	750,000	747,108	747,108	
Bond 2016-2027		600,000	597,454	-	597,454	600,000	596,661	596,661	
Bond 2017-2029		700,000	674,676	-	674,676	700,000	670,627	670,627	
Bond 2020-2028		1,250,000	1,230,152	-	1,230,152	1,250,000	1,226,396	1,226,396	
Bond 2021-2030		1,000,000	988,519	-	988,519	1,000,000	986,746	986,746	
Bond 2022-2028		500,000	496,778	-	496,778	500,000	496,021	496,021	
Bond 2022-2032		500,000	493,971	-	493,971	500,000	493,301	493,301	
Bond 2023-2031		750,000	743,069	-	743,069	-	-	-	
Bond 2023-2033		750,000	744,351	-	744,351	-	-	-	
Bond issues (2)		9,347,784	9,272,270	9,987,727	8,273,543	8,589,180	8,529,838	748,911	7,780,527
European Investment Bank (EIB)		970,717	970,717	79,549	891,168	1,049,205	1,049,205	78,488	970,717
Cassa di Risparmio di Firenze (3)		1,367,442	1,377,450	29,001	1,354,449	92,185	1,262,264	22,976	1,368,064
Bank borrowings (A)		2,338,159	2,348,167	108,550	2,245,617	1,833,646	2,439,903	2,400,245	101,464
ANAS (4)		136,791	136,791	17,296	119,495	119,495	174,170	44,251	129,919
Other borrowings (B)		136,791	136,791	17,296	119,495	119,495	174,170	44,251	129,919
Lease liabilities		24,835	24,835	5,249	19,586	11,328	8,258	28,079	5,349
Other liabilities (C)		24,835	24,835	5,249	19,586	11,328	8,258	28,079	5,349
Medium/long-term borrowings (A+B+C) (2)		2,499,785	2,509,793	125,095	2,384,698	1,833,646	2,642,152	2,642,494	151,064
Derivative liabilities (5)		-	39,098	-	39,098	-	7,113	-	7,113
Accrued expenses on medium/long-term financial liabilities (2)		-	181,818	181,818	-	-	133,568	133,568	-
Other medium/long-term financial liabilities		-	181,818	181,818	-	-	133,568	133,568	-
Medium/long-term financial liabilities		12,002,979	12,002,979	1,305,640	10,697,339	4,623,445	11,313,013	1,093,543	10,279,470

(1) As at 31 December 2023, 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 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 yen are shown at the exchange rates of the Cross Currency Swaps hedging the bonds.

(3) As at 31 December 2023, certain of these bonds are hedged against interest rate risk with notional amounts and currencies matching those of the underlyings and included in "Derivative assets".

(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 Cross Currency Swaps referred to above in note 1.

b) type of interest rate, maturity and fair value:

€000	Maturity	31 December 2023		31 December 2022	
		Carrying amount (1)	Fair value (2)	Carrying amount (1)	Fair value (2)
Bond (issued 2004)	2024	998,727	1,008,200	995,918	1,024,170
Bond (issued 2009 - JPY)	2038	164,911	131,717	181,046	136,288
Bond (issued 2010)	2025	499,102	506,380	498,607	496,800
Bond (issued 2012)	2032	35,000	34,668	35,000	32,007
Bond (issued 2012 - Zero Coupon Bond)	2032	88,608	90,909	84,196	74,574
Bond (issued 2013)	2033	73,424	64,101	73,288	59,732
Bond (issued 2014)	2034	124,160	109,228	124,094	92,924
Bond (issued 2014)	2038	73,163	59,009	73,069	55,430
Bond (issued 2015)	2023	-	-	748,911	744,480
Bond (issued 2015)	2025	499,246	484,795	498,849	463,290
Bond (issued 2015)	2026	747,919	715,523	747,108	674,940
Bond (issued 2016)	2027	597,454	568,800	596,661	523,728
Bond (issued 2017)	2029	674,676	623,910	670,627	558,726
Bond (issued 2020)	2028	1,230,152	1,150,900	1,226,396	1,031,738
Bond (issued 2021)	2030	988,519	889,450	986,746	794,780
Bond (issued 2022)	2028	496,778	460,100	496,021	415,410
Bond (issued 2022)	2032	493,971	444,725	493,301	397,390
Bond (issued 2023)	2031	742,069	775,058	-	-
Bond (issued 2023)	2033	744,391	786,735	-	-
	<i>listed fixed rate</i>	<i>9,272,270</i>	<i>8,904,206</i>	<i>8,529,838</i>	<i>7,576,406</i>
Bond issues		9,272,270	8,904,206	8,529,838	7,576,406
European Investment Bank (EIB)	from 2024 to 2036	970,717	979,347	1,049,206	975,279
	<i>fixed rate</i>	<i>970,717</i>	<i>979,347</i>	<i>1,049,206</i>	<i>975,279</i>
Cassa Depositi e Prestiti	from 2024 to 2034	1,377,450	1,428,089	1,391,039	1,410,112
	<i>floating rate</i>	<i>1,377,450</i>	<i>1,428,089</i>	<i>1,391,039</i>	<i>1,410,112</i>
Bank borrowings (B)		2,348,167	2,407,436	2,440,245	2,385,391
ANAS		136,791	136,791	174,170	174,170
Other borrowings (C)		136,791	136,791	174,170	174,170
Lease liabilities		24,835	24,835	28,079	28,079
Lease liabilities (L)		24,835	24,835	28,079	28,079
Medium/long-term borrowings (A+B+C)		2,509,793	2,569,062	2,642,494	2,587,640
Derivative liabilities		39,098	39,098	7,113	7,113
Accrued expenses on medium/long-term		181,818	181,818	133,568	133,568
Other medium/long-term liabilities		181,818	181,818	133,568	133,568
Medium/long-term financial liabilities		12,002,979	11,694,184	11,313,013	10,304,727

(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 2023				31 December 2022	
	Face value (€000)	Carrying amount (€000)	Average interest rate applied to 31 December 2023 (1)	Effective interest rate as at 31 December 2023	Face value (€000)	Carrying amount (€000)
Euro (EUR)	11,698,392	11,617,152	3.24%	3.22%	11,058,900	10,991,286
Jen (JPY)	149,176	164,911	5.30%	3.39%	149,176	181,046
Total	11,847,568	11,782,063	3.27%		11,208,076	11,172,332

(1) This amount includes the effect of interest rate and currency hedges as at 31 December 2023.

- 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 2022 (1)	New borrowings	Repayments	Translation differences and other changes	Change in exposure to ANAS	Carrying amount as at 31 December 2023 (1)
						40908
Bond issues	8,529,838	1,485,354	(750,000)	7,078	-	9,272,270
Bank borrowings	2,440,245	-	(101,745)	9,667	-	2,348,167
Other borrowings	174,170	-	-	(37,379)	-	136,791
Lease liabilities	28,079	5,284	(7,152)	(1,376)	-	24,835
Medium/long-term borrowings	2,642,494	5,284	(108,897)	(29,088)	-	2,509,793
Total	11,172,332	1,490,638	(858,897)	(22,010)	-	11,782,063

(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 2023 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) - €8,273,543 thousand (€7,780,927 thousand)

(current) - €998,727 thousand (€748,911 thousand)

This item consists of Autostrade per l’Italia’s bond issues placed with institutional investors only (€9,272,270 thousand).

The balance is up €742,432 thousand compared with 31 December 2022 essentially reflects the combined effect of:

- a) bond issues, in January and June 2023, amounting to €750,000 thousand each, maturing in 2031 and 2033, respectively;
- c) repayment on 12 June 2023 of retail bonds with a residual nominal value of €750,000 thousand.

Limited to the private placement in Japanese yen (amounting to 20,000,000 thousand yen, equal to €164,911 thousand as at 31 December 2023), 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 2023 they have all been complied with.

MEDIUM/LONG-TERM BORROWINGS

(non-current) - €2,384,698 thousand (€2,491,430 thousand)

(current) - €125,095 thousand (€151,064 thousand)

The balance of this item, including both current and non-current portions as at 31 December 2023, primarily consists of bank borrowings, amounting to €2,348,167 thousand.

The balance for 2023 is down €92,078 thousand compared with 31 December 2022, primarily due to repayments of bank borrowings under the related contracts.

With regard to certain borrowings, the Company is required to comply with the minimum ratio for “Operating Cash Flow available for Debt Service” and the “Debt-service coverage ratio” (DSCR), both complied with as at 31 December 2023.

DERIVATIVE LIABILITIES

(non-current) - €39,098 thousand (€7,113 thousand)

(current) - €- (-)

As at 31 December 2023, this item includes Cross Currency Swaps executed to hedge the Company’s exposure to foreign currency risk relating to the yen-denominated bond issue.

The increase in this item compared with 31 December 2022, amounting to €31,985 thousand, is linked to the fall in interest rates as at 31 December 2023 compared with 31 December 2022 (€19,869 thousand) and a weakening of the Japanese yen against the euro (€12,116 thousand).

OTHER MEDIUM/LONG-TERM FINANCIAL LIABILITIES

(non-current) - €- (-)

(current) - €181,818 thousand (€133,568 thousand)

The balance of this item consists primarily of accrued interest payable on the following:

- a) bond issues (€160,670 thousand);
- b) bank borrowings (€20,121 thousand);

The increase of €47,812 thousand in this item compared with 31 December 2022 primarily reflects an increase in accrued payments due on bond issues.

SHORT-TERM FINANCIAL LIABILITIES

€246,735 thousand (€133,505 thousand)

The composition of short-term financial liabilities is shown below.

€000	31 December 2023	31 December 2022
Intercompany current account		
payables due to related parties	164,735	43,505
Other current financial liabilities	82,000	90,000
Short-term financial liabilities	246,735	133,505

The increase in short-term financial liabilities of €113,230 thousand, compared with 31 December 2022 primarily reflects an increase in the balance of intercompany current account deposits made by Group companies (€121,230 thousand).

“Other current financial liabilities” include term deposits of liquidity held by Autostrade per l’Italia and made by the subsidiaries, Autostrade Meridionali, Società Italiana Traforo del Monte Bianco and Raccordo Autostradale Val D’Aosta. This item is essentially unchanged compared with 31 December 2022.

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 2023	31 December 2022
Cash	(1,651,504)	(1,235,099)
Cash equivalents ⁽¹⁾	(393,578)	(852,347)
Other current financial assets ⁽²⁾	(2,435)	(317,974)
Liquidity (A)	(2,047,517)	(2,405,420)
Current financial liabilities ⁽³⁾	246,735	133,505
Current portion of medium/long-term financial liabilities	1,305,640	1,033,543
Current debt (B)	1,552,375	1,167,048
Current net debt (C=A+B)	(495,142)	(1,238,372)
Non-current financial liabilities ⁽⁴⁾	2,423,796	2,498,543
Debt instruments ⁽⁵⁾	8,273,543	7,780,927
Non-current debt (D)	10,697,339	10,279,470
Net debt as defined by ESMA guideline (E=D+C)	10,202,197	9,041,098

RECONCILIATION OF NET DEBT AS DEFINED BY ESMA RECOMMENDATION AND NET DEBT

€000	31 December 2023	31 December 2022
Net debt as defined by ESMA guideline (E)	10,202,197	9,041,098
Current financial assets⁽⁶⁾ net of derivatives (F)	(279,684)	(320,886)
Non-current financial assets (G)	(426,272)	(494,145)
Reported net debt (H=E+F+G)	9,496,241	8,226,067

- (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 2023".
- (2) These are 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 2022".
- (3) Includes the value of "Bank overdrafts repayable on demand", "intercompany current account payables due to related parties" and "Other current financial liabilities", as reported in note 6.11 in the "Separate financial statements as at and for the year ended 31 December 2023".
- (4) Includes the value of "Medium/long-term borrowings", "Non-current derivative liabilities" and "Other non-current financial liabilities", as reported in note 6.11 in the "Separate financial statements as at and for the year ended 31 December 2023".
- (5) Includes the value of "Bond issues", as reported in note 6.11 in the "Separate financial statements as at and for the year ended 31 December 2023".
- (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 2022" and included in "Other current financial assets" in the above ESMA statement.

6.12 Net deferred tax liabilities - €611,211 thousand (€511,027 thousand)

The following tables show deferred tax liabilities, after offsetting against deferred tax assets.

€000	31 December 2023	31 December 2022
Deferred tax liabilities (IRES)	1,554,361	1,495,819
Deferred tax liabilities (IRAP)	273,021	273,021
Deferred tax liabilities	1,827,382	1,768,840
Deferred tax assets eligible for offset (IRES)	1,079,640	1,117,455
Deferred tax assets eligible for offset (IRAP)	136,531	140,358
Deferred tax assets eligible for offset	1,216,171	1,257,813
Net deferred tax liabilities	611,211	511,027

The nature of the temporary differences giving rise to deferred taxation and changes during the period are summarised in the following table.

€000	CHANGES DURING THE YEAR					31 December 2023
	31 December 2022	Provisions	Releases	Provisions (releases) in other comprehensive income	Change in prior year estimates and other changes	
Off-balance sheet amortisation of goodwill	1,638,922	84,365	-	-	-	1,723,287
Derivative assets	125,110	-	-	(23,274)	-	101,836
Actuarial valuation of provisions for employee benefits through profit or loss	4,787	-	(2,528)	-	-	2,259
Other temporary differences	21	-	(21)	-	-	-
Deferred tax liabilities	1,768,840	84,365	(2,549)	(23,274)	-	1,827,382
Restatement of total amount subject to IFRIC 12	288,489	-	(18,030)	-	-	270,459
Provisions	938,933	212,532	(232,184)	-	(12)	919,269
Derivative liabilities	18,924	-	-	(70)	-	18,854
Actuarial gains and losses on provisions for employee benefits	4,792	-	-	(2,533)	-	2,259
Impairment of receivables and inventories	6,105	981	(861)	-	(1,495)	4,730
Other temporary differences	570	143	(113)	-	-	600
Deferred tax assets eligible for offset	1,257,813	213,656	(251,188)	(2,603)	(1,507)	1,216,171
Net deferred tax liabilities	511,027	(129,291)	248,639	(20,671)	1,507	611,211

As shown above, the balance as at 31 December 2023 substantially includes the following:

- deferred tax liabilities, recognised since 2003, relating to the deduction, solely for tax purposes, of goodwill amortisation;
- the undeducted portion of provisions, primarily for the repair and replacement of motorway infrastructure and provisions for risks and charges, related to commitments assumed by the Company with the Ministry of Infrastructure and Transport.
- 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 balance of this item is up €100,184 thousand compared with 31 December 2022, primarily as a result of the provision for deferred tax liabilities (€84,365 thousand) made following off-balance sheet amortisation of goodwill, considering that the provisions and uses of deferred tax assets on provisions broadly offset each other.

6.13 Other non-current liabilities - €20,409 thousand (€28,186 thousand)

The composition of this item, is shown below.

€000	31 December 2023	31 December 2022
Accrued expenses of a non-trading nature	20,409	21,083
Amounts payable to staff	-	5,365
Social security contributions payable	-	1,738
Other non-current liabilities	20,409	28,186

6.14 Trading liabilities - €1,759,835 thousand (€1,811,127 thousand)

Trading liabilities primarily consist of:

€000	31 December 2023	31 December 2022
Amounts payable to suppliers	977,603	995,192
Payable to operators of interconnecting motorways	715,165	750,470
Tolls in the process of settlement	66,825	65,350
Other trading liabilities	242	115
Trading liabilities	1,759,835	1,811,127

The reduction in trading liabilities, amounting to €51,292 thousand, is primarily due to:

- a) a reduction in amounts payable to the operators of interconnecting motorways (€35,505 thousand), as a result of the greater amount of advances paid in 2023 compared with those paid in 2022, which were based on the reduced volume of traffic registered in 2021;
- b) a reduction in amounts payable to suppliers (€17,589 thousand), reflecting maintenance and investment carried out in the comparative periods.

The balance as at 31 December 2023 also reflects introduction of the “split payment” regime for VAT from 1 January 2023, as required by the legislation in force.

The carrying amount of trading liabilities approximates to fair value.

6.15 Other current liabilities - €278,472 thousand (€223,439 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 2023 is shown below.

€000	31 December 2023	31 December 2022
Concession fees payable	86,149	81,427
Amounts payable to staff	61,313	52,031
Taxation other than income taxes	63,694	14,071
Other payables	39,820	54,202
Social security contributions payable	23,836	19,831
Guarantee deposits by road users who pay by direct debit	3,660	1,873
Amounts payable for expropriations	-	4
Other current liabilities	278,472	223,439

The increase of €55,033 thousand in other current liabilities compared with 31 December 2022 essentially reflects an increase in VAT payable (€46,478 thousand) under the “split payment” regime for VAT applied from 1 January 2023 and accounted for in the item, “Taxation other than income taxes”.

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 2022 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 - €3,638,380 thousand (€3,491,415 thousand)

Toll revenue is up €146,965 thousand compared with 2022. This reflects a 3.7% increase in traffic on the network (up 3.2% after taking into account the negative effect of the traffic mix¹) and the toll increase of 1.59% granted to the Company. This item also includes increases deriving from the use of provisions for risks and charges made in previous years to cover the discounts and exemptions granted to road users and amounting to €68,799 thousand in 2023 (€101,887 thousand in 2022). As a result, the impact of such components on income is zero. Finally, this item also includes the surcharges added to the concession fee payable to ANAS, amounting to €374,614 thousand (€364,620 thousand in 2022) and accounted for in operating costs under the item “Concession fees”, as described in note 8.7, “Other operating costs”. After stripping out this surcharge, toll revenue is up €136,971 thousand.

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 - €1,317,594 thousand (€896,608 thousand)

Revenue from construction services, amounting to €1,317,594 thousand, relates to the construction of infrastructure and represents the fair value of the consideration due in return for the construction and upgrade services rendered in relation to concession assets during the period, as indicated in note 3, “Accounting standards and policies applied”.

Details of total investment in concession assets during the year are provided in note 6.2, “Intangible assets”.

7.3 Other operating income - €304,482 thousand (€264,263 thousand)

An analysis of other operating income is provided below.

¹ The effect of the change in traffic within each of the different toll classes compared with the comparative period.

€000	2023	2022	Increase/ (Decrease)
Revenue from sub-concessions at service areas	161,483	150,521	10,962
Damages and compensation	48,508	16,897	31,611
Refunds	22,212	22,679	(467)
Service revenue	13,967	13,136	831
Maintenance revenue	15,934	15,234	700
Other revenue from motorway operation	15,060	14,083	977
Advertising revenue	1,973	1,921	52
Revenue from the sale of technology devices and services	502	320	182
Other income	24,843	29,472	(4,629)
Other revenue	304,482	264,263	40,219

Other operating income is up €40,219 thousand compared with 2022, mainly due to:

- a) recognition of insurance proceeds of €29,000 thousand paid to Autostrade per l'Italia by the insurance company following the claim made under the All Risks policy agreed by the Company for the period of insurance in which the Polcevera road bridge event took place;
- b) increased revenue from sub-operators at service areas (€10,962 thousand), primarily due an increase in royalties.

The breakdown of "Total revenue", based on satisfaction of the related performance obligations, is provided below in accordance with IFRS 15.

€000	2023				2022			
	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	3,638,380	-	-	3,638,380	3,491,415	-	-	3,491,415
Revenue from construction services	-	1,317,594	-	1,317,594	-	896,608	-	896,608
Other operating income	34,450	-	270,032	304,482	32,427	-	231,836	264,263
Total Revenue	3,672,830	1,317,594	270,032	5,260,456	3,523,842	896,608	231,836	4,652,286

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 - -€85,125 thousand (-€67,617 thousand)

This item consists of purchases of materials and the change in inventories of raw and consumable materials. The increase of €17,508 thousand primarily regards the higher cost of raw materials and an increase in capital expenditure and maintenance of motorway infrastructure.

€000	2023	2022	Increase/ (Decrease)
Electrical and electronic materials	(32,693)	(28,251)	(4,442)
Lubricants and fuel	(12,750)	(10,991)	(1,759)
Construction materials	(17,536)	(18,723)	1,187
Other raw and consumable materials	(31,910)	(23,397)	(8,513)
Cost of materials	(94,889)	(81,362)	(13,527)
Change in inventories of raw, ancillary and consumable materials and goods for resale	8,825	12,933	(4,108)
Capitalised cost of raw materials	939	812	127
Raw and consumable materials	(85,125)	(67,617)	(17,508)

7.5 Service costs - -€1,872,646 thousand (-€1,386,693 thousand)

An analysis of the balance is shown below.

€000	2023	2022	Increase/ (Decrease)
Construction and similar	(1,235,563)	(908,676)	(326,887)
Professional services	(442,124)	(283,171)	(158,953)
Utilities	(51,170)	(50,750)	(420)
Transport and similar	(23,660)	(20,642)	(3,018)
Insurance	(18,458)	(19,972)	1,514
Advertising	(11,568)	(7,561)	(4,007)
Statutory Auditors' fees	(280)	(293)	13
Other services	(89,823)	(95,628)	5,805
Service costs	(1,872,646)	(1,386,693)	(485,953)

Service costs are up €485,953 thousand compared with 2022. The increase reflects the higher costs incurred in 2023 due to the increase in capital expenditure and maintenance of motorway infrastructure.

“Service costs” do not include the costs of works included in the unremunerated investment programme (€29,819 thousand in 2023 and €338,214 thousand in 2022), which are presented as a direct reduction in provisions for risks and charges, made to cover these costs in previous years.

7.6 Staff costs –-€468,413 thousand (-€422,207 thousand)

Staff costs break down as follows.

€000	2023	2022	Increase/ (Decrease)
Wages and salaries	(303,192)	(293,285)	(9,907)
Social security contributions	(89,690)	(87,341)	(2,349)
Other provisions for staff	(35,000)	-	(35,000)
Payments to supplementary pension funds, INPS and for post-employment benefits	(17,446)	(17,636)	190
Directors' remuneration	(2,312)	(2,022)	(290)
Cost of share-based incentive plans	-	(753)	753
Recovery of cost of seconded staff	11,151	11,238	(87)
Other staff costs	(33,001)	(34,282)	1,281
Capitalised staff costs	1,077	1,874	(797)
Staff costs	(468,413)	(422,207)	(46,206)

Staff costs are up €46,206 thousand compared with 2022 (€422,207 thousand), essentially due to:

- other provisions for employee benefits, primarily due to the impact of the extraordinary early retirement scheme introduced (€35,000 thousand);
- an increase of 73 in the average workforce, reflecting recruitment linked to improvements in safety and quality and governance, coordination and control activities, partially offset by a slowdown in turnover among toll collectors;
- an increase in the overall average cost due to the costs linked to the national collective labour agreement.

The following table shows the average number of employees (by category and including agency staff).

WORKFORCE	2023	2022	Increase/(Decrease)	%
Senior managers	112	105	7	7%
Middle managers	252	256	(4)	-2%
Administrative staff	2,301	2,179	122	6%
Toll collectors	1,461	1,499	(38)	-3%
Operational personnel	841	855	(14)	-2%
Average workforce	4,967	4,894	73	1%

7.7 Other operating costs —€542,783 thousand (-€516,367 thousand)

An analysis of other operating costs is shown below.

€000	2023	2022	Increase/ (Decrease)
Concession fees	(462,588)	(448,683)	(13,905)
Lease expense	(11,426)	(7,769)	(3,657)
Compensation for damages and penalties	(17,228)	(9,535)	(7,693)
Grants and donations	(33,646)	(20,104)	(13,542)
Direct and indirect taxes	(11,478)	(15,507)	4,029
Other	(6,417)	(14,769)	8,352
Other costs	(68,769)	(59,915)	(8,854)
Other operating costs	(542,783)	(516,367)	(26,416)

Other operating costs are up €26,416 thousand in 2023 compared with 2022, primarily due to an increase in:

- a) concession fees (€13,905 thousand), linked to the performance of traffic, toll revenue and sub-concession arrangements;
- b) an increase in grants and donations (€13,542 thousand), primarily reflecting specific agreements with public bodies in connection with the upgrade of infrastructure.

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, which converted, with amendments, Law Decree 78/2009, 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 - -€18,658 thousand (€32,750 thousand)

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. This item reflects net provisions of €18,658 thousand, primarily reflecting the negative impact of the reduction in the interest rates used to discount provisions for risks and charges and provisions for the repair and replacement of motorway infrastructure, given that provisions and uses of the latter broadly offset each other. In 2022, this item reflected a net use (income) of €32,750 thousand due to the opposite movement in discount rates.

7.9 Amortisation and depreciation - -€641,935 thousand (-€574,978 thousand)

The increase of €66,957 thousand compared with 2022 essentially reflects an increase in amortisation of intangible assets deriving from concession rights (€56,734 thousand) in relation to the higher value of motorway construction services carried out in 2022.

7.10 (Impairment losses)/reversals of impairment losses on current and non-current assets - -€16,051 thousand (-€2,724 thousand)

The balance of this item in 2023 primarily consists of the impairment loss on the Company's investment in the subsidiary, EssediEsse Società di Servizi SpA (€12,000 thousand) and the impairment of trade receivables, amounts due from insurance companies and unpaid tolls relating to previous years, reflecting the risk of partial non-collection.

7.11 Financial income/(expenses) - -€370,660 thousand (-€191,572 thousand)

Financial income - €133,537 thousand (€237,854 thousand)

Financial expenses - -€504,208 thousand (-€429,433 thousand)

Foreign exchange gains/(losses) - €11 thousand (-€7 thousand)

An analysis of financial income and expenses is shown below.

€000	2023	2022	Increase/ (Decrease)
Dividends received from investees	20,081	100,759	(80,678)
Income from derivative financial instruments	32,720	101,347	(68,627)
Income from measurement of financial instruments at amortised cost	1,902	12,619	(10,717)
Interest income	77,534	21,815	55,719
Financial income accounted for as an increase in financial assets	951	952	(1)
Other	349	362	(13)
Other financial income	113,456	137,095	(23,639)
Totale financial income (a)	133,537	237,854	(104,317)
Financial expenses from discounting of provisions	(20,549)	(10,567)	(9,982)
Interest expense	(399,262)	(299,427)	(99,835)
Losses on derivative financial instruments	(33,847)	(67,155)	33,308
Expenses from measurement of financial instruments at amortised cost	(22,159)	(25,998)	3,839
Interest expense accounted for as an increase in	(4,411)	(4,192)	(219)
Other	(21,846)	(22,094)	248
Other financial expenses	(481,525)	(418,866)	(62,659)
Impairment losses on financial assets and investments	(2,134)	-	(2,134)
Total financial expenses (b)	(504,208)	(429,433)	(74,775)
Foreign exchange gains/(losses) (c)	11	7	4
Financial income/(expenses) (a+b+c)	(370,660)	(191,572)	(179,088)

“Dividends received from investees” total €20,081 thousand primarily relate to dividends received from the subsidiaries. In 2022, dividends included income from the distribution of a portion of Autostrade Meridionali's equity reserves in December.

“Other financial expenses”, after “Other financial income”, amount to €368,058 thousand and are up €86,294 thousand compared with the previous year (€281,764 thousand), which included

financial income resulting from the change in the fair value of Autostrade per l'Italia's IRSs redesignated as cash flow hedges in the second half of 2022 (€75,215 thousand).

7.12 Income tax (expense)/benefit - -€372,511 thousand (-€325,746 thousand)

An analysis of income tax expense is shown below.

€000	2023	2022	Increase/ (Decrease)
IRES	(183,010)	(115,171)	(67,839)
IRAP	(70,014)	(6,429)	(63,585)
Other	-	(123,113)	123,113
Current tax benefit of tax loss carry-forwards	-	-	-
Current tax expense	(253,024)	(244,713)	(8,311)
Differences on current tax expense for previous years	1,368	(15,922)	17,290
Provisions	213,656	151,521	62,135
Releases	(251,188)	(317,432)	66,244
Changes in prior year estimates	(1,507)	14,951	(16,458)
Deferred tax income	(39,039)	(150,960)	111,921
Provisions	(84,365)	(133,214)	48,849
Releases	2,549	-	2,549
Changes in prior year estimates	-	219,063	(219,063)
Deferred tax expense	(81,816)	85,849	(167,665)
Deferred tax income/(expense)	(120,855)	(65,111)	(55,744)
Income tax (expense)/benefit	(372,511)	(325,746)	(46,765)

Income tax expense for 2023 amounts to €372,511 thousand (€325,746 thousand in 2022). Despite the reduction in profit before tax after untaxed dividends, this item is up €46,765 thousand compared with 2022, which benefitted from recognition of the impact of the exemption from taxation of off-balance sheet amortisation of goodwill (Law 244/2007), amounting to €95,945 thousand.

The following table shows a reconciliation of the statutory rate of IRES with the effective charge in the two comparative periods.

€000	2023			2022		
	Taxable income	Tax expense		Taxable income	Tax expense	
		Tax	Tax rate		Tax	Tax rate
Profit/(Loss) before tax from continuing operations	1,245,613			1,523,702		
IREs tax expense computed using statutory rate		298,947	24.00%		365,688	24.00%
Temporary differences deductible in future years	783,400	188,016	15.09%	557,069	133,696	8.77%
Provisions for the repair and replacement of motorway infrastructure	713,188	171,165		523,199	125,568	
Provisions for other risks and charges	21,045	5,051		17,964	4,311	
Other differences	49,167	11,800		15,906	3,817	
Temporary differences deductible in future years	(340,967)	(81,832)	(6.57%)	(353,092)	(84,742)	(5.56%)
Off-balance sheet deduction of goodwill	(351,520)	(84,365)		(351,520)	(84,365)	
Actuarial valuation of provisions for post-employment benefits through profit or loss	10,553	2,533		(1,572)	(377)	
Net reversal of prior year temporary differences	(923,718)	(221,692)	(17.80%)	(1,153,840)	(276,921)	(18.17%)
Release of provisions for the repair and replacement of motorway infrastructure	(731,924)	(175,662)		(632,268)	(151,744)	
Release of provisions for risks and charges	(115,603)	(27,745)		(436,529)	(104,767)	
Restatement of overall balance due to application of IFRIC12	(67,651)	(16,236)		(67,651)	(16,236)	
Other differences	(8,540)	(2,050)		(17,392)	(4,174)	
Permanent differences	(1,786)	(429)	(0.03%)	(93,959)	(22,550)	(1.48%)
Non-taxable dividends	(19,077)	(4,578)		(95,721)	(22,973)	
Other permanent differences	17,291	4,150		1,762	423	
Income assessable to IRES	762,542			479,880		
IREs for the year		183,010	14.69%		115,171	7.56%
IRAP for the year		70,014	5.62%		6,249	0.42%
Other income tax expense (*)		-	0.00%		123,113	8.08%
Current income tax expense		253,024	20.31%		244,713	16.06%

(*) Other income tax expense regards payment of the substitute tax payable on the exemption from taxation of off-balance sheet amortisation of goodwill.

8. OTHER FINANCIAL INFORMATION

8.1 Notes to the statement of cash flows

Cash flow in 2023, compared with 2022, is analysed below. The statement of cash flows is included in the “Financial statements”.

Cash flows during 2023 resulted in decrease in cash and cash equivalents of €163,594 thousand, compared with the increase of €490,329 thousand in 2022.

Cash flows from operating activities amount to €1,633,155 thousand in 2023, up €294,126 thousand compared with the figure for 2022 (€1,339,029 thousand). Cash flow in 2023 essentially reflects operating cash flow¹ of €1,607,593 thousand, up €337,992 thousand compared with 2022 (€1,269,601 thousand), primarily due to a reduction in operating uses of provisions for risks and charges, reflecting the fact that the provisions of €1.2 billion for

¹ “Operating cash flow” indicates 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.

“unremunerated investment¹” included in the Settlement Agreement with the MIT were almost completely used up at the end of December 2022.

Cash used in investing activities amounts to €1,088,976 thousand, up €66,032 thousand compared with 2022 (€1,022,944 thousand). The outflow in 2023 essentially reflects:

- a) investment in concession assets (€1,317,594 thousand);
- b) investment in property, plant and equipment and in other intangible assets (€108,241 thousand);
- c) the net change in current and non-current financial assets, resulting in an inflow of €340,857 thousand, primarily following the unwinding of Forward-starting Interest Rate Swaps (€282,431 thousand) at the time of the bond issues, and a reduction in financial assets due to the collection of grants totalling €41,621 thousand, as described in note 6.4, “Financial assets”.

Cash flow used in financing activities in 2023 amounts to €707,773 thousand, a difference of €882,017 thousand compared with the cash inflow in 2022 (€174,244 thousand). This primarily reflects the following:

- a) payment of the final dividend paid for 2022, amounting to €924,332 thousand, and the interim dividend for 2023, totalling €434,175 thousand;
- b) repayment, in June 2023, of retail bonds worth €750,000 thousand;
- c) the repayment of medium/long-term borrowings, totalling €101,745 thousand;
- d) the two sustainability-linked bond issues, in January and June 2023, with a total value of €1,485,354 thousand, previously referred to in note 6.11, “Financial liabilities”.

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) market risk, principally with respect to the effect of movements in interest and foreign exchange rates on financial liabilities assumed and financial assets acquired;
- b) 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;
- 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.

¹ Unremunerated investment of €29,819 thousand in 2023 and €338,214 thousand in 2022.

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 2023, 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 2023 is approximately five years. The average cost of medium to long-term debt for 2023 was 3.27% (including the impact of cash flow hedges entered into).

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 2023 as cash flow hedges;
- 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 2023, 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 given that all the requirements of IFRS 9 have been met.

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 2023 amount to a total notional amount of €1,000 million, accounted for as cash flow hedges with any changes recognised in equity. Gains or losses are or will be taken to profit or loss when the interest flows from the hedged financial liabilities crystallise.

As at 31 December 2023, as a result of the hedges entered into, 90% 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.

1% of the Company's medium/long-term debt is denominated in currencies other than the euro (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 2023 (compared with 31 December 2022), showing the corresponding market and notional values.

€000		31 December 2023		31 December 2022	
Type	Purpose of hedge	Fair value asset/(liability)	Notional amount	Fair value asset/(liability)	Notional amount
<i>Cash flow hedges (1)</i>					
Cross Currency Swaps	Interest rate and currency risk	(33,482)	149,176	(7,113)	149,176
Forward-Starting Interest Rate Swaps	Interest rate risk	152,042	1,000,000	507,084	2,500,000
Interest Rate Swaps	Interest rate risk	(4,346)	367,442	7,750	490,698
		114,214	1,516,618	507,721	3,139,873
	of which:				
	fair value (asset)	153,312		514,834	
	fair value (liability)	(39,098)		(7,113)	

(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 2023 and on equity as at 31 December 2023.

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 1% fall in market interest rates would have had a negative impact on the consolidated income statement, totalling €21,318 thousand, before the related taxation, essentially attributable to a reduced return on the investment of liquidity, and a negative impact on other comprehensive income of €77,769 thousand, essentially attributable to a reduction in outstanding derivative instruments; in contrast, an unexpected 1% rise in market interest rates would have a negative impact on the Group's income statement of approximately €11,019 thousand, primarily due to the exposure to the variable rate payable on the Term Loan 2017 from CDP;
- 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 €4,106 thousand, linked to the movement in fair value losses on Cross Currency Swaps in yen.

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 2023, the Company has lines of credit amounting to €2,325 million with a weighted average residual term to maturity of approximately 3 years and a weighted average residual drawdown period of approximately two years and seven months, including:

- a) a revolving credit facility amounting to €750 million and having a weighted average residual term to maturity of two years and three months obtained in 2021;
- b) seven revolving credit facilities amounting to €850 million and having a weighted average residual term to maturity of three years and four months obtained in 2022;
- c) six revolving credit facilities amounting to €725 million and having a weighted average residual term to maturity of three years and two months obtained in 2023.

Details of drawn and undrawn committed sustainability-linked lines of credit are shown below.

€000			31 December 2023		
Credit facility	Drawdown period expires	Final maturity	Available	Drawn	Undrawn
Sustainability-linked revolving credit facility	27 January 2026	27 April 2026	750,000	-	750,000
Sustainability-linked revolving credit facility	28 June 2027	28 September 2027	100,000	-	100,000
Sustainability-linked revolving credit facility	14 July 2026	14 October 2026	100,000	-	100,000
Sustainability-linked revolving credit facility	17 July 2027	17 October 2027	100,000	-	100,000
Sustainability-linked revolving credit facility	27 July 2026	27 October 2026	100,000	-	100,000
Sustainability-linked revolving credit facility	28 July 2027	28 October 2027	100,000	-	100,000
Sustainability-linked revolving credit facility	28 July 2027	28 October 2027	150,000	-	150,000
Sustainability-linked revolving credit facility	7 August 2026	7 November 2026	200,000	-	200,000
Sustainability-linked revolving credit facility	10 October 2026	10 January 2027	100,000	-	100,000
Sustainability-linked revolving credit facility	10 October 2026	10 January 2027	150,000	-	150,000
Sustainability-linked revolving credit facility	12 October 2025	12 January 2026	150,000	-	150,000
Sustainability-linked revolving credit facility	3 December 2024	3 March 2025	50,000	-	50,000
Sustainability-linked revolving credit facility	31 December 2027	31 March 2028	200,000	-	200,000
Sustainability-linked revolving credit facility	3 April 2028	3 July 2028	75,000	-	75,000
Credit facilities			2,325,000	-	2,325,000

The following tables show the distribution of maturities for medium/long-term financial liabilities outstanding as at 31 December 2023 and 31 December 2022.

31 December 2023						
€000	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 2004-2024	998,727	1,058,589	1,058,589	-	-	-
Bond 2009-2038 (JPV) (1)	164,911	180,315	3,493	3,493	10,478	162,851
Bond 2010-2025	499,102	543,750	21,875	521,875	-	-
Bond 2012-2032	35,000	50,120	1,680	1,680	5,040	41,720
Bond 2012-2032 (Zero Coupon Bond)	88,608	135,000	-	-	-	135,000
Bond 2013-2033	73,424	103,127	2,813	2,813	8,438	89,063
Bond 2014-2034	124,160	169,550	4,050	4,050	12,150	149,300
Bond 2014-2038	73,163	115,282	2,719	2,719	8,156	102,188
Bond 2015-2025	499,246	518,750	9,375	509,375	-	-
Bond 2015-2026	747,919	789,375	13,125	13,125	763,125	-
Bond 2016-2027	597,454	642,000	10,500	10,500	641,000	-
Bond 2017-2029	674,676	778,750	13,125	13,125	39,375	713,125
Bond 2020-2028	1,230,152	1,350,000	20,000	20,000	1,310,000	-
Bond 2021-2030	988,519	1,140,000	20,000	20,000	60,000	1,040,000
Bond 2022-2032	493,971	601,250	11,250	11,250	33,750	545,000
Bond 2022-2028	496,778	540,625	8,125	8,125	524,375	-
Bond 2023-2031	742,069	1,035,000	35,625	35,625	106,875	856,875
Bond 2023-2033	744,391	1,134,377	38,438	38,438	115,313	942,188
Bond issues	9,272,270	10,886,360	1,274,782	1,216,193	3,618,075	4,777,310
Bank borrowings						
European Investment Bank (EIB)	970,718	(1,213,589)	(118,281)	(116,151)	(335,674)	(643,483)
Cassa Depositi e Prestiti	1,377,450	(1,745,371)	(102,685)	(101,909)	(1,356,317)	(184,460)
Total bank borrowings (A)	2,348,168	(2,958,960)	(220,966)	(218,060)	(1,691,991)	(827,943)
Other borrowings						
ANAS	136,791	-	-	-	-	-
Total other borrowings (B)	136,791	-	-	-	-	-
Lease liabilities						
Lease liabilities	24,835	(24,835)	(5,249)	(4,346)	(6,982)	(8,258)
Total lease liabilities (C)	24,835	(24,835)	(5,249)	(4,346)	(6,982)	(8,258)
Medium/long-term borrowings (A+B+C)	2,509,794	(2,983,795)	(226,215)	(222,406)	(1,698,973)	(836,201)
Derivative liabilities (2)						
Interest Rate Swaps and Forward-Starting Interest						
Rate Swaps	5,617	16,472	2,694	2,442	5,929	5,407
Cross Currency Swaps (3)	33,482	(89,160)	(4,524)	(4,524)	(13,614)	(66,498)
Total derivative liabilities	39,099	(72,688)	(1,830)	(2,082)	(7,685)	(61,091)

(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 2023, 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.

31 December 2022						
€000	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 2004-2024	995,918	(1,117,339)	(58,750)	(1,058,589)	-	-
Bond 2009-2038 (JPV) (1)	181,046	(204,284)	(3,882)	(3,882)	(11,645)	(184,875)
Bond 2010-2025	498,607	(565,625)	(21,875)	(21,875)	(521,875)	-
Bond 2012-2032	35,000	(51,800)	(1,680)	(1,680)	(5,040)	(43,400)
Bond 2012-2032 (Zero Coupon Bond)	84,196	(135,000)	-	-	-	(135,000)
Bond 2013-2033	73,288	(105,939)	(2,813)	(2,813)	(8,438)	(91,875)
Bond 2014-2034	124,094	(173,600)	(4,050)	(4,050)	(12,150)	(153,350)
Bond 2014-2038	73,069	(118,500)	(2,719)	(2,719)	(8,156)	(104,905)
Bond 2015-2025 (reval.)	748,811	(762,188)	(762,188)	-	-	-
Bond 2015-2026	498,842	(528,375)	(9,375)	(9,375)	(909,375)	-
Bond 2015-2026	747,108	(802,500)	(13,125)	(13,125)	(776,250)	-
Bond 2016-2027	595,661	(652,500)	(10,500)	(10,500)	(631,500)	-
Bond 2017-2029	670,627	(791,875)	(13,125)	(13,125)	(39,375)	(726,250)
Bond 2020-2028	1,226,396	(1,370,000)	(20,000)	(20,000)	(60,000)	(1,270,000)
Bond 2021-2030	986,746	(1,160,000)	(20,000)	(20,000)	(60,000)	(1,060,000)
Bond 2022-2032	496,021	(612,500)	(11,250)	(11,250)	(33,750)	(556,250)
Bond 2022-2028	493,301	(548,750)	(8,125)	(8,125)	(24,375)	(508,125)
Total bond issues	8,529,838	(9,700,525)	(963,457)	(1,201,108)	(2,701,929)	(4,834,031)
Bank borrowings						
European Investment Bank (EIB)	1,049,206	(1,334,000)	(120,411)	(118,281)	(342,064)	(753,244)
Cassa Depositi e Prestiti	1,391,039	(1,729,379)	(82,361)	(82,191)	(1,363,700)	(201,057)
Total bank borrowings (A)	2,440,245	(3,063,379)	(202,772)	(200,472)	(1,705,834)	(954,301)
ANAS	174,170	-	-	-	-	-
Total other borrowings (B)	174,170	-	-	-	-	-
Lease liabilities						
Lease liabilities	28,079	(28,079)	(5,348)	(4,374)	(7,970)	(10,387)
Total lease liabilities (C)	28,079	(28,079)	(5,348)	(4,374)	(7,970)	(10,387)
Medium/long-term borrowings (A+B+C)	2,642,494	(3,091,458)	(208,120)	(204,846)	(1,713,804)	(964,688)
Derivative liabilities (2)						
Interest Rate Swaps and Forward-Starting Interest						
Rate Swaps	-	-	-	-	-	-
Cross Currency Swaps (3)	7,113	(73,183)	(4,112)	(4,134)	(12,403)	(52,534)
Total derivative liabilities	7,113	(73,183)	(4,112)	(4,134)	(12,403)	(52,534)

(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 2022, 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.

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.

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 2023				
		Expected cashflows (1)	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Interest rate swaps						
Derivative assets	153,312	153,382	8,731	18,556	53,043	73,052
Derivative liabilities	(39,098)	(38,442)	(1,388)	(4,624)	(13,025)	(19,405)
Total cash flow hedges	114,214					
Accrued expenses on cash flow hedges	(245)					
Accrued income on cash flow hedges	971					
Total cash flow hedge derivative assets/liabilities	114,940	114,940	7,343	13,932	40,018	53,646

€000	Expected cashflows (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	(39,098)	(2,455)	(4,978)	(12,644)	(19,020)
Income from cash flow hedges	153,312	13,606	17,696	53,552	68,457
Total income (losses) from cash flow hedges	114,214	11,151	12,718	40,908	49,437

(1) Expected cash flows from swap differentials are calculated on the basis of market curves at the measurement date.

€000	Carrying amount	31 December 2022				
		Expected cashflows (1)	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Interest rate swaps						
Derivative assets	514,834	515,772	29,980	66,808	197,211	221,773
Derivative liabilities	(7,113)	(7,370)	(3,812)	(3,504)	(8,946)	8,893
Total cash flow hedges	507,721					
Accrued expenses on cash flow hedges	(1,436)					
Accrued income on cash flow hedges	2,118					
Total cash flow hedge derivative assets/liabilities	508,403	508,403	26,167	63,304	188,265	230,667

€000	Expected cashflows (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	(16,183)	(3,772)	(3,492)	(8,919)	
Income from cash flow hedges	523,904	41,679	71,316	195,058	215,851
Total income (losses) from cash flow hedges	507,721	37,907	67,823	186,139	215,851

(1) Expected cash flows from swap differentials are calculated on the basis of market curves at the measurement date.

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.

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 an objective indication 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 6.5, "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 2023, the Company reports the following material items:

- a) 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;
- b) the surety bond provided to INPS to implement the *Contratto di Espansione*, a form of early retirement for workers who have yet to reach retirement age, in 2021 (€13 million) and 2023 (€10.7 million) 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 scheme;

- c) 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.

9.2 Reserves

As at 31 December 2023, the Company has recognised contract reserves quantified by contractors in relation to:

- a) investing activities, totalling €483 million (€679 million as at 31 December 2021). 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;
- b) non-investing activities, amounting to approximately €38 million (€34 million as at 31 December 2022), the estimated future cost of which was taken into account when quantifying the provisions for risks and charges.

9.3 Related party transactions

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, identified in accordance with IAS 24.

Following the sale of the investment in Autostrade per l'Italia held by Mundys (formerly Atlantia) to the parent, HRA, from 5 May 2022, the scope of related parties has changed. As a result, with sole regard to revenue and costs, comparative amounts for 2022 also include transactions completed until 5 May 2022 with companies that were previously identified as related parties under the criteria established in the procedure issued by the previous parent, Mundys.

€000	Principal trading transactions with related parties			
	Trading and other assets	Trading and tax liabilities	Trading and other income	Trading and other expenses
	31 December 2023		2023	
Holding Reti Autostradali	667	54,294	700	-
Total parents	667	54,294	700	-
AD Moving	1,417	921	2,593	2,201
Società Autostrade Meridionali	48	11	14	(5)
Movyon	41,546	64,753	6,961	57,623
EsseDiEsse Società di Servizi	8,973	2,888	4,584	18,125
Giovia	1,658	3,246	422	11,067
Racc. Autostradale V.d'Aosta	555	2,523	368	(395)
Trafofo Monte Bianco	568	50	282	(904)
Tangenziale di Napoli	762	11,616	472	(162)
Società Autostrada Tirrenica	1,492	7,960	502	(832)
Amplia Infrastructures	112,339	96,555	570	479,641
Tecne Gruppo Autostrade per l'Italia	84,221	55,448	1,961	144,403
Free To X Srl	2,898	7,723	376	(856)
Elgea SpA	2,107	1,418	90	(1,022)
Other subsidiaries	79	268	35	954
Total subsidiaries	258,663	255,380	19,230	709,838
Spea	2,593	6,439	3,014	4,254
Tecne Speri Bridge Designers	108	2,607	-	2,611
Other affiliates	261	(7)	63	(327)
Total associates	2,962	9,039	3,077	6,538
Eni	632	551	(95)	5,640
MEF	-	60,568	-	-
Maticmind	-	420	-	2,434
Poste Italiane	2	2,952	-	885
SNAM GROUP	36	234	134	4,884
CDP	-	-	-	179
Other related parties	-	140	99	1,024
Total related parties	670	64,865	138	15,046
ASTRI pension fund	-	7,050	-	17,428
CAPIDI pension fund	-	1,255	-	3,010
Total pension funds	-	8,305	-	20,438
Key management personnel	-	12,539	-	15,800
Total key management personnel (1)	-	12,539	-	15,800
TOTAL	262,962	404,422	23,145	767,660

(1) Autostrade 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 for Autostrade per l'Italia staff and staff of the relevant subsidiaries.

€000	Principal trading transactions with related parties			
	Trading and other assets	Trading and tax liabilities	Trading and other income	Trading and other expenses
Holding Reti Autostradali	297	-	319	-
Total parents	297	-	319	-
AD Moving	1,364	308	2,429	1,783
Società Autostrade Meridionali	234	55	111	(15)
Movyon	31,250	33,959	7,332	42,130
EsseDiEsse Società di Servizi	6,034	5,838	5,446	18,354
Giovia	800	3,999	162	8,320
Raccordo Autostradale Valle d'Aosta	561	4,372	341	(361)
Trafo Monte Bianco	916	26	359	(1,065)
Tangenziale di Napoli	962	11,898	470	(134)
Società Autostrada Tirrenica	1,193	8,023	525	(820)
Amplia Infrastructures	79,466	224,405	836	254,133
Tecne Gruppo Autostrade per l'Italia	46,451	36,215	1,687	59,513
Free To X Srl	6,251	7,429	314	(1,233)
Elgea SpA	774	115	278	(599)
Control Card Srl	2	1,425	1	2,336
Other subsidiaries	66	2	53	13
Total subsidiaries	176,324	338,069	20,344	382,355
Spea	3,869	12,115	1,618	19,225
Total associates	4,082	12,108	1,596	18,947
Eni	(2,242)	486	7,670	3,055
MEF	-	57,360	-	-
Maticmind	26	1,168	28	1,642
Poste Italiane	-	1,724	-	682
CDP	-	-	-	60
Other related parties	132	422	182	211
Total related parties	(2,084)	61,160	7,880	5,650
Autogrill Italia	-	-	18,374	154
Mundys (formerly Atlantia)	-	-	53	89
Telepass	-	-	(44)	3,300
Telepass Pay	-	-	-	1,097
Other related parties (until 5 May 2022)	-	-	467	105
Total other related parties (until 5 May 2022)	-	-	18,850	4,745
ASTRI pension fund	-	6,078	-	17,256
CAPIDI pension fund	-	1,036	-	2,525
Total pension funds	-	7,114	-	19,781
Key management personnel	-	7,336	-	14,096
Total key management personnel (1)	-	7,336	-	14,096
TOTAL	178,619	425,787	48,989	445,574

(1) Autostrade 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 for Autostrade per l'Italia staff and staff of the relevant subsidiaries.

In 2023, as in 2022, 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 2023. There were no non-recurring events and/or transactions in 2023.

The principal transactions entered into with related parties are described below.

Transactions with parents

The Company is managed and coordinated by HRA. Highlights from HRA's latest approved financial statements are provided in note 10.

In terms of trading relations, the Company provides the parent, HRA, with administrative, legal and governance services.

In terms of tax-related relations, described in detail in note 6.7, "Current tax assets and liabilities", as at 31 December 2023 the Company reports tax liabilities of €54,294 thousand payable to the parent, Holding Reti Autostradali, resulting from its participation in the tax consolidation arrangement headed by the latter.

Relations with other Autostrade per l'Italia's 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 2023, these contracts primarily regarded the following services:

- a) administrative, planning and tax services;
- b) HR and organisation;
- c) corporate and legal affairs, including the conduct of legal actions;
- d) the purchase of goods and services.

Autostrade per l'Italia also provides treasury, financial and insurance services to its subsidiaries and associates.

In this regard, as at 31 December 2023, the Company has current account receivables due from Amplia Infrastructures and Tangenziale di Napoli totalling €93,512 thousand, and current account payables due to other subsidiaries, amounting to €164,735 thousand.

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, consisting of design and project management activities;
 - 2) Amplia Infrastructures, for the construction of infrastructure, under the related contracts and for maintenance and road surfacing;
- b) the services provided by Movyon, 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.

With regard to relations with these companies, in 2023 the Company recorded:

- a) an increase of €315,337 thousand in service costs, primarily due to an increase in amounts payable to Amplia Infrastructures (€225,878 thousand) and Tecne Gruppo Autostrade per l'Italia (€85,549 thousand) as a result of increased work on infrastructure;
- b) an increase of €84,541 thousand in trade receivables, primarily due to an increase in advances paid to Amplia Infrastructures (€32,879 thousand) and Tecne Gruppo Autostrade per l'Italia (€37,770 thousand) in relation to investment in the motorway network;
- c) an increase of €82,990 thousand in trade payables, reflecting the performance of investment and maintenance in the comparative periods, and primarily in relation to Amplia Infrastructures, Tecne Gruppo Autostrade per l'Italia and Movyon.

As described earlier in note 6.4, "Financial assets", as at 31 December 2023, the Company has provided medium/long-term loans totalling €226,000 thousand to Autostrade Tirrenica. In this regard, in February 2024 the original maturity date for this loan was extended from 30 September 2024 to 30 September 2025.

In addition, as at 31 December 2023, "Financial liabilities" include time deposits made by the subsidiaries, Raccordo Autostradale Val d'Aosta (€35,000 thousand), Società Italiana Traforo del Monte Bianco (€35,000 thousand) and Autostrade Meridionali (€12,000 thousand).

Relations with other related parties

The item "Trade payables and tax liabilities" includes concession fees payable by the Group to the MEF, amounting to €60,568 thousand as at 31 December 2023.

Transactions of a financial nature include borrowings from Cassa Depositi e Prestiti, amounting to €1,377,476 thousand (of which €23,002 thousand are current) da Cassa Depositi e Prestiti and €3,699 thousand related to postal current accounts with Poste Italiane.

Lastly, transactions of a financial nature include borrowings from Cassa Depositi e Prestiti, amounting to €71,528 thousand in 2023. This marks an increase compared with the previous year, primarily due to an increase in floating rate loans from this lender, following use of the committed credit facility (€700,000 thousand) in late 2022.

9.4 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.

Toll increase with effect from 1 January 2023

Following the request for a toll increase submitted by ASPI for 2021, 2022 and 2023, amounting to 4.71% (3.12% for 2021 and 2022 and 1.59% for 2023), on 31 December 2022, the Grantor published the Interministerial Decree issued by the MIT and the Ministry of the Economy and Finance (the "MEF") on 30 December 2022, marking the conclusion of the tariff adjustment procedure. The Grantor concluded that the overall toll increase applicable from 1 January 2023, after compounding, would be 4.69%, including the increase of 3.10% for 2021 and 2022 and the increase of 1.59% for

2023. As provided for in the concession arrangement and in the Settlement Agreement with the Grantor dated 21 October 2021, the Grantor then applied a discount of 1.35%, thus reducing the effective toll increase to be paid by road users, in 2023, to 3.34%. In the same Decree, the Grantor, after noting ASPI's declared willingness to bring forward to 2023 application of a part of the general toll discounts for all road users, by spreading the toll increase resulting from application of the terms of the concession arrangement over an extended period of time, stated that *"it is hereby established that, with effect from 1 January 2023, tolls will increase by 2.00%. It is hereby established that, with effect from 1 July 2023, tolls will rise by the full amount of the awarded increase of 3.34%."*

Toll increase with effect from 1 January 2024

The Interministerial Decree issued by the MIT and MEF on 29 December 2023 granted ASPI an increase of 1.51% from 1 January 2024, in line with the request made by the Company in October 2023. General discounts will continued to be applied to road users in 2024.

Quantification of financial support for motorway operators to cover losses incurred as a result of the health emergency caused by Covid-19 for 2020 and 2021

This regards the administrative process relating to quantification of the financial support due to operators to compensate for losses incurred as a result of the health emergency caused by Covid-19, in the period after June 2020 (the amount recoverable for the period March-June 2020 was awarded to ASPI in the revised financial plan that came into effect from 29 March 2022). Following sent numerous requests for the process to be completed, on 27 January 2023, ASPI sent ART (providing a copy to the MIT) a note in which it highlighted the necessity to finalise all the elements needed to complete the complex process of updating the next Financial Plan and Regulatory Financial Plan, also in view of the imminent expiry of the current regulatory cycle, and requested prompt finalisation of the procedure.

On 20 February 2023, the MIT requested ASPI to review the amounts involved based on a note issued by ART on 30 January 2023, with further details regarding the method of calculation. The MIT asked ASPI to provide an adequate response to ART's observations, which are not reflected in the method defined by the regulator. On 13 April 2023, ASPI replied to the MIT's note (providing a copy to ART), in part accepting the regulator's observations, recalculating the amount of the support originally requested and, in particular, contesting ART's concerns regarding quantification of the lost revenue. ASPI thus noted that it was awaiting completion of the procedure in order to quickly recover its losses as a result of COVID-19, as revised, without prejudice to any further action.

In the absence of a response from the MIT and ART, on 21 April 2023, ASPI appealed the above decisions before the Regional Administrative Court.

General expenses for investment provided for in the Concession Arrangement

On 11 August 2023, the MIT issued Ministerial Decree 201, updating and replacing Ministry of Public Works decree 1334 of 22 May 1992, relating to limits on the admissibility of the general expenses included in the details of overall expenses shown in the investment plans provided for in the Concession Arrangement. The Decree has established that *"the item 'General expenses' referred to in the details of overall expenses for projects planned by motorway operators is recognised, for the purposes of the arrangements, within a range of between 13% and 17% of the value of the works"*.

On 25 October 2023, the MIT sent operators an explanatory circular clarifying the limits and the method for applying the measures contained in the Decree.

ART Determination 139/23 – WACC to use when updating or revising existing motorway concession arrangements

On 14 September 2023, the Transport Regulator (“ART”) published Determination 139/2023 setting the *“weighted average cost of capital to use during the process of updating or revising existing motorway concession arrangements, pursuant to art. 43 of Law Decree 201/2011, and for new concessions”*. ASPI responded on 9 November 2023, requesting ART to re-examine the Determination, with particular regard to (i) the decision to set the debt premium at zero and (ii) the need to redefine the sample used when setting equity beta, determined without adequate consultation. On 12 January 2024, three Extraordinary Appeals were then filed with the President of Italy, on behalf of RAV, SAT and Tangenziale di Napoli (Group companies directly impacted by the above Determination), challenging ART Determination 139/23. The appeals claim that the Determination is unlawful due to a lack of consultation with the regulated entities and the arbitrary nature of the way in which certain WACC metrics were decided on. The criticisms contained in the respective appeals specifically relate to: (i) the criterion used to determine the debt premium used by ART in the Determination being challenged; (ii) the change – with respect to what was established in the earlier Determination 64/2019 – to the comparables used by ART in determining the cost of equity and, specifically, in determining equity beta.

ART Determination 181/2023 – assessment of the impact of regulation on the method underlying the frameworks used for setting toll rates

On 23 November 2023, ART published Determination 181, initiating an assessment of the impact of regulation on the method used as the basis for the frameworks used for setting the tolls to be applied on motorways operated under concession, adopted by ART, *“with the purpose of identifying potential corrections to the method on which the Regulator bases the frameworks”*. The deadline for completion of the assessment procedure, originally set as 15 December 2023, was extended by Determination 197/2023 dated 24 January 2024. The aim of the above assessment is *“to define potential future scenarios for the method on which the tariff frameworks are based, in view, among other things, of the results of an assessment of its efficacy, efficiency and timeliness”*.

On 8 February 2024, ART published Determination 15, containing operational indications for application of the principles and criteria for the economic regulation of motorway concessions, partly in view of a potential review of the tariff setting method, to be submitted for public consultation, to reflect intervening changes in the sector.

These operational indications specifically regard the application of mechanisms relating to figurative items and the adjustment of tariffs to reflect the performance of investment.

New Public Contracts Code and art. 186 on the award of contracts by the holders of concessions

The new Public Contracts Code came into force on 1 April 2023 and was effective from 1 July 2023, except for the legislation governing digitalisation, transparency and documentary access, which were effective from 1 January 2024.

Significant changes include art. 186 governing the procedure for awarding contracts by the holders of concessions. Under this article, outsourcing must account for between 50% and 60% of contracts

awarded for works, services and goods. This percentage must be set by the Grantor in consultation with the holder of the concession, based on certain legislative criteria, including i) the economic scale and nature of the enterprise; ii) the period in which the concession was awarded; iii) its residual duration; iv) purpose; v) economic value; vi) investment carried out.

In implementation of paragraphs 2 and 5 of art. 186 of the new Public Contracts Code, on 20 June 2023, ANAC, Italy's National Anti-corruption Authority, finalised the *"Indications on the method for calculating the percentage of contracts for works, services and goods to be outsourced by the holders of public works and service concessions not awarded in compliance with EU law"*.

On 6 November 2023, ASPI challenged the decisions taken by the MIT and ANAC Determination 265, on the basis of which the Grantor had requested a significant quantity of data and information for the purpose of calculating the share of outsourced contracts referred to in paragraph 2 of art. 186.

ASPI's challenge is based on the following aspects: (i) the lack of any basis for initiating the process of identifying share represented by outsourcing, (ii) the inapplicability of the ANAC Determination to motorway concessions, due to the erroneous application of paragraph 5 and 6 of art. 186 of the Public Contracts Code.

The Discounts Circular ("*Circolare Ribassi*")

On 10 May 2023, following prior consultation with motorway operators, the Grantor sent all the operators a circular containing a new procedure for determining the discounts to apply in contracts awarded to subsidiaries and associates. This replaced the earlier procedure with effect from this date.

This procedure sets out the method for calculating the discounts applicable for concession-related purposes and applies from 10 May 2023 to contracts awarded within groups of companies. The applicable discount is to be announced every six months by the Grantor and *"is based on the average of the discounts applied in open and closed tender procedures for the award of similar contracts by ANAS SPA, motorway operators and the rail sector in the previous six months..."*.

Basic rights of motorway users

Following the launch of an initial survey by ART with Determination 59/2022 – in response to which the Group's operators provided their observations – the Regulator issued Determination 16/2023 initiating a procedure aimed at defining *"the basic content of specific rights, including compensation, that users can expect to be upheld by motorway operators and the providers of services pertaining to motorway networks"*. Later, in Determination 130/2023, ART began to consult on the above procedure – in which Group companies took part, providing their observations – and extended the deadline for completing the procedure until 31 December 2023. This deadline was then further extended, on the last occasion until 30 June 2024 (Determination 200/2023). On 28 December 2023, ART convened a technical working group with the Grantor and representatives of the operators to look into the issues covered by the procedure. The working group met on 18 January 2024.

Cashback for road hauliers in the Liguria area

On 13 June 2023, ASPI signed a memorandum of understanding with Genoa City Council, the Mar Ligure Occidentale Port Authority, Liguria Regional Authority, the Ministry of Infrastructure and Transport and Italy's Road Hauliers Association. This was in implementation of the provisions of the agreements entered into by ASPI on 14 October 2021 with the Grantor and local authorities in Liguria

providing for, among other things, funding of €180 million to compensate for disruption to traffic on the motorway network in the Liguria region.

The memorandum establishes that, within the above €180 million, the sum of €70 million should be used to compensate road hauliers for the disruption suffered over the years.

Legal challenge filed by the associations AIPE, CONFIMI Abruzzo and ADUSBEF

On 27 May 2022, AIPE, CONFIMI Abruzzo and ADUSBEF filed a legal challenge, accompanied by an application for injunctive relief, against the actions and opinions of the public bodies involved (CIPESS, the Cabinet Office, the MEF, the MIT, ART, the NARS, the Court of Auditors and the Attorney General) in the process that resulted in signature of the agreement entered into by ASPI and the Grantor on 14 October 2021, and formal approval of the Third Addendum to ASPI's Single Concession Arrangement of 2007.

The associations have also extended the challenge brought against the above public bodies to include ASPI, Atlantia (now Mundys), CDP, CDP Equity, Blackstone and Macquarie as nominal opponents.

On 19 October 2022, Lazio Regional Administrative Court handed down a non-final ruling, in which – having rejected the application for an adjournment and excluded AIPE and CONFIMI ABRUZZO from the proceeding (but not ADUSBEF, whose legal standing to bring the action was upheld) – it raised three preliminary matters to be referred to the European Court of Justice regarding the applicability of art. 43 of Legislative Decree 201/2011 (Law 214/2011), in relation to the regulations provided for in articles 38, 43 and 44 of Directive 2014/23. The Court thus adjourned the case whilst awaiting a ruling from the Court of Justice, which has been asked to apply the accelerated procedure.

On 26 October 2022, the Attorney General appealed the ruling before the Council of State, requesting injunctive relief. The appeal argues that ADUSBEF has no legal standing in the case as it is an association representing the consumers of banking and financial services, without any connection with motorway concessions. ASPI, HRA and Atlantia (now Mundys) then filed cross-appeals. At the hearing held on 17 November 2022, a public hearing on the merits was scheduled for 27 April 2023. On 23 December 2022, AIPE and CONFIMI ABRUZZO also lodged a cross-appeal against the judgement at first instance in order to have their legal standing recognised.

At the same time, in a ruling dated 19 December 2022, the European Court of Justice turned down the request for application of the above procedure. On 1 March 2023, ASPI, HRA and Atlantia (now Mundys) filed their briefs, as requested by the court.

On 13 June 2023, the chancery division of the Court of Justice notified the observations submitted by the other parties (ADUSBEF, CONFIMI and AIPE), in addition to those of further bodies (the European Commission, the German Republic, the Republic of Estonia). From this date, the parties have three weeks to apply for a hearing date.

On 24 July 2023, the European Court of Justice halted the procedure pursuant to article 55, paragraph 1.b) of the Court's Rules of Procedure.

On 23 August 2023, the Council of State filed its ruling on the challenge, only in part upholding the appeals brought by the Cabinet Office, the MEF, the MIT, Atlantia (now Mundys), HRA and ASPI against the non-final ruling issued by Lazio Regional Administrative Court on 19 October 2022. The Council of State has ruled that Adusbef has legal standing, whilst deciding that the actions brought by Codacons and another association are inadmissible, confirming the lack of legal standing for AIPE and Confimi Abruzzo.

On 8 September 2023, Mundys appealed to the Council of State against the above ruling of 23 August and the consequent cancellation and/or review of Lazio Regional Administrative Court's non-final ruling, dated 19 October 2022. ASPI, the Cabinet Office, the MEF, the MIT and Codacons filed appearances and a date for the relevant hearing is awaited.

The case was discussed at a hearing on 11 January 2024 and the Council of State reserved its decision.

On 2 October 2023, it was notified by the chancery division of the Court that the procedure was to restart. During the hearing to discuss the case before the European Court of Justice, the Attorney General announced that the conclusions reached would be communicated to the parties in writing on 30 April 2024. The Court reserved its decision, which will be announced within the non-peremptory deadline of six months from the date of the hearing.

Proceeding initiated by the Antitrust Authority for disruption to traffic

Following the closure, in 2021, of the Antitrust proceeding in which 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 appeal against the fine is still pending before Lazio Regional Administrative Court), the Authority initiated proceedings against ASPI for non-compliance with the request to take appropriate measures to eliminate the unfair commercial practice.

This non-compliance proceeding closed on 19 May 2022 with a ruling from the Antitrust Authority that took into account the commitments linked to the introduction of a cashback scheme and the complexity and innovative nature of the solutions proposed by ASPI, whilst imposing a fine of €10,000.00.

In any event, ASPI deemed it right to appeal this latest ruling, lodging an appeal citing additional grounds as part the case pending before Lazio Regional Administrative Court, relating to the appeal against the ruling of 26 March 2021.

A date for the related hearing has yet to be set.

Antitrust Authority proceeding relating to alleged abuse of a dominant position in the electronic tolling market

Following a complaint from UnipolTech SpA (UnipolMove), the Antitrust Authority (AGCM) launched an investigation of Autostrade per l'Italia SpA and AISCAT (the Italian association of toll road and tunnel operators), pursuant to art. 14 of Law 287/90, for alleged abuse of a dominant position, which it is assumed has been committed through AISCAT in breach of art. 102 of the Treaty on the Functioning of the European Union. The AGCM is contesting conduct that, according to the Authority, has excluded and/or prevented new suppliers of electronic tolling systems from entering the market. The alleged conduct began in January 2019 and in terms of the contested breaches, AISCAT's conduct is attributable to ASPI.

The relevant market referred to in the allegation includes: (1) the motorway market, geographically divided into sections, where each operator holds a dominant position in relation to the section it operates; (2) the downstream market for electronic tolling services on the national network, in which ASPI is alleged to have had a dominant position until May 2022 through Telepass, after which the Company exited the Atlantia Group.

The allegations are as follows:

- closure of the national electronic tolling system. AISCAT is alleged to have “directed” operators interested in supplying electronic tolling for light vehicles towards the European electronic tolling service (EETS) rather than admitting them to the Italian electronic tolling system (SIT-MP, reserved for heavy vehicles), with the EETS being more expensive (e.g., it is in operation in at least four member states). In this way, Telepass retained its monopoly position in the supply of electronic tolling for light vehicles in Italy;
- tolling providers do not give new entrants into the electronic tolling market the right to offer road users discounted tolls, whilst Telepass does have this option;
- the contractual conditions for accessing the EETS/SIT-MP systems are discriminatory when compared with those applied to Telepass;
- a different treatment of erroneous charges with respect to Telepass. Only Telepass has access to a database shared by tolling providers that enables cross-checks of vehicles accessing the network, avoiding charges for sections not effectively used;
- the failure to adjust tollgates and signage to accommodate EETS providers.

Telepass SpA and Axxès SAS are parties to the proceeding.

As part of the proceeding, the Company may submit commitments which, if accepted by the AGCM, would avoid the risk of sanctions and would also bring the investigation to an end without a ruling against the Company. The submission of commitments does not prejudice the Company’s position, which continues to be that the AGCM’s allegations are without grounds, and does not constitute an admission of culpability.

On 3 July 2023, the AGCM published the proposed commitments submitted by ASPI in its weekly bulletin and on its website. These include:

- 1) requests to AISCAT to implement procedures for: (i) the certification of new devices; and (ii) the re-certification of new versions of legacy devices. In both cases, the criteria used should be similar to existing criteria applied in the certification of new devices/re-certification of existing devices used by EETS and SIT-MP providers;
- 2) with regard to discounts offered by motorway operators: i) the provision – to operators who use the service offered by the subsidiary, Movyon – of infrastructure that, once implemented, will enable discounts to be shown on the invoices issued to all operators and allow the latter to see the value of the discount applied to each journey their customers make;
- 3) the offer to all providers of an extension of the deadline for charging for erroneous charges from 60 to 180 days and a commitment to update Movyon’s platform to allow the automatic reconversion of unpaid tolls on the ASPI Group’s network, and the operators that use Movyon’s platform to charge for effective journeys made;
- 4) accelerated implementation of technical and contractual corrections making it possible for operators that use Movyon’s service to adjust – for up to 11 months – for erroneous charges and unpaid tolls and, therefore, be charged the correct amount if the affected provider updates their systems as a result;
- 5) modification / addition to EETS and SIT-MP agreements to include: i) an express termination provision in the event that the contract between the provider and one or more interconnected motorway operators is terminated; ii) no consequence in the event of termination of a contract between the provider and one or more non-interconnected motorway operators; iii) abolition of the obligation for the provider to charge the motorway

operator a commission no higher than that applied to other operators of similar services; and iv) the right of operators to transfer the contract provided that the transferee meets the same requirements and provides the same guarantees as the transferor and appropriate proof is provided;

- 6) the sending to the operators of car parks equipped, by Movyon, with dynamic access control equipment and payment systems compatible with Telepass devices, of a communication in which providers, and any providers indicated thereby, are offered the necessary assistance to enable their systems to read the devices of other operators; and
- 7) a proposal to set up a working group with all the EETS and SIT-MP providers involved, to assess the potential and feasibility for including cashbacks in invoices or other forms of cooperation in this regard.

The commitments submitted by ASPI are not of an economic and financial nature and involve the implementation and/or acceleration of processes already initiated, or additions to new processes whose adoption was already envisaged or proposed by ASPI in the course of business.

AISCAT also held a general meeting at which member motorway operators were requested to consider implementation of the SIT-MP tolling system with the introduction of a unified interoperable tolling system for heavy and light vehicles using the Italian motorway network. This could be introduced via the simple signature of an addendum to the existing SIT-MP contract and could be used for light vehicle in Italy without the need for certification in other countries.

The extended commitments were welcomed by the AGCM, which has deemed them to be capable of resolving the competition issues that led it to initiate the investigation. On 14 December 2023, the AGCM thus announced its decision to close the proceeding without ruling against the Company, rendering the extended commitments put forward by ASPI (and by AISCAT) obligatory.

Class action brought by Altroconsumo

On 15 November 2022, Altroconsumo, a consumers' association, filed a class action pursuant to art. 140 bis of the Consumer Code, representing 16 motorway users/consumers.

The action regards the ascertainment of alleged and generic breaches by ASPI, up until 18 May 2021, of the contracts entered into with consumers/users of the motorway network and obtainment of the injunction for the repayment of a portion of tolls collected up until 18 May 2021.

On 10 October 2023, the Court ruled that the class action brought by Altroconsumo was inadmissible. The plaintiff then appealed the inadmissibility ruling before the Court of Appeal in Rome.

On 9 January 2024, the Court of Appeal in Rome turned down the appeal brought by Altroconsumo, confirming the earlier court ruling.

Investigation of the collapse of a section of the Polcevera road bridge by the Public Prosecutor's Office in Genoa and admission to a settlement procedure

On 7 April 2022, the judge appointed to preside at the preliminary hearing ruled in favour of Autostrade per l'Italia's request to settle pursuant to Legislative Decree 231/2001, in return for a payment of a fine and the forfeit of any proceeds from the offences, by setting aside the sum of €28 million. This amount was covered by provisions for risks and charges made in previous years.

In this regard, the Prosecutors, in accepting the request for a settlement, noted that ASPI had adopted a series of initiatives fully complying with the conditions set out in art. 17 of Legislative Decree 231/2001 (“reparation for damages resulting from the offence”).

As a result of the settlement, the ongoing criminal trial solely involves the natural persons, also taking into account the fact that, on 19 September 2022, the Court ruled in favour of ASPI’s request for exclusion from the trial. As a result, the Company does not have civil liability for the conduct of the natural persons. As a result, in case of conviction, the individual defendants will be required to pay any damages, although there is a potential for civil claims to be filed.

The criminal trial is currently at the pleading stage.

Investigation by the Public Prosecutor’s Office in Genoa regarding: (i) the installation of integrated “Integautos” safety and noise barriers on the A12; (ii) alleged false surveillance reports regarding several of the network’s bridges; and (iii) event that took place in the Bertè tunnel on the A26 motorway on 30 December 2019

The proceedings in question have been combined and, under Legislative Decree 231/2001, the Company is under investigation for making false statements by a public officer in an official document. The investigation also involves 47 natural persons, 14 of whom employed by ASPI, with the remaining parties represented by employees of SPEA, Tecne (formerly SPEA), the Ministry and external consultants. These defendants are under investigation for the same offence in addition to public procurement fraud and the endangerment of transport safety.

With specific regard to ASPI’s position, in relation to alleged breaches of Legislative Decree 231/2001, in 2022 the Company was admitted to a settlement procedure in return for payment of a fine.

On 29 September 2023, the Public Prosecutor requested that 47 people be committed for trial.

Following a series of adjournments, the first hearing was held on 18 January 2024 and lawyers for the civil claimants filed their claims, requesting the preliminary hearing judge to include ASPI and SPEA as civil defendants.

The civil claimants were initially around thirty and included the Ministry of Transport, Genoa City Council and neighbouring councils, natural persons, associations and committees, unions and a company.

At the hearing of 15 February, lawyers for the natural persons filed defence briefs.

At the hearing of 7 March, the preliminary hearing judge excluded all the civil claimants except for the Ministry of Transport and the councils.

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.

Upholding the appeal, the Supreme Court annulled the not-guilty judgement and referred the case back to the Court of Appeal in Florence for a re-trial.

At the hearing of 25 September 2023, the Public Prosecutor accepted that the statute of limitations applied to all the offences, leaving only the charge of illegal trafficking in waste.

The Court of Appeal in Florence thus invited the parties to present their evidence and, given the request from certain counsel for the trial to proceed in parallel with the Morandi trial, adjourned the hearing until 16 September 2024 when the witnesses for the prosecution will be heard.

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 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.

In August 2023, the preliminary investigating magistrate dismissed the case at the request of the Public Prosecutor.

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 Amplia 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 against former employees of the Company 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").

At the hearing held on 1 March 2022, 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. At the hearing held on 7 June 2022, the court noted fulfilment of the conditions provided for in art. 17 of Legislative Decree 231/2001 (payment of damages in full; adoption and implementation of an appropriate

organisational, management and control model; availability of the proceeds for forfeiture) in order to avoid bans being imposed on ASPI, Amplia and SPEA. All the witnesses summoned by the parties were admitted. The witnesses called by the Public Prosecutor are currently giving 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 was 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 revealed 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 after anomalies were found in the bid.

In the relevant proceedings, ASPI's Contract Manager, who was in charge of the tender procedure for lot 7, the Chairman of SAT (not in his role) 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*".

A subsequent examination of the documents produced following the investigation showed that there was no evidence of any payment to ASPI's official, with other persons under investigation having denied that the alleged payments were made to the official.

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. Following notification of this measure, both people decided to resign from their positions with the two companies.

Through its legal counsel appointed specifically for this purpose, ASPI took immediate steps to contact the Public Prosecutor's Office in Benevento to offer its full cooperation. In response, it was made clear to the Company that: (i) the Company was in no sense involved in the investigation; (ii) it may potentially be considered an injured party with regard to the alleged offences once the facts have been ascertained.

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.

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.

ASPI's Head of Procurement was instead under investigation as an accomplice, exclusively regarding the offence of obstruction of a public tender. In December, the Public Prosecutor called a halt to the investigation and requested dismissal of the case, which was confirmed in February 2023.

Proceedings are, on the other hand, continuing with regard to other persons and notification of completion of the preliminary investigation is awaited.

Investigation by the Public Prosecutor's Office at the Court of Rome concerning the determination of tariffs, the use of toll revenue and the distribution of dividends

As part of an criminal investigation looking at the last twenty-five years of ASPI's operations, and focusing specifically on the determination of tariffs, the use of toll revenue and the distribution of dividends, on 21 December 2022, the Anti-corruption Unit of the *Guardia di Finanza* (Finance Police) made its first visit to ASPI's headquarters to serve a disclosure order relating to documentation referring to the years between 1997 and 2022.

Lastly, on 29 March 2023, the same unit from the *Guardia di Finanza* served a further disclosure order designed on this occasion to acquire additional documentation regarding the years from 1980 to 2008.

All the documentation requested by the Public Prosecutor's Office was provided by the relevant departments within the Company.

An initial meeting was held with the Public Prosecutor's Office, which revealed that the Company is not currently involved in the investigation. Following further contact with the Public Prosecutor's Office in early 2024, it was confirmed that ASPI is not involved in the investigation.

Investigation by the Public Prosecutor's Office at the Court of Benevento concerning an accident on 4 June 2023 on the Naples-bound carriageway of the A16 at km 100+730

This event, which is still being investigated by the traffic police at the request of the investigating magistrates, involved a number of cars and a coach. According to the initial findings, an accident took place involving four light vehicles, all of which were uninsured and carrying immigrant street vendors with counterfeit goods. A few minutes later, a coach carrying 40 people crashed into one or more of the above vehicles occupying the carriageway. The coach then struck the crash barrier on the righthand side of the motorway, flipping on to its right side and then sliding along the embankment.

The accident resulted in the death of one occupant of the cars and serious injury to another and slight injuries to 28 coach passengers, whilst one of the coach drivers had severe injuries.

Finally, notices of investigation for the offences of culpable vehicular homicide or grievous or very grievous bodily harm were served on the following: the sole project manager at the Cassino VI Area Office, relating to the upgrade of the barriers installed on the section of motorway where the accident occurred; the then head of the "Safety Barrier Design" unit; the external designer who worked on the barriers in question.

Accident in the Monte Sperone West tunnel on 24 May 2023

On 24 May 2023, a part of a radio cable and two light fittings in the "Monte Sperone West" tunnel (A/12 Genoa/Livorno) fell to the ground, striking the windscreens of two cars and causing slight injury to three people.

The traffic police subsequently intervened and, on the orders of the Public Prosecutor, impounded the tunnel (resulting in its closure to traffic) to enable the technical experts appointed by the Public Prosecutor's Office to examine the site and determine the related causes. The inspections carried out confirmed that there were no structural defects in the tunnel, which was reopened to traffic on 26 May 2023.

Footage from a camera located within the tunnel would appear to show a coach, travelling through the tunnel in the overtaking lane (despite use of the outside lane by lorries and coaches being prohibited within the tunnel), catching the radio cables which, as they fall, hit the light fittings causing them in turn to become detached. The above footage has been handed over to the authorities.

The Public Prosecutor's Office has opened an investigation of persons unknown for the offences of culpable collapse and grievous bodily harm.

Investigation by the Public Prosecutor's Office in Genoa into a fire in the Monte Giugo tunnel on the A12

Following a truck fire in the above tunnel on 9 July 2023, resulting in damage to equipment located in the tunnel and to a part of its structure, the traffic police were delegated by the investigating Public Prosecutor to impound the tunnel to enable the technical expert appointed by the Public Prosecutor's Office to examine the site and determine the related causes.

As notified to the ordinary police or to the traffic police by the local Genoa office, together with an initial explanation of the consequences of the event in question, work on the upgrade of the equipment located inside the tunnel to bring it into line with the requirements of Legislative Decree 264/06 had been completed.

After checks by the police conducting the investigation on the adoption of all the compensatory measures required by art. 4 of the above legislation, and the filing of the technical expert's report,

stating that there was no structural damage capable of affecting the safety of the tunnel, on 14 July 2023 the infrastructure was released from seizure.

A criminal action has been brought against persons unknown for the offences of grievous bodily harm and negligent arson.

Legal action brought against SwissRe and co-insurers regarding compensation under the All Risks policy

Given the refusal of the insurance company, Swiss Re - on its own behalf and acting on behalf of co-insurers - to pay compensation under the All Risks policy taken out by ASPI for the period of cover in which the accident occurred on the Polcevera road bridge, it was decided to initiate judicial mediation proceedings to seek a possible settlement of the opposing interests.

Despite attempts by the mediator, the procedure ended without an agreement, and it was then decided to initiate civil proceedings to establish the right to compensation under the policy.

After ASPI's writ of summons was served on the insurance companies, talks between the parties recommenced in an attempt to reach an amicable settlement. This occurred following ASPI's acceptance of the payment of €29 million in order to settle the claim under the policy. The pending legal action has thus been abandoned.

Proceedings brought by the Autostrade per l'Italia Group against CRAFT and Alessandro Patané

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 Movyon against Alessandro Patané

On 7 December 2022, in the appeal against judgement 120/2019, filed by ASPI and Movyon at the Court of Appeal in Rome (R.G. 1075/2019), issued in the action against Alessandro Patané Srl to ascertain the groundlessness of the claims brought by the latter related to the Sicve system software, the Court of Appeal issued judgement 7492/2022, in which:

- it deemed ASPI's ownership of the SICVe software to be unproven (according to the Court, ASPI should have provided other proof of its right, as for example registering the software in the special public register at the OLAF Department of the SIAE). However, for the same reason, the ownership of Patané's companies has also not been proven, and, in the event of a new and different dispute, Mr Patané would face the same burden of proof;
- it upheld ASPI's request to ascertain whether or not the payment of €242,000.00 requested by Alessandro Patané Srl in accordance with the Memorandum of Understanding of 25 March 2013 is due, given that ASPI has never requested work to start on a project;

- dismissed the ASPI's claim for defamation, following the article "Tutor: the extraordinary battle of Alessandro Patanè (MPA Group)", published on the website www.automobilista.it on 27 July 2013. The Court deemed that Patanè's accusations included in the article constituted the legitimate exercise of his right to criticize. In addition, no proof of the damages was provided.

ASPI and Movyon have appealed the above judgement before the Supreme Court.

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.

On 8 August 2023, the Supreme Court rejected Craft's appeal, ordering the company to pay Autostrade per l'Italia's legal expenses.

Proceeding before the Civil Court of Rome – Business Division – ASPI and MOVYON/Alessandro Patanè (R.G. 48316/23)

In response to the numerous actions brought by Mr Patanè, involving significant claims for damages from ASPI, Movyon and the latter's customers, ASPI and Movyon decided to file an action for unfair competition pursuant to art. 2598, paragraphs 2 and 3 of the Italian Civil Code with the aim of causing Mr Patanè to cease and desist. Mr Patanè filed an appearance and a hearing was scheduled for 15 March 2024. This was then postponed until 20 March 2025 due to an excessive backlog of cases.

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.). Certain assessments notified to the Company impose fines for illegal occupation of public land amounting to 250% of the requested rent. 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 judgement 8628/2020 regarding COSAP, the Supreme Court has recently ruled that the tax is payable by the holder of the municipal concession. The Company, in the belief that city and town councils do not have the power to award concessions for the construction of motorway infrastructure, given that such concessions are granted by the State, has continued to appeal against the notices of assessment before the relevant court.

This approach was confirmed in two letters from the MIT addressed to AISCAT, ASPI and all motorway operators in the summer of 2023. In the letters, the Ministry has clarified the fact that motorway infrastructure cannot be classed as "illegal" and that no authorisation is required from local

authorities. Both the letters confirm the position expressed by the Company in all the court hearings on this matter.

In keeping with ASPI's defence and the clarification provided by the MIT, the Council of State has very recently ruled (December 2023) in the Company's favour, in contrast with the ruling handed down by the Supreme Court. The Council of State has thus ruled that no fines are payable for illegal occupation and that no ground rent is due.

Finally, various merit courts have ruled that TOSAP is not payable by ASPI due to the lack of subjective and objective grounds for application of the tax. The Supreme Court's continues to rule against the Company in contrast with the approach taken by the Council of State and the MIT.

Agreement with the MIT of 14 October 2021: stamp duty

On 22 April 2022, the Rome I Tax Office, via payment demand 1/2022, requested APSI to pay €22.8 million in stamp duty on the agreement between ASPI and the MIT dated 14 October 2021.

In the demand, the tax authority qualified the sums already paid by ASPI for the reconstruction of the Polcevera road bridge (totalling €583 million) as the fulfilment of an obligation (and not as an act of acknowledgement), and thereby subject to stamp duty of 3%.

The Company challenged the demand in an appeal before the relevant court.

In ruling 12905/3/2022 of 18 November 2022, the Rome Tax Tribunal of First Instance upheld ASPI's appeal for most of the tax claim, determining that:

- reconstruction costs of the Polcevera road bridge (€17.5 million) are not liable to stamp duty of 3%;
- the additional charges included in the Agreement (€5.3 million) are liable to stamp duty.

In December 2022, ASPI settled the amounts due to the tax authority confirmed by the ruling.

On 1 February 2023, the Italian tax authority appealed the ruling at first instance. ASPI appeared before the court to contest the objections raised by the tax authority and lodged a cross-appeal against the portion of stamp duty deemed to be payable. The appeal is pending.

Procedures for the award of contracts by ASPI to external contractors and to Group companies

Appeal ruling of Tuscany Regional Administrative Court regarding the tender procedure for the award of the contract to widen the Florence South-Incisa section of motorway to three lanes

On 16 June 2022, Tuscany Regional Administrative Court annulled the contested revocation of the tender procedure for awarding the contract to widen the Florence South-Incisa section of motorway to three lanes, dated 11 March 2022. Following this, and also in view of Constitutional Court Ruling 218/2021 (regarding the award of contracts by operators), ASPI had awarded the contract for the work to the associate, Amplia.

According to the administrative court at first instance, although art. 177 of Legislative Decree 50 of 2016 as amended (the Code) was ruled to be unconstitutional by the Constitutional Court in Ruling 218/21, due to the unreasonable nature of the obligations regarding outsourcing through public tenders imposed on operators not selected by tender, the ruling does not entirely remove the outsourcing obligations for operators not selected by tender (under art. 1, paragraph 2(c) and 2(d) of the Code).

In an appeal (R.g. no. 7052/2022) notified on 7 September 2022, ASPI challenged the Regional Administrative Court ruling before the Council of State. Subsequently, the first instance appellant

filed a cross-appeal with a request for precautionary relief, reiterating the pleas that were not upheld at first instance, as well as challenging the part of the first instance judgement in which the Regional Administrative Court ruled that it lacked jurisdiction with regard to the claim of ineffectiveness of the contract entered into between ASPI and Amplia. At a hearing on 3 November 2022, the cross-appellant withdrew its application for precautionary relief and requested an early ruling on the merits, which the Court granted on 23 February (from 23 March). On that date, a public hearing was held to discuss the merits of the dispute, on conclusion of which the applicant requested early publication of the text of the ruling and the case was taken under advisement.

On 27 February 2023, the Council of State published the text of judgement 2007/203 in which, ruling on the main and the cross-appeals, as proposed by the parties, it upheld ASPI's main appeal and, as a result, in rejecting the challenged judgement, rejected Medil's cross-appeal, which was therefore declared inadmissible.

Since, as mentioned, the Medil consortium had requested early publication of the text of the ruling, the grounds for the judgment are not yet available.

On 30 May 2023, Council of State judgement 5330/2023 finally set out the grounds for its decision to uphold ASPI's appeal.

The Council of State upheld, and confirmed, ASPI's interpretation of the law regarding contract awards following Constitutional Court Ruling 218/2021 (establishing, briefly, that the transparency obligations required by the applicable legislation had been fully complied with), and with regard to the legality of ASPI's revocation of the tender procedure and its subsequent award of the contract to AMPLIA.

Claim for damages for non-award of a contract following Constitutional Court judgement 218/2021 and Council of State judgement 5330/2023

Following the Council of State judgement 5330/2023 of 30 May and with regard to the procedure for awarding the contract to widen the Florence South-Incisa section of motorway to three lanes, dated 11 March 2022, on 7 July 2023 the Medil consortium filed a claim for damages with Tuscany Regional Administrative Court as compensation for not being awarded the contract.

The Medil consortium's claim amounts to €51,856,931.70, with an additional subordinated claim of €14,834,452.15 for pre-contractual liability.

As regards the damages for non-award of the contract, the Medil consortium claims that ASPI illegally excluded the consortium from the tender process, delaying the award until the Constitutional Court issued judgement 218/2021, as a result of which ASPI then legally withdrew the call for tenders.

As regards pre-contractual liability, the Medil consortium maintains that the tender process had reached the point at which Medil would have been legally awarded the contract. This was then compromised by ASPI's decision to withdraw the call for tenders.

ASPI filed its appearance on 24 July 2023.

The date for the hearing on the merits of the dispute has yet to be fixed.

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.

9.5 Law 124 of 4 August 2017, n. 124 – 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.

The following table summarises government grants collected/released to fund investment in concession assets.

€000		
Grantor	Grant collected	Description
Anas SpA or the Ministry of Infrastructure and Transport	37,396	Release of a portion of the term deposits following the disbursement carried out by banks related to loans agreed for the recognition of the grants provided for in laws 662/1996, 345/1997 and 135/1997 - IFRIC 12 construction services for which no additional benefits are received
Anas SpA or the Ministry of Infrastructure and Transport	4,225	Release of a portion of the term deposits following the disbursement carried out by banks related to loans agreed for the recognition of the grants provided for in laws 662/1996, 345/1997 and 135/1997 - IFRIC 12 construction services for which no additional benefits are received
Anas SpA	935	Layout and upgrade of the Bologna ring road system for the construction of the new "La Muffa" toll station. (Concession arrangements of 30 July 1999, 8 February 2002 and Addendum of 2 August 2004)
European Climate, Infrastructure and Environment Executive Agency (CINEA)	665	EU MATIS project on road networks. (Grant Agreement of 13 September 2023 Project 101122786 – 22-EU-TG-MATIS)
Emilia Romagna Regional authority	258	Redevelopment and upgrade of the Bologna ring road system (Concession arrangements of 30 July 1999, 8 February 2002 and Addendum of 2 August 2004)
Marche Regional authority	369	Planning and implementation of the redevelopment project for the flyovers 164 and 166 on the A14 motorway in the Camerano (AN) district. (Concession arrangement of 5 December 2022)
Municipality of Moncalzati (AV)	12	Proceeds from the sale of land, following approval from the MIT, to the Municipality of Moncalzati (AV)
European Commission, in the form of the organizing Coordinator Fundacion Tecnalia Research & Innovation	76	LIASON-Lowering transport environmental Impact along the whole life cycle of future road transport infrastructure. Development of a global digital governance framework for sustainable eco-friendly (zero-emissions) transport infrastructure, with a reduced energy and financial footprint over its life cycle.
European Commission, in the form of the organizing Coordinator Cemoso-Centro de Estudios de Materiales y Control de Obras	60	OMICRON-Towards more automated and optimised road maintenance, renewal and upgrade by means of robot technologies and intelligent decision support tools. Development of technologies (including robots), models and tools for the maintenance and upgrade of the network to reduce accidents and improve efficiency (cost efficiencies and increased capacity).
Total	43,995	

9.6 Events after 31 December 2023

EIB loan to fund ASPI's modernisation plan

On 15 February 2024, Autostrade per l'Italia agreed a loan of €1.2 billion with the European Investment Bank ("EIB"). The proceeds from the EIB loan include at least €800 million backed by InvestEU with a term of 15 years (in line therefore with the expiry of the concession) and to be disbursed directly. The funds will contribute to funding for modernisation of the network, making it more sustainable and resilient, including in respect of any future climate events. The EIB has committed to providing a further €400 million in indirect funding via a bank that has yet to be selected, with the aim of supporting progress on Autostrade per l'Italia's modernisation plan.

Liquidation and unwinding of Autostrade Meridionali

On 21 February 2024, the board of directors of the subsidiary, Autostrade Meridionali, decided to propose the company's voluntary liquidation and subsequent liquidation to the extraordinary general meeting of shareholders to be held on 8 April 2024.

Bond issue

On 28 February 2024, Autostrade per l'Italia placed two new tranches of Sustainability-Linked Bonds worth €500 million each with terms of 8 and 12 years and paying coupon interest of 4.25% and 4.625%, respectively.

In line with the commitments set out in the Sustainability-Linked Financing Framework published in December 2022, interest payable on the new bonds is linked to the achievement of specific medium- to long-term targets for cuts in greenhouse gas emissions and the installation of EV charging points on the motorway network. The issue was accompanied by the unwinding of derivative assets with the same nominal value (€1,000 million) and the collection of approximately €170 million in fair value gains.

Approval of the design for the tunnel under the Port of Genoa

On 2 March 2024, the Ministry of Infrastructure and Transport (the "MIT") announced approval of the design for the construction of an urban tunnel under the Port of Genoa that will cross the city. This project was included in the undertakings given by Autostrade per l'Italia in the settlement agreement entered into with the MIT in October 2021 at a cost of up to €700 million, already included in provisions for risks and charges made in previous years.

10. Highlights extracted from the latest financial statements of the company that manages and coordinates ASPI pursuant to article 2497-bis of the Italian Civil Code

The following table shows key data from the latest financial statements approved by the parent, Holding Reti Autostradali, which manages and coordinates the Company.

The financial statements are available at Holding Reti Autostradali's registered office.

**SUMMARY OF ESSENTIAL DATA FROM LATEST APPROVED FINANCIAL STATEMENTS
OF THE COMPANY THAT MANAGES AND COORDINATES ASPI PURSUANT TO ART.
2497 BIS OF ITALIAN CIVIL CODE**

HOLDING RETI AUTOSTRADALI SpA	
HIGHLIGHTS FROM THE 2022 FINANCIAL STATEMENTS	
€000	
STATEMENT OF FINANCIAL POSITION	
Non-current assets	8,225,391
Current assets	21,200
Total assets	8,246,591
Equity	8,246,098
<i>of which issued capital</i>	<i>1,000</i>
Non-current liabilities	-
Current liabilities	493
Total equity and liabilities	8,246,591
INCOME STATEMENT	
Operating income	-
Operating expenses	-2,959
Operating profit/(loss)	-2,959
Profit/(loss) for the year	606,169

11. PROPOSALS TO BE PUT TO AUTOSTRADE PER L'ITALIA SpA'S ANNUAL GENERAL MEETING FOR APPROVAL

Dear Shareholders,

To conclude this report, the Board of Directors proposes that shareholders approve the financial statements for the year ended 31 December 2023, having received the accompanying documents, which report profit for the year of €873,102,228.98.

With regard to appropriation of the above profit, the Board of Directors,

having taken into account the content of the Articles of Association:

- a) the provisions in paragraph 44.1, 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*”;
- b) the provisions in paragraph 25.2 (d), 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 [...]*”;
- c) the provisions in paragraphs 33.3(f) and 47.2, 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 non-controlling shareholders;

having verified that:

- i. 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;
- ii. the legal reserve has reached the level required by the Italian Civil Code, and is thus equal to one-fifth of the issued capital;

despite this, with the aim of further strengthening the financial position with a view to assuring the long-term sustainability of the Company’s business, and also taking into account that fact that, on 13 December 2023, the Board of Directors approved a dividend policy for 2023 in line with the policy previously applied in 2022, proposes to pay a total dividend for 2023 of €665 million, consisting of:

- (i) €624 million, equal to 75% of profit for the year from the Company’s ordinary activities;
- (ii) €41 million, equal to 100% of dividends from investees and income not related to ordinary activities,

and to take the remaining profit of €208 million to retained earnings.

As a result, and in accordance with the above, the Company’s Board of Directors

proposes

- to appropriate profit for the year, amounting to €438,927,382.98, that remains after payment of the interim dividend of €434,174,846.00 (equal to €0.698 per share) in 2023 as follows:
 - 1) to pay a dividend totalling €230,772,017.00, equal to €0.371 per each of the 622,027,000 dividend-bearing shares with a par value of €1.00;
 - 2) to take the remaining amount of €208,155,365.98 to retained earnings;
 - 3) to fix the date of payment of the dividend in point *sub* 1) as 19 April 2024.

In a separate agenda item, the Board of Directors will also propose the distribution of a portion of distributable reserves amounting to €120,673,238.00, to be taken from “retained earnings”.

For the Board of Directors

The Chairwoman

Elisabetta Oliveri

12. ANNEXES TO THE FINANCIAL STATEMENTS

Annex 1 - Disclosures of the fees paid to the Independent Auditors pursuant to art. 2427, paragraph 1.16-*bis* of the Italian Civil Code

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 of the fees paid to the Independent Auditors pursuant to art. 2427, paragraph 1.16-bis of the Italian Civil Code

Autostrade per l'Italia SpA

Type of service	Provider of service	Fees (€000)
Audit	Parent Company's auditor	289
Assurance services	Parent Company's auditor	193
Other services	Parent Company's auditor	258
Total		740

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.

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	2,138,844	413,916	250,972	48,183	44,585	7,994	38,370	7,366	35,288	79,428	2,825,629	556,887	3,382,516	
February	1,930,995	362,851	259,731	48,779	47,358	8,386	40,201	7,697	37,882	84,449	2,652,167	512,162	3,164,329	
March	2,226,810	415,601	311,258	58,516	56,660	10,180	47,134	9,182	43,520	98,662	3,077,152	592,141	3,669,293	
April	2,596,597	520,677	295,973	59,638	51,194	9,906	38,210	7,448	34,795	79,545	3,329,469	677,214	4,006,683	
May	2,424,425	478,226	331,042	66,381	61,121	12,357	46,617	9,124	41,971	96,144	3,279,966	662,232	3,942,198	
June	2,818,095	575,580	336,476	68,284	60,726	12,545	45,227	8,866	40,150	90,488	3,661,874	756,783	4,418,657	
July	3,320,985	698,906	339,414	69,027	64,167	13,494	45,001	8,765	40,089	89,617	4,170,436	879,897	5,050,333	
August	3,385,754	735,739	283,285	61,293	53,751	12,376	34,588	6,851	31,710	76,082	4,075,188	892,341	4,967,529	
September	2,768,997	573,045	331,526	67,769	60,692	12,503	45,996	8,928	39,819	90,241	3,605,402	752,486	4,357,888	
October	2,478,420	476,865	327,619	63,771	59,635	11,219	48,645	9,427	41,701	95,024	3,332,120	656,306	3,988,426	
November	2,197,261	404,285	295,627	55,241	54,005	9,787	47,803	9,278	40,819	91,962	3,002,887	570,553	3,573,440	
December	2,495,317	469,009	270,196	50,874	47,304	8,523	40,916	7,762	34,044	76,570	3,194,277	612,738	3,807,015	
YEAR	30,779,500	6,125,700	3,633,119	717,756	661,198	129,270	518,708	100,714	4,614,042	1,048,212	40,206,567	8,121,652	48,328,219	

MOTORWAY: MILAN - NAPLES
SECTION: A1 MILAN-BOLOGNA

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	295,942	-	36,377	-	7,618	-	8,534	-	66,544	-	415,015	-	415,015	
February	274,713	-	38,111	-	8,187	-	8,814	-	70,769	-	400,594	-	400,594	
March	321,798	-	46,276	-	9,741	-	10,158	-	82,084	-	470,057	-	470,057	
April	382,617	-	44,838	-	8,585	-	8,213	-	64,683	-	508,936	-	508,936	
May	353,245	-	49,020	-	10,272	-	10,034	-	78,221	-	500,792	-	500,792	
June	425,380	-	48,976	-	10,246	-	9,600	-	74,903	-	569,105	-	569,105	
July	493,171	-	48,175	-	10,771	-	9,677	-	74,057	-	635,851	-	635,851	
August	474,013	-	39,573	-	8,956	-	7,554	-	58,630	-	588,726	-	588,726	
September	411,685	-	50,212	-	10,310	-	9,963	-	73,702	-	555,872	-	555,872	
October	359,684	-	48,852	-	10,055	-	10,532	-	76,845	-	505,968	-	505,968	
November	317,544	-	43,534	-	9,114	-	10,389	-	74,633	-	455,214	-	455,214	
December	345,859	-	38,672	-	7,781	-	8,918	-	61,946	-	463,176	-	463,176	
YEAR	4,455,651	-	532,616	-	111,636	-	112,386	-	857,017	-	6,069,306	-	6,069,306	

MOTORWAY: MILAN - NAPLES
SECTION: A1 BOLOGNA-FLORENCE

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	85	100,970	11	12,617	1	2,576	2	3,238	6	25,912	105	145,313	145,418	
February	77	83,571	10	12,546	1	2,710	1	3,366	6	27,222	95	129,510	129,510	
March	88	97,639	12	15,394	2	3,344	2	3,988	7	31,898	111	152,263	152,374	
April	89	125,134	10	16,273	1	3,184	1	3,198	6	25,359	107	173,148	173,255	
May	88	111,755	12	17,504	2	3,901	2	3,904	7	31,364	111	168,428	168,539	
June	88	130,737	12	17,871	1	3,771	1	3,683	7	28,987	109	185,049	185,158	
July	87	152,496	11	17,248	1	3,880	1	3,638	7	28,351	107	205,613	205,720	
August	71	161,241	9	14,767	1	3,320	1	2,849	5	22,066	87	204,243	204,330	
September	81	128,596	11	18,014	1	3,805	1	3,782	7	27,731	101	181,928	182,029	
October	84	111,302	11	17,100	2	3,579	2	4,018	7	29,621	106	165,620	165,726	
November	85	94,016	11	14,411	2	3,126	2	4,057	6	29,247	106	144,857	144,963	
December	85	114,093	10	13,126	1	2,685	1	3,415	6	24,495	103	157,814	157,917	
YEAR	1,008	1,411,550	130	186,871	16	39,881	17	43,136	77	332,253	1,248	2,013,691	2,014,939	

MOTORWAY: MILAN - NAPLES
SECTION: A1 FLORENCE-ROME

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	279,942	-	33,220	-	6,211	-	7,528	-	59,326	-	386,227	-	386,227	
February	233,510	-	33,233	-	6,411	-	7,773	-	62,111	-	343,038	-	343,038	
March	268,533	-	39,949	-	7,883	-	9,105	-	72,225	-	397,695	-	397,695	
April	336,008	-	39,302	-	7,316	-	7,338	-	57,834	-	447,798	-	447,798	
May	303,449	-	43,811	-	8,482	-	8,895	-	70,683	-	435,320	-	435,320	
June	332,212	-	42,786	-	8,048	-	8,546	-	65,842	-	457,434	-	457,434	
July	384,830	-	42,297	-	8,226	-	8,437	-	64,657	-	508,447	-	508,447	
August	438,713	-	34,977	-	7,278	-	6,517	-	51,227	-	538,712	-	538,712	
September	333,789	-	42,258	-	8,236	-	8,825	-	63,667	-	456,775	-	456,775	
October	302,365	-	42,959	-	8,330	-	9,309	-	68,210	-	431,173	-	431,173	
November	267,585	-	38,558	-	7,518	-	9,561	-	68,682	-	391,904	-	391,904	
December	341,113	-	36,502	-	6,878	-	8,214	-	58,670	-	451,377	-	451,377	
YEAR	3,822,049	-	469,852	-	90,817	-	100,048	-	763,134	-	5,245,900	-	5,245,900	

MOTORWAY: MILAN - NAPLES
SECTION: A1 FIANO-SAN CESAREO

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	17,322	14,629	2,514	1,913	531	326	615	325	5,874	2,849	26,856	20,042	46,898	
February	13,423	12,347	2,527	1,933	551	330	616	330	6,090	2,939	23,207	17,879	41,086	
March	15,507	14,310	3,050	2,310	668	392	749	394	7,067	3,415	27,041	20,821	47,862	
April	21,948	17,199	2,954	2,097	611	358	599	316	5,701	2,753	31,813	22,723	54,536	
May	18,267	15,366	3,258	2,421	699	414	727	380	6,485	3,288	29,766	22,469	52,235	
June	21,569	17,954	3,270	2,407	673	397	702	364	6,485	3,138	32,699	24,660	57,359	
July	26,460	21,141	3,282	2,442	705	415	689	362	6,393	3,114	37,529	27,474	65,003	
August	34,806	23,165	2,695	1,914	622	373	536	274	5,001	2,411	43,660	28,137	71,797	
September	22,073	17,996	3,178	2,277	694	407	722	369	6,282	3,037	32,949	24,086	57,035	
October	18,598	16,484	3,227	2,295	706	430	757	395	6,732	3,266	30,020	22,870	52,890	
November	16,142	14,739	3,005	2,201	661	408	782	404	6,804	3,314	27,394	21,066	48,460	
December	22,559	18,014	2,948	2,082	613	381	677	346	5,907	2,873	32,704	23,696	56,400	
YEAR	248,674	203,944	35,908	26,292	7,734	4,631	8,171	4,259	75,151	36,397	375,638	275,523	651,161	

MOTORWAY: MILAN - NAPLES
SECTION: A1 ROME-NAPLES

Year: 2023

Month	TOLL PAYING TRAFFIC BY MONTH (in thousand 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	Low ground	High ground	Overall
January	285,293	-	30,535	-	5,041	-	4,214	-	39,142	-	364,225	-	364,225	-	364,225
February	245,027	-	30,600	-	5,075	-	4,332	-	40,795	-	325,829	-	325,829	-	325,829
March	283,673	-	36,721	-	6,104	-	5,139	-	46,988	-	378,625	-	378,625	-	378,625
April	334,614	-	34,057	-	5,583	-	4,176	-	38,056	-	416,486	-	416,486	-	416,486
May	306,219	-	38,621	-	6,493	-	5,067	-	45,754	-	402,154	-	402,154	-	402,154
June	345,480	-	38,626	-	6,216	-	4,925	-	43,863	-	439,110	-	439,110	-	439,110
July	401,066	-	39,248	-	6,610	-	4,897	-	44,443	-	496,264	-	496,264	-	496,264
August	435,139	-	32,587	-	5,959	-	3,744	-	36,540	-	513,969	-	513,969	-	513,969
September	342,688	-	37,284	-	6,419	-	5,054	-	43,588	-	435,033	-	435,033	-	435,033
October	317,470	-	38,009	-	6,643	-	5,473	-	45,794	-	413,389	-	413,389	-	413,389
November	285,698	-	34,952	-	6,146	-	5,319	-	45,598	-	377,713	-	377,713	-	377,713
December	344,340	-	33,361	-	5,760	-	4,603	-	39,559	-	427,623	-	427,623	-	427,623
YEAR	3,926,707	-	424,601	-	72,049	-	56,943	-	510,120	-	4,990,420	-	4,990,420	-	4,990,420

MOTORWAY: TURIN - TRIESTE
SECTION: A4 MILAN-BRESCIA

Year: 2023

Month	TOLL PAYING TRAFFIC BY MONTH (in thousand 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	Low ground	High ground	Overall
January	218,676	-	29,662	-	4,454	-	2,583	-	26,975	-	282,350	-	282,350	-	282,350
February	210,256	-	31,540	-	4,876	-	2,774	-	29,510	-	278,956	-	278,956	-	278,956
March	233,941	-	37,139	-	5,654	-	3,263	-	34,655	-	314,652	-	314,652	-	314,652
April	252,104	-	33,380	-	4,896	-	2,699	-	27,144	-	320,223	-	320,223	-	320,223
May	249,023	-	37,874	-	5,944	-	3,265	-	32,976	-	329,082	-	329,082	-	329,082
June	254,076	-	36,438	-	5,900	-	3,133	-	31,324	-	330,871	-	330,871	-	330,871
July	281,048	-	36,983	-	6,269	-	3,103	-	30,946	-	358,349	-	358,349	-	358,349
August	241,224	-	29,050	-	4,659	-	2,282	-	22,264	-	299,479	-	299,479	-	299,479
September	255,061	-	36,450	-	5,767	-	3,070	-	30,770	-	331,118	-	331,118	-	331,118
October	251,456	-	37,182	-	5,686	-	3,220	-	31,904	-	329,448	-	329,448	-	329,448
November	231,358	-	34,804	-	5,159	-	3,206	-	30,788	-	305,315	-	305,315	-	305,315
December	240,083	-	30,154	-	4,193	-	2,540	-	24,012	-	300,982	-	300,982	-	300,982
YEAR	2,918,306	-	410,656	-	63,457	-	35,138	-	353,268	-	3,780,825	-	3,780,825	-	3,780,825

MOTORWAY: MILAN - SERRAVALLE - GENOVA
SECTION: A7 SERRAVALLE-GENOVA

Year: 2023

Month	TOLL PAYING TRAFFIC BY MONTH (in thousand 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	Low ground	High ground	Overall
January	-	30,969	-	3,353	-	573	-	427	-	5,240	-	40,562	-	40,562	40,562
February	-	28,724	-	3,374	-	589	-	405	-	5,651	-	38,743	-	38,743	38,743
March	-	33,852	-	4,005	-	698	-	500	-	6,702	-	45,757	-	45,757	45,757
April	-	39,311	-	3,794	-	620	-	393	-	5,275	-	49,393	-	49,393	49,393
May	-	37,724	-	4,359	-	802	-	512	-	6,819	-	50,216	-	50,216	50,216
June	-	42,763	-	4,293	-	785	-	472	-	6,150	-	54,463	-	54,463	54,463
July	-	48,431	-	4,203	-	810	-	454	-	5,926	-	59,824	-	59,824	59,824
August	-	42,346	-	3,566	-	700	-	337	-	4,909	-	51,858	-	51,858	51,858
September	-	41,651	-	4,253	-	761	-	463	-	5,739	-	52,867	-	52,867	52,867
October	-	37,431	-	4,210	-	739	-	500	-	6,168	-	49,048	-	49,048	49,048
November	-	32,768	-	3,672	-	651	-	489	-	5,834	-	43,414	-	43,414	43,414
December	-	33,269	-	3,290	-	555	-	407	-	5,034	-	42,555	-	42,555	42,555
YEAR	-	449,239	-	46,372	-	8,283	-	5,359	-	69,447	-	578,700	-	578,700	578,700

MOTORWAY: MILAN - LAKES
SECTION: A8/A9 MILAN-LAKES

Year: 2023

Month	TOLL PAYING TRAFFIC BY MONTH (in thousand 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	Low ground	High ground	Overall
January	146,949	8,556	13,262	552	1,611	65	988	59	7,362	484	170,172	9,716	179,888	179,888	
February	144,809	8,250	13,993	601	1,786	76	1,054	65	7,972	528	169,614	9,520	179,134	179,134	
March	164,524	8,481	16,614	716	2,127	97	1,246	76	9,328	624	193,839	9,994	203,833	203,833	
April	168,074	9,819	15,302	834	2,015	138	1,057	72	7,323	490	193,771	11,353	205,124	205,124	
May	176,942	10,431	17,730	966	2,511	177	1,271	83	8,877	569	207,331	12,226	219,557	219,557	
June	176,411	11,311	17,450	998	2,543	200	1,221	77	8,452	570	206,077	13,156	219,233	219,233	
July	190,626	14,001	17,511	1,015	2,802	258	1,215	83	8,252	560	220,406	15,917	236,323	236,323	
August	149,069	12,279	14,093	916	2,311	259	891	68	6,096	420	172,460	13,942	186,402	186,402	
September	170,356	10,742	17,549	1,018	2,508	202	1,168	75	8,110	523	199,691	12,560	212,251	212,251	
October	175,312	9,428	18,116	915	2,323	144	1,227	74	8,730	561	205,708	11,122	216,830	216,830	
November	158,937	8,060	16,146	658	1,920	84	1,166	68	8,494	565	186,663	9,435	196,098	196,098	
December	163,128	9,536	14,170	620	1,594	74	952	95	6,876	461	186,720	10,746	197,466	197,466	
YEAR	1,985,137	120,894	191,936	9,809	26,051	1,774	13,456	855	95,872	6,355	2,312,452	139,687	2,452,139	2,452,139	

MOTORWAY: A08/A26
SECTION: A8/A26 GALLARATE-GATTICO SPUR

Year: 2023

Month	TOLL PAYING TRAFFIC BY MONTH (in thousand 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	Low ground	High ground	Overall
January	22,038	8,459	2,146	829	301	113	123	49	1,243	525	25,851	9,975	35,826	35,826	
February	21,361	7,932	2,531	955	336	128	142	58	1,349	585	25,719	9,658	35,377	35,377	
March	25,493	9,323	2,789	1,072	406	156	179	73	1,607	691	30,474	11,315	41,789	41,789	
April	28,002	10,886	2,502	1,008	354	142	142	57	1,291	551	32,291	12,644	44,935	44,935	
May	26,660	9,998	2,881	1,143	431	169	172	69	1,559	670	31,703	12,049	43,752	43,752	
June	28,815	11,094	2,896	1,144	435	171	171	69	1,486	652	33,803	13,130	46,933	46,933	
July	31,661	12,764	2,835	1,151	450	177	157	65	1,465	641	36,568	14,798	51,366	51,366	
August	26,318	11,317	2,086	864	306	123	107	44	969	431	29,786	12,779	42,565	42,565	
September	28,335	11,299	2,829	1,135	416	162	163	67	1,418	631	33,161	13,294	46,455	46,455	
October	27,636	10,725	2,864	1,129	409	158	183	75	1,509	663	32,601	12,750	45,351	45,351	
November	23,789	8,936	2,532	981	357	139	170	68	1,421	626	28,269	10,750	39,019	39,019	
December	24,478	9,464	2,238	863	291	107	132	54	1,147	499	28,286	10,987	39,273	39,273	
YEAR	314,586	122,197	31,129	12,274	4,492	1,745	1,841	748	16,464	7,165	368,512	144,129	512,641	512,641	

Month	TOLL PAYING TRAFFIC BY MONTH (in thousand 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	-	41,094	-	4,586	-	569	-	459	-	6,672	-	-	53,380	53,380	
February	-	36,187	-	4,523	-	568	-	485	-	7,146	-	-	48,909	48,909	
March	-	41,816	-	5,466	-	695	-	609	-	8,424	-	-	57,010	57,010	
April	-	52,725	-	5,648	-	703	-	462	-	6,922	-	-	66,460	66,460	
May	-	49,103	-	6,066	-	841	-	575	-	8,051	-	-	64,636	64,636	
June	-	59,346	-	6,102	-	848	-	568	-	7,638	-	-	74,502	74,502	
July	-	71,836	-	6,207	-	923	-	557	-	7,510	-	-	87,033	87,033	
August	-	73,098	-	5,705	-	883	-	435	-	6,241	-	-	86,362	86,362	
September	-	57,342	-	5,874	-	826	-	562	-	7,478	-	-	72,082	72,082	
October	-	47,756	-	5,630	-	767	-	590	-	7,885	-	-	62,638	62,638	
November	-	41,505	-	5,003	-	680	-	566	-	7,697	-	-	55,451	55,451	
December	-	43,652	-	4,504	-	579	-	469	-	6,301	-	-	55,505	55,505	
YEAR	-	615,460	-	65,314	-	8,882	-	6,337	-	87,965	-	-	783,958	783,958	

Month	TOLL PAYING TRAFFIC BY MONTH (in thousand 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	90,675	70	9,801	9	1,228	2	660	1	6,834	6	109,198	88	109,286		
February	85,575	63	10,157	9	1,285	2	694	1	7,286	6	104,997	81	105,078		
March	98,433	73	12,189	11	1,608	2	831	1	8,201	7	121,262	94	121,356		
April	105,450	77	11,396	9	1,469	2	652	1	6,686	6	125,653	95	125,748		
May	106,566	75	13,334	11	1,822	2	858	1	8,260	8	130,840	97	130,937		
June	115,583	77	12,981	10	1,746	2	797	1	7,747	7	138,854	97	138,951		
July	129,004	79	12,700	10	1,739	2	774	1	7,685	7	151,902	99	152,001		
August	113,254	65	10,204	8	1,416	2	562	1	6,126	6	131,562	82	131,644		
September	111,568	72	12,320	10	1,727	2	797	1	7,565	7	133,977	92	134,069		
October	104,336	69	12,521	10	1,724	2	834	1	8,045	7	127,460	89	127,549		
November	91,953	67	11,178	10	1,429	2	822	1	7,815	7	113,197	87	113,284		
December	95,757	72	10,132	8	1,225	1	677	1	6,520	5	114,311	87	114,398		
YEAR	1,248,154	859	138,913	115	18,418	23	8,958	12	88,770	79	1,503,213	1,088	1,504,301		

Month	TOLL PAYING TRAFFIC BY MONTH (in thousand 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	-	46,418	-	5,060	-	518	-	370	-	3,397	-	-	55,763	55,763	
February	-	43,473	-	4,979	-	551	-	389	-	3,726	-	-	53,128	53,128	
March	-	50,875	-	5,895	-	689	-	471	-	4,368	-	-	62,298	62,298	
April	-	59,704	-	5,971	-	668	-	384	-	3,533	-	-	70,260	70,260	
May	-	57,301	-	6,586	-	808	-	470	-	4,181	-	-	69,346	69,346	
June	-	62,540	-	6,478	-	778	-	449	-	3,845	-	-	74,090	74,090	
July	-	69,518	-	6,471	-	831	-	426	-	3,807	-	-	81,053	81,053	
August	-	69,090	-	5,770	-	764	-	331	-	3,097	-	-	79,052	79,052	
September	-	62,110	-	6,294	-	739	-	471	-	3,769	-	-	73,383	73,383	
October	-	54,293	-	6,061	-	697	-	507	-	4,044	-	-	65,602	65,602	
November	-	47,667	-	5,365	-	607	-	504	-	3,963	-	-	58,106	58,106	
December	-	48,877	-	4,862	-	521	-	394	-	3,266	-	-	57,920	57,920	
YEAR	-	671,866	-	69,792	-	8,171	-	5,166	-	45,006	-	-	800,001	800,001	

Month	TOLL PAYING TRAFFIC BY MONTH (in thousand 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	36,006	-	2,955	-	429	-	304	-	2,220	-	41,914	-	41,914		
February	33,473	-	2,978	-	439	-	320	-	2,271	-	39,481	-	39,481		
March	41,137	-	3,768	-	535	-	396	-	2,691	-	48,527	-	48,527		
April	47,490	-	3,951	-	516	-	332	-	2,319	-	54,608	-	54,608		
May	47,502	-	4,695	-	593	-	413	-	2,910	-	56,113	-	56,113		
June	59,850	-	5,171	-	598	-	384	-	2,632	-	68,635	-	68,635		
July	71,867	-	5,207	-	619	-	413	-	2,758	-	80,864	-	80,864		
August	66,942	-	4,590	-	574	-	312	-	2,703	-	75,121	-	75,121		
September	53,881	-	4,609	-	577	-	416	-	2,749	-	62,232	-	62,232		
October	46,845	-	4,660	-	559	-	461	-	2,740	-	55,265	-	55,265		
November	39,025	-	3,767	-	498	-	376	-	2,616	-	46,282	-	46,282		
December	40,443	-	3,227	-	435	-	323	-	2,181	-	46,609	-	46,609		
YEAR	584,461	-	49,578	-	6,372	-	4,450	-	30,790	-	675,651	-	675,651		

Month	TOLL PAYING TRAFFIC BY MONTH (in thousand 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	105,745	-	13,908	-	2,598	-	1,920	-	20,762	-	144,933	-	144,933		
February	98,016	-	14,345	-	2,812	-	2,041	-	22,191	-	139,405	-	139,405		
March	114,613	-	17,609	-	3,397	-	2,442	-	26,382	-	164,443	-	164,443		
April	125,527	-	16,683	-	3,044	-	1,979	-	21,113	-	168,346	-	168,346		
May	118,993	-	18,164	-	3,650	-	2,469	-	25,782	-	169,058	-	169,058		
June	135,016	-	18,508	-	3,550	-	2,374	-	24,552	-	184,000	-	184,000		
July	151,904	-	18,637	-	3,720	-	2,285	-	24,289	-	200,735	-	200,735		
August	144,232	-	15,458	-	2,932	-	1,794	-	19,422	-	183,838	-	183,838		
September	134,438	-	18,276	-	3,562	-	2,274	-	24,302	-	182,852	-	182,852		
October	125,295	-	18,092	-	3,513	-	2,444	-	25,391	-	174,735	-	174,735		
November	110,276	-	16,111	-	3,161	-	2,379	-	24,296	-	156,223	-	156,223		
December	117,354	-	14,494	-	2,676	-	2,098	-	20,017	-	156,639	-	156,639		
YEAR	1,481,309	-	200,285	-	38,615	-	26,499	-	278,499	-	2,025,207	-	2,025,207		

Month	TOLL PAYING TRAFFIC BY MONTH (in thousand of kilometres travelled)											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	8,944	-	936	-	153	-	95	-	2,133	-	12,261	-	12,261	
February	8,885	-	994	-	160	-	96	-	2,400	-	12,535	-	12,535	
March	10,866	-	1,186	-	196	-	118	-	2,832	-	15,198	-	15,198	
April	12,474	-	1,151	-	173	-	93	-	2,049	-	15,940	-	15,940	
May	11,746	-	1,349	-	241	-	157	-	2,816	-	16,309	-	16,309	
June	15,744	-	1,373	-	221	-	114	-	2,517	-	19,969	-	19,969	
July	17,086	-	1,329	-	219	-	111	-	2,276	-	21,621	-	21,621	
August	15,993	-	1,147	-	174	-	80	-	1,626	-	19,020	-	19,020	
September	13,910	-	1,291	-	202	-	104	-	2,230	-	17,737	-	17,737	
October	12,061	-	1,281	-	194	-	117	-	2,418	-	16,071	-	16,071	
November	10,048	-	1,137	-	176	-	102	-	2,281	-	13,744	-	13,744	
December	9,907	-	979	-	139	-	80	-	1,668	-	12,773	-	12,773	
YEAR	148,264	-	14,153	-	2,248	-	1,267	-	27,246	-	193,178	-	193,178	

Month	TOLL PAYING TRAFFIC BY MONTH (in thousand of kilometres travelled)											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	278,056	-	33,119	-	6,565	-	5,058	-	54,239	-	377,037	-	377,037	
February	249,158	-	34,327	-	7,071	-	5,414	-	58,036	-	354,006	-	354,006	
March	293,568	-	41,613	-	8,448	-	6,334	-	67,851	-	417,814	-	417,814	
April	355,211	-	40,724	-	7,543	-	5,109	-	53,754	-	462,341	-	462,341	
May	307,594	-	43,102	-	8,895	-	6,219	-	63,545	-	429,355	-	429,355	
June	419,899	-	47,369	-	9,223	-	6,167	-	62,401	-	545,059	-	545,059	
July	512,230	-	47,898	-	9,804	-	6,158	-	62,540	-	638,630	-	638,630	
August	530,328	-	41,036	-	7,862	-	4,722	-	48,633	-	632,581	-	632,581	
September	396,141	-	45,595	-	9,041	-	6,297	-	62,512	-	519,585	-	519,585	
October	325,554	-	42,899	-	8,811	-	6,579	-	64,967	-	448,810	-	448,810	
November	286,469	-	38,486	-	8,077	-	6,283	-	63,152	-	402,467	-	402,467	
December	320,803	-	34,938	-	6,864	-	5,435	-	51,205	-	419,245	-	419,245	
YEAR	4,275,011	-	491,106	-	98,204	-	69,775	-	712,835	-	5,646,931	-	5,646,931	

Month	TOLL PAYING TRAFFIC BY MONTH (in thousand of kilometres travelled)											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	93,109	-	12,022	-	2,337	-	1,886	-	19,300	-	128,654	-	128,654	
February	81,077	-	12,475	-	2,512	-	2,007	-	20,374	-	118,445	-	118,445	
March	92,721	-	14,860	-	3,013	-	2,329	-	23,646	-	136,569	-	136,569	
April	116,656	-	14,045	-	2,700	-	1,808	-	19,044	-	154,253	-	154,253	
May	103,841	-	16,061	-	3,299	-	2,263	-	22,807	-	148,271	-	148,271	
June	132,208	-	17,615	-	3,332	-	2,331	-	22,364	-	177,850	-	177,850	
July	172,522	-	18,517	-	3,525	-	2,328	-	23,001	-	219,893	-	219,893	
August	201,160	-	16,531	-	2,930	-	1,772	-	18,335	-	240,728	-	240,728	
September	131,415	-	16,812	-	3,175	-	2,380	-	22,900	-	176,682	-	176,682	
October	107,078	-	15,850	-	3,243	-	2,451	-	24,117	-	152,739	-	152,739	
November	96,026	-	14,481	-	3,001	-	2,385	-	23,445	-	139,338	-	139,338	
December	114,307	-	13,579	-	2,670	-	2,125	-	19,545	-	152,226	-	152,226	
YEAR	1,442,120	-	182,848	-	35,737	-	26,065	-	258,878	-	1,945,648	-	1,945,648	

Month	TOLL PAYING TRAFFIC BY MONTH (in thousand of kilometres travelled)											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	8,036	18,723	1,085	2,333	219	423	196	368	2,020	3,747	11,556	25,594	37,150	
February	6,867	15,943	1,155	2,427	238	446	210	386	2,121	3,901	10,591	23,103	33,694	
March	7,747	18,171	1,383	2,867	288	528	251	440	2,504	4,539	12,173	26,545	38,718	
April	10,033	23,151	1,281	2,705	252	490	190	350	1,992	3,652	13,748	30,348	44,096	
May	8,799	20,364	1,491	3,146	308	607	238	446	2,382	4,363	13,218	28,926	42,144	
June	11,703	26,047	1,626	3,385	304	583	247	461	2,320	4,235	16,200	34,711	50,911	
July	15,821	35,015	1,687	3,615	319	636	242	460	2,356	4,392	20,425	44,118	64,543	
August	19,801	43,162	1,565	3,308	275	556	182	350	1,915	3,550	23,738	50,986	74,724	
September	11,787	26,755	1,550	3,270	297	583	247	475	2,370	4,369	16,251	35,452	51,703	
October	9,009	21,504	1,446	3,119	298	590	254	500	2,469	4,657	13,476	30,370	43,846	
November	8,266	19,612	1,359	2,916	276	548	259	499	2,461	4,585	12,621	28,160	40,781	
December	10,568	25,374	1,308	2,888	252	526	230	448	2,108	3,956	14,466	33,192	47,658	
YEAR	128,437	293,821	16,936	36,039	3,326	6,516	2,746	5,183	27,018	49,946	178,463	391,505	569,968	

Month	TOLL PAYING TRAFFIC BY MONTH (in thousand of kilometres travelled)											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	38,149	16,987	4,320	2,239	885	489	867	432	9,401	4,445	53,622	24,592	78,214	
February	29,945	13,919	4,490	2,310	966	514	928	448	9,705	4,607	46,034	21,798	67,832	
March	32,502	15,583	5,146	2,728	1,090	603	1,044	507	11,212	5,359	50,994	24,780	75,774	
April	48,875	21,322	5,309	2,619	1,090	563	883	409	9,166	4,297	65,323	29,210	94,533	
May	40,441	18,114	6,044	3,045	1,282	689	1,037	501	11,009	5,158	59,813	27,507	87,320	
June	58,430	24,479	6,726	3,343	1,282	650	1,054	513	10,538	5,018	78,030	34,003	112,033	
July	89,057	34,737	7,364	3,575	1,456	716	1,061	510	11,065	5,227	110,003	44,765	154,768	
August	119,295	44,786	7,269	3,381	1,280	623	815	400	9,097	4,202	137,756	53,392	191,148	
September	61,852	25,423	6,759	3,236	1,310	668	1,040	509	11,203	5,195	82,164	35,031	117,195	
October	42,874	19,063	6,116	3,030	1,254	664	1,106	543	11,997	5,363	63,347	28,853	92,200	
November	35,278	16,549	5,303	2,753	1,135	617	1,065	544	11,388	5,424	54,169	25,887	80,056	
December	52,229	22,081	5,266	2,570	1,080	551	915	459	9,945	4,595	69,435	30,256	99,691	
YEAR	648,927	273,033	70,112	34,829	14,110	7,347	11,815	5,775	125,726	59,090	870,690	380,074	1,250,764	

Month	TOLL PAYING TRAFFIC BY MONTH (in thousand 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	36,799	-	4,099	-	682	-	559	-	5,228	-	47,367	-	47,367	
February	33,132	-	4,409	-	774	-	610	-	5,443	-	44,368	-	44,368	
March	36,705	-	4,949	-	853	-	696	-	6,169	-	49,372	-	49,372	
April	46,652	-	4,870	-	837	-	594	-	5,150	-	58,103	-	58,103	
May	42,007	-	5,520	-	967	-	688	-	6,327	-	55,509	-	55,509	
June	56,517	-	5,814	-	944	-	688	-	6,115	-	70,078	-	70,078	
July	80,462	-	6,223	-	1,073	-	709	-	6,682	-	95,149	-	95,149	
August	100,764	-	5,877	-	958	-	529	-	5,473	-	113,601	-	113,601	
September	58,414	-	5,843	-	977	-	694	-	6,531	-	72,459	-	72,459	
October	45,115	-	5,709	-	961	-	734	-	6,923	-	59,442	-	59,442	
November	38,048	-	5,133	-	895	-	708	-	6,528	-	51,312	-	51,312	
December	48,906	-	4,988	-	857	-	618	-	5,751	-	61,130	-	61,130	
YEAR	623,521	-	63,444	-	10,778	-	7,827	-	72,320	-	777,890	-	777,890	

Month	TOLL PAYING TRAFFIC BY MONTH (in thousand 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	36,507	39,369	3,788	5,229	767	1,107	343	479	3,139	6,093	44,544	52,777	96,921	
February	33,983	35,834	3,905	5,409	773	1,132	347	483	3,223	6,254	42,231	49,112	91,343	
March	40,598	42,010	4,670	6,455	916	1,343	413	550	3,696	7,078	50,293	57,436	107,729	
April	43,493	49,176	4,153	6,003	810	1,189	347	483	3,056	5,845	51,859	62,696	114,555	
May	42,053	45,643	4,830	6,953	961	1,422	406	577	3,791	7,340	52,041	61,935	113,976	
June	46,197	52,173	4,788	6,823	914	1,340	402	595	3,637	6,976	55,938	67,907	123,845	
July	50,995	60,156	4,736	6,752	947	1,369	395	601	3,688	7,271	60,761	76,149	136,910	
August	52,269	71,183	3,776	5,771	841	1,274	306	446	3,498	10,113	60,690	88,787	149,477	
September	45,408	53,261	4,650	6,837	952	1,444	398	582	3,919	9,409	55,327	71,533	126,860	
October	44,956	49,351	4,986	7,259	989	1,521	437	598	3,956	8,849	55,324	67,578	122,902	
November	40,146	43,543	4,707	6,598	929	1,404	415	568	3,651	7,204	49,848	59,317	109,165	
December	44,230	50,307	4,408	6,096	858	1,267	362	500	3,182	6,258	53,040	64,428	117,468	
YEAR	520,835	592,006	53,397	76,185	10,657	15,812	4,571	6,462	42,436	88,690	631,896	779,155	1,411,051	

Month	TOLL PAYING TRAFFIC BY MONTH (in thousand 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	14,382	9,107	1,728	1,377	195	148	205	245	4,104	5,746	20,614	16,623	37,237	
February	12,378	7,361	1,772	1,419	221	178	216	261	4,406	6,111	18,993	15,330	34,323	
March	12,407	7,395	2,077	1,714	278	242	264	318	5,266	7,288	20,292	16,957	37,249	
April	15,288	12,332	2,367	2,381	402	452	266	332	4,323	6,067	22,646	21,564	44,210	
May	19,345	17,111	3,167	3,170	703	848	313	392	4,811	6,633	28,339	28,154	56,493	
June	25,886	24,920	3,625	3,714	999	1,276	347	437	4,686	6,455	35,543	36,802	72,345	
July	33,361	33,554	3,888	4,023	1,207	1,557	343	444	4,624	6,446	43,423	46,024	89,447	
August	35,377	35,356	3,970	4,176	1,359	1,785	314	407	3,836	5,400	44,856	47,124	91,980	
September	26,618	24,877	3,797	3,853	962	1,198	305	383	4,622	6,365	36,304	36,676	72,980	
October	15,069	10,508	2,473	2,229	372	379	302	377	4,889	6,767	23,105	20,260	43,365	
November	11,222	6,499	1,848	1,528	246	202	259	312	4,945	6,676	18,520	15,217	33,737	
December	14,901	10,088	1,745	1,458	203	167	210	253	3,779	5,173	20,838	17,139	37,977	
YEAR	236,234	199,108	32,457	31,042	7,147	8,432	3,344	4,161	54,291	75,127	333,473	317,870	651,343	

Month	TOLL PAYING TRAFFIC BY MONTH (in thousand 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	-	43,632	-	4,903	-	760	-	770	-	12,860	-	62,925	62,925	
February	-	38,697	-	4,915	-	797	-	856	-	14,067	-	59,332	59,332	
March	-	44,480	-	6,043	-	948	-	1,031	-	16,212	-	68,714	68,714	
April	-	65,210	-	6,703	-	972	-	807	-	13,137	-	86,829	86,829	
May	-	53,613	-	6,889	-	1,167	-	991	-	15,633	-	78,293	78,293	
June	-	74,514	-	7,251	-	1,196	-	977	-	14,793	-	98,731	98,731	
July	-	95,988	-	7,506	-	1,338	-	946	-	14,304	-	120,082	120,082	
August	-	97,890	-	6,961	-	1,246	-	744	-	11,753	-	118,594	118,594	
September	-	71,624	-	7,194	-	1,172	-	965	-	13,998	-	94,953	94,953	
October	-	52,993	-	6,571	-	1,076	-	1,004	-	14,926	-	76,570	76,570	
November	-	40,947	-	5,419	-	910	-	974	-	14,826	-	63,076	63,076	
December	-	47,187	-	4,991	-	780	-	791	-	12,189	-	65,938	65,938	
YEAR	-	726,775	-	75,346	-	12,362	-	10,856	-	168,698	-	994,037	994,037	

Month	TOLL PAYING TRAFFIC BY MONTH (in thousand 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	41,201	14,008	5,110	1,443	836	180	537	72	5,883	952	53,567	16,655	70,222	
February	39,202	12,788	5,450	1,624	903	208	613	89	6,258	1,110	52,426	15,819	68,245	
March	45,349	15,090	6,554	1,902	1,092	256	748	121	7,413	1,275	61,156	18,644	79,800	
April	54,377	19,137	6,533	1,938	981	260	603	96	5,912	1,034	68,406	22,465	90,871	
May	49,587	16,719	7,101	2,153	1,155	305	741	117	7,454	1,296	66,038	20,590	86,628	
June	56,708	19,353	7,143	2,179	1,136	310	707	114	6,987	1,292	72,681	23,248	95,929	
July	67,381	23,938	7,204	2,237	1,193	321	681	112	6,839	1,292	83,298	27,900	111,198	
August	61,441	22,458	5,690	1,817	927	247	507	83	5,147	940	73,712	25,545	99,257	
September	57,708	20,539	7,161	2,224	1,128	306	716	119	7,019	1,245	73,732	24,433	98,165	
October	51,941	18,839	7,137	2,119	1,100	278	751	133	6,907	1,281	67,836	22,650	90,486	
November	43,458	14,516	6,183	1,794	993	237	719	114	6,407	1,243	57,760	17,904	75,664	
December	45,771	16,049	5,465	1,578	851	181	591	87	5,441	922	58,119	18,817	76,936	
YEAR	614,124	213,434	76,731	23,008	12,295	3,089	7,914	1,257	77,667	13,882	788,731	254,670	1,043,401	

Month	TOLL PAYING TRAFFIC BY MONTH (in thousand 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	Overall		
January	37,236	20,925	4,093	1,740	599	145	327	72	3,221	500	45,476	23,382	68,858		
February	34,636	17,762	4,332	1,755	664	157	340	75	3,584	586	43,556	20,335	63,891		
March	37,689	16,503	5,067	1,938	785	187	403	103	4,200	782	48,144	19,513	67,657		
April	37,433	15,494	4,497	1,655	652	165	331	88	3,406	624	46,319	18,026	64,345		
May	37,855	14,309	5,280	1,969	817	205	416	106	4,131	771	48,499	17,360	65,859		
June	40,990	19,272	5,469	2,286	841	238	397	106	3,976	732	51,673	22,634	74,307		
July	46,076	25,252	5,686	2,572	866	261	395	106	4,017	769	57,040	28,960	86,000		
August	43,269	28,303	4,538	2,309	629	221	301	82	2,915	543	51,652	31,458	83,110		
September	42,606	20,758	5,501	2,280	823	228	404	105	4,055	745	53,389	24,116	77,505		
October	42,115	17,129	5,456	2,094	820	195	429	112	4,191	766	53,011	20,296	73,307		
November	36,971	14,861	5,009	1,932	751	172	414	110	4,025	751	47,170	17,826	64,996		
December	41,122	20,946	4,607	1,938	643	148	344	83	3,285	543	50,001	23,658	73,659		
YEAR	477,998	231,514	59,535	24,468	8,890	2,322	4,501	1,148	45,006	8,112	595,930	267,564	863,494		

Month	TOLL PAYING TRAFFIC BY MONTH (in thousand 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	Overall		
January	47,752	-	6,281	-	1,324	-	826	-	7,902	-	64,085	-	64,085		
February	41,492	-	6,397	-	1,317	-	859	-	7,382	-	58,047	-	58,047		
March	48,918	-	7,637	-	1,576	-	1,024	-	9,266	-	68,421	-	68,421		
April	54,182	-	6,668	-	1,364	-	798	-	7,487	-	70,499	-	70,499		
May	51,303	-	7,697	-	1,594	-	966	-	8,844	-	70,304	-	70,304		
June	59,333	-	7,814	-	1,574	-	919	-	8,516	-	78,156	-	78,156		
July	73,770	-	7,996	-	1,646	-	930	-	8,829	-	93,171	-	93,171		
August	82,276	-	6,564	-	1,502	-	760	-	8,352	-	99,454	-	99,454		
September	59,183	-	7,591	-	1,608	-	958	-	8,670	-	78,010	-	78,010		
October	53,567	-	7,773	-	1,643	-	1,043	-	9,060	-	73,086	-	73,086		
November	48,937	-	7,383	-	1,561	-	1,022	-	8,755	-	67,658	-	67,658		
December	57,374	-	6,995	-	1,440	-	871	-	7,794	-	74,474	-	74,474		
YEAR	677,987	-	86,796	-	18,149	-	10,976	-	101,457	-	895,365	-	895,365		

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 2023.

Whilst awaiting finalisation of the update of the Financial Plan for the regulatory period 2025-2029, any differences between the value of investment provided for in the Financial Plan in effect and the value of investment completed as at 31 December 2023 will be the result of application of the approach put forward by the Grantor (note 2882 of 8 August 2023), which authorised temporary coverage of the increased funding needed via a matching reduction in investment required under the Concession Arrangement.

ART 2 FAC 2021	PROJECT	Contractually agreed amounts (a)		Completed as at 31 December 2022		2023		Completed as at 31 December 2023			
		Gross approved amount (b)	TOTAL	Base tender price (g)	Available funding	Financial expenses	TOTAL	Base tender price (g)	Available funding	Financial expenses	TOTAL
UPGRADE OF AL MILAN-HUPLES MOTORWAY											
A.1.2.1	CONSTRUCTION OF THE MOTORWAY	60,126	87,864	65,116	18,483	2,150	0	65,116	18,483	2,150	86,169
A.1.2.1.B.3	Sarzo Marconi-La Quercia (1)	628,588	889,781	463,860	103,015	38,636	61	463,860	103,077	38,636	603,573
A.1.2.2	La Quercia-Abbiadori (2)	2,855,988	3,100,879	2,586,170	535,503	394,319	4,915	2,586,170	540,419	394,319	3,432,055
A.1.3	New Bologno Junction	10,898	34,628	8,436	4,643	5,534	1,264	8,436	5,807	5,534	37,768
A.1.3.1	Abbiadori-Bologno North	9,899	30,676	7,048	3,790	4,815	890	7,048	4,915	4,815	29,779
A.3	Florenze North-Florenze South	613,866	882,133	680,199	176,379	81,974	3,920	680,199	169,300	86,511	867,010
A.4	Florenze North-Incisa	632,830	862,133	680,199	176,379	81,974	2,236	680,199	176,555	81,974	844,913
A.5	Construction of the Florence access roads	27,272	56,041	159,874	70,478	14,089	27,221	159,874	97,659	14,089	327,236
A.5.1	Imberciogoli	23,554	43,891	62,729	30,959	8,134	289	62,729	31,248	8,134	93,881
A.5.2	Imberciogoli	3,718	12,150	96,145	39,519	27,745	21,932	96,145	66,411	27,745	253,281
TOTAL UPGRADE OF AL MILAN-HUPLES MOTORWAY			6,906,918	5,099,580	1,356,454	722,608	54,048	5,099,580	1,391,302	722,608	7,197,121
REMAINING INVESTMENT IN THIRD AND FOURTH LANES											
B.1	Bologna - Bologna B: single remaining investment in fourth lane (B)	148,943	149,716	115,156	29,562	2,051	-	115,156	29,562	2,051	146,709
B.2	Modena ring road	99,098	49,000	15	2,185	503	-	4,637	9,059	503	14,214
B.4	Offre - Fiesco Romano (remaining investment in 3rd of lane (B))	156,651	191,952	157,991	33,277	8,582	24	157,991	33,301	8,582	199,874
B.4.5	Offre - Fiesco Romano (remaining investment in 4th of lane (B))	48,837	59,393	35,186	24,207	37	-	35,186	24,548	37	59,871
B.7	Milano - Gallarate remaining investment (A)	169,158	59,393	47,754	11,639	1,383	-	47,754	11,639	1,383	60,776
TOTAL REMAINING INVESTMENT IN THIRD AND FOURTH LANES			7,489,147	3,651,117	121,667	13,242	6,888	3,651,117	126,566	13,242	511,561
TOTAL 1997 PLAN				5,374,696	1,458,121	735,870	61,746	5,452,945	1,519,867	735,870	7,706,682

A1.2 A1.2.1	PROJECT	Contractually agreed amounts (a)		Completed as at 31 December 2022		2023		Completed as at 31 December 2023			
		Net amount under III Adherendum to the Single Concession Arrangement (b)	TOTAL	Base tender price (c)	Available funding	Financial expenses	TOTAL	Base tender price (c)	Available funding	Financial expenses	TOTAL
D.1.1	Widening to three lanes of A14 from Irujo (Irujo to Serdangui) junction	125,677	133,938	101,186	27,083	2,015	130,242	101,186	27,083	2,015	130,284
D.1.2	Godona junction	11,861	12,818	8,527	4,265	-	12,793	8,527	4,265	-	12,793
D.1.3	Forontino junction	17,384	16,738	9,138	7,605	-	16,813	9,138	7,605	-	16,813
D.2.1	Widening to four lanes of A14 from Mian East to Bergamo [1,2]	525,885	505,665	384,376	3,842	3,842	507,867	384,376	119,451	3,842	507,869
D.2.2	Upgrade of existing A14 and Bembo bridges	11,438	10,625	9,497	1,127	180	10,804	9,497	1,127	180	10,804
D.3.1	Widening to three lanes of A9 from A9/A9 interchange (Larrete) and Gomoa interchange	465,713	312,976	241,073	70,676	6,299	318,048	241,073	70,890	6,299	318,222
D.3.2	Widening to three lanes of A8 from Mian North Barrier to Larrete interchange	218,000	170,800	98,912	32,586	1,718	133,116	117,668	46,747	1,718	166,153
D.3.3	Portion of access roads for the Exhibition Centre - Frec (Mian)	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 - Berni North-Carriola [5]	570,416	489,800	373,440	93,048	5,275	471,763	379,419	97,823	5,275	482,217
D.4.1.2	Widening to three lanes of A14 - Carriola Fano	406,995	416,841	352,442	82,065	7,167	441,674	352,442	82,279	7,167	441,888
D.4.1.3	Widening to three lanes of A14 - Fano-Songalla	362,150	326,549	233,801	93,116	2,271	329,188	233,801	93,529	2,271	332,201
D.4.1.4	Widening to three lanes of A14 - Songilla-Acciona North and Mian North	454,216	403,999	319,965	72,043	39,051	430,059	319,565	74,301	39,051	432,917
D.4.1.5	Widening to three lanes of A14 - Acciona North-Acciona South	314,299	346,011	289,966	53,240	21,300	364,316	289,066	54,074	21,300	364,439
D.4.1.6	Widening to three lanes of A14 - Acciona South Porto Sant'Egidio	133,819	147,629	109,133	26,254	8,299	141,946	109,133	26,267	8,299	143,999
D.4.1.7	Widening to three lanes of A14 - Acciona South Porto Sant'Egidio B1 phase	170,278	116,679	122,450	32,058	2,415	156,943	122,811	33,649	2,415	160,655
D.4.1.8	Widening to three lanes of A14 - last preparation of pavements 2nd phase and Porto Sant'Egidio junction	23,276	21,648	19,290	2,338	11,059	32,688	19,290	2,338	11,059	32,688
D.4.2	Widening to three lanes of A14 - Complementary works in Mian North	47,471	55,747	17,606	19,349	2,313	59,989	38,064	20,495	2,313	61,172
D.4.3	Widening to three lanes of A14 - Complementary works in Municipality of Zecopp	81,058	86,759	679	9,781	280	107,58	4,709	12,161	280	17,159
D.4.5	Completion works on A8 from North - Porto Sant'Egidio section	19,861	9,520	10,589	2,346	-	13,927	10,589	2,346	-	13,927
D.5.1	Potential interconnection A14/A14/A14 interconnection	4,753,200	4,254,886	11,232	192,139	16,288	271,224	10,520	12,373	-	28,899
D.5.2.1	Pav. junction on A14 motorway	(9)	(9)	(9)	371	524	(9)	(9)	895	-	895
D.5.2.2	Widening of access junction on A14 motorway	(9)	(9)	(9)	154	-	(9)	(9)	81	-	81
D.5.2	San Benigno interchange	74,592	66,530	28,512	16,181	2,481	47,174	32,894	21,459	2,481	56,875
D.6.1	A13 Padua Interzonal Zone junction	11,270	9,171	3,669	1,889	323	5,880	5,889	1,889	323	8,000
D.6.2	Via Marzara junction	4,629	4,028	2,147	1,291	80	4,009	2,147	1,291	80	4,009
D.7.1	Modulano junction	13,899	10,163	7,418	1,529	-	3,947	2,186	1,469	-	7,602
D.8	Tunnel Safety Plan	357,623	344,159	238,567	173,352	2,541	467,979	245,768	213,431	2,541	461,259
D	A14 - 2017 A.P. 2 - Interzonal Zone 2 - Phase 1	(9)	1,568	-	1,568	-	-	-	1,568	-	1,568
D	A14 - 2017 A.P. 2 - Interzonal Zone 2 - Phase 2	(9)	1,568	-	1,568	-	-	-	1,568	-	1,568
TOTALY ADHERUM OF 2022			8,449,752	3,099,371	1,169,800	199,325	4,586,486	3,099,371	1,169,800	199,325	4,586,486
TOTALY ADHERUM OF 2023				79,874	86,096	-	158,910	79,874	86,096	-	158,910
TOTALY ADHERUM OF 2023 AND 2022				3,099,371	1,169,800	199,325	4,586,486	3,179,245	1,255,896	199,325	4,745,396

ART 2 AA 2021	PROJECT	Contractually agreed amounts (a)		Completed as at 31 December 2022				2023				Completed as at 31 December 2023			
		Gross approved amount (b)	Net amount under III Addendum to the Single Arrangement (c)	Base tender price (d)	Available funding	Financial expenses	TOTAL	Base tender price (d)	Available funding	Financial expenses	TOTAL	Base tender price (d)	Available funding	Financial expenses	TOTAL
NEW NETWORK UPGRADE AND MODERNISATION WORKS															
E.4.1	Upgrade of infrastructure and motorway assets to comply with law (13)		444,984	200,118	112,154	-	312,272	227,199	103,424	-	330,623	427,317	215,578	-	642,895
E.4.2	Upgrade of safety barriers per Ministerial Decree 223/92 (13)		1,211,000	38,470	28,636	-	67,107	25,241	15,293	-	40,533	63,711	43,929	-	107,640
E.4.3	Upgrade of safety barriers on third-party (powers and junctions) (13)		40,200	5,034	2,513	-	7,546	7,477	1,865	-	9,342	12,511	4,378	-	16,888
E.4.4	Work on tunnels (improvements to visibility and structural works) (13)		874,133	350,773	74,938	-	425,711	139,445	72,953	-	212,398	490,217	147,891	-	638,109
E.4.5	Upgrade and modernisation of technology assets on motorway network (incl. "smart roads", etc.) (13)		97,700	45,677	6,462	-	52,139	41,788	3,072	-	44,860	87,464	9,534	-	96,998
	TOTAL NEW NETWORK UPGRADE AND MODERNISATION WORKS		2,686,016	640,072	224,709	-	864,775	441,149	196,606	-	637,755	1,081,220	421,130	-	1,502,350
IMPROVEMENTS TO GENOA ROAD NETWORK															
E.5.1	Linking under Genoa port connecting with junctions on A10 motorway	(9)	230,000	-	5,119	-	5,119	2,040	26,650	-	27,690	2,040	30,769	-	32,818
E.5.2	Junction and link to roads in Fontanafredda district on section of A12	(9)	700,000	-	425	-	425	-	1,369	-	1,369	-	1,795	-	1,795
	TOTAL IMPROVEMENTS TO GENOA ROAD NETWORK		930,000	-	5,544	-	5,544	2,040	27,019	-	29,068	2,040	32,564	-	34,613
TOTAL NEW INVESTMENT IN SINGLE CONCESSION ARRANGEMENT OF 2007 AND SUBSEQUENT ADRENDA			6,901,707	1,196,367	1,688	1,688	1,198,055	722,619	1,219,517	-	537,674	1,518,886	1,688	1,688	1,735,729
GRAND TOTAL			27,424,987	15,795,726	997,110	16,692,896	15,795,726	1,219,517	-	-	1,219,517	16,975,243 (e)	937,110	-	17,912,359
Handover of service areas free of charge															154,896
Capitalized staff costs, change in advances paid to suppliers and other sundries															590,429
TOTAL INVESTMENT IN ASSETS TO BE HANDED OVER FREE OF CHARGE															1,864,043

Annex 4

Subsidiaries and associates accounted for using the equity method as at 31 December 2023 (art. 3, point 1.1 of the 2007 Single Concession Arrangement)

€000

NAME	Interest (%)	EQUITY 31 DECEMBER 2023 ⁽¹⁾	
		TOTAL	PRO RATA (measurement pursuant to art. 2426, para. 4 of the Italian Civil Code)
		(B)	
Investments in subsidiaries			
Società Autostrada Tirrenica p.A.	100.00%	83,947	83,947
Tangenziale di Napoli SpA	100.00%	284,781	284,781
Amplia Infrastructures SpA	99.80%	54,236	54,126
Free To X Srl	100.00%	118,256	118,256
Autostrade Meridionali SpA	58.98%	49,377	29,124
Tecne Gruppo Autostrade per l'Italia SpA	100.00%	21,119	21,119
Movyon SpA	100.00%	80,175	80,175
Società Italiana per Azioni per il Traforo del Monte Bianco	51.00%	234,948	119,823
Elgea SpA	100.00%	1,758	1,758
AD Moving SpA	100.00%	3,021	3,021
EssediEsse Società di Servizi SpA	100.00%	5,037	5,037
Giovia Srl	100.00%	3,458	3,458
		940,113	804,625
Investments in associates			
Tangenziali Esterne di Milano SpA	(2) 27.45%	(229,976)	(63,128)
Bologna & Fiera Parking SpA	(2) 36.81%	8,551	3,148
Consorzio Autostrade Italiane Energia	(2) 30.95%	114	35
Spea Engineering	(2) 20%	28,211	5642
		(193,099)	(54,303)

(1) The figures refer to the financial statements for the year ended 31 December 2023, as approved by the board of directors of each company.

(2) The figures refer to the financial statements for the year ended 31 December 2022.

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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 Piergiorgio Peluso, 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 2023.

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 2023 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.

14 March 2024

Roberto Tomasi

Chief Executive Officer

Piergiorgio Peluso

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 Piergiorgio Peluso, 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 2023.

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 2023 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.

14 March 2023

Roberto Tomasi

Chief Executive Officer

Piergiorgio Peluso

Manager in charge of
financial reporting

REPORT OF THE BOARD OF STATUTORY AUDITORS TO THE ANNUAL GENERAL MEETING OF THE SHAREHOLDERS

(PURSUANT TO ART. 153 OF LEGISLATIVE DECREE 58/1998 AND
ART. 2429, PARAGRAPH 2 OF THE ITALIAN CIVIL CODE)

TO THE ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF AUTOSTRADE PER L'ITALIA SPA

Dear Shareholders,

The members of the current Board of Statutory Auditors are the Chairman Angelo Gervaso Colombo and the Standing Auditors Franco Cadoppi, Roberto Colussi, Donato Liguori and Marino Marrazza. During the financial year ended 31 December 2023, the Board held 13 meetings and participated in all the meetings held by the Board of Directors and all General Meetings of shareholders, performing 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 of Statutory Auditors also obtained the information necessary in order to carry out our duties by participating in the meetings of Board Committees, by speaking to management, in meetings with the independent auditors, 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.

As a result of the above activities, we report that:

- we oversaw the Board of Directors' decision-making processes and checked that management decisions were in compliance with the law and the Articles of Association, adopted in the Company's interests, compatible with the Company's resources and assets and adequately supported by reporting, assessment and control procedures.

Significant financial transactions carried out by the Company include the issue of Sustainability-Linked bonds amounting to €1,500 million in January and June 2023 under the Company's Euro Medium Term Notes programme.

In addition, the Board of Statutory Auditors reports that in 2023:

- we did not issue alerts to the Board of Directors pursuant to and for the purposes of art. 25-*octies* of Legislative Decree 14 of 12 January 2019;

- we did not receive alerts from public creditors pursuant to and for the purposes of art. 25-*novies* of Legislative Decree 14 of 12 January 2019, as amended;
- we did not find evidence 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.

Implementation of the HR Transformation Plan proceeded in 2023 through improvements to the organisational model, equipping the Company to perform its operating activities and implement key strategic initiatives.

- we oversaw 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 auditors with whom we held periodic meetings in order to exchange information and by gathering information from the respective heads of department;
- we verified that Autostrade per l'Italia is legally controlled by Holding Reti Autostradali SpA, which is responsible for the Company's management and coordination pursuant to articles 2497 *et seq.* of the Italian Civil Code;
- with specific reference to the requirements of Legislative Decree 39/2010, as Autostrade per l'Italia is classed as a Public Interest Entity because it is "*a listed issuer whose member State of Origin is Italy*", the Board of Statutory Auditors has assumed the role of Internal Audit Committee and reports the following:

- 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 auditors, 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 auditors, 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 auditors, 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. 2427, paragraph 1.16-*bis* of the Italian Civil Code, information on the type of services provided to Autostrade per l’Italia and its subsidiaries by KPMG or associates of KPMG in 2023, 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 auditors, 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 auditors, during which appropriate exchanges of information took place, and

no significant information that should be included in this report has come to light. The Board of Statutory Auditors: (i) analysed the activities of the independent auditors 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 auditors, 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.

- 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 examined the processes involved in preparing the Company's financial statements and the consolidated financial statements and, with the assistance of the Manager Responsible for Financial Reporting, appointed in view of the fact that the Company is classed as a "*listed issuer whose Member State of Origin is Italy*", 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 concerns.

In this regard, on 14 March 2024, 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 2023. In this regard, the Board of Statutory Auditors recommended that the Business Plan 2021 be updated.

The Board of Statutory Auditors thus believes the financial reporting process to be adequate.

- We oversaw the adequacy and effectiveness of internal control and risk management systems through (i) the information provided by the Board of Directors on the functional effectiveness of the Internal Control and Risk Management System, (ii) reports from the Internal Audit department 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 auditors.

In particular, the Board of Statutory Auditors:

- participated, through the presence of the Chairman of the Board of Statutory Auditors, or another Auditor delegated thereby, at all the meetings of the Control, Risk, Audit and Related Parties Committee. 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 Risk, Business Integrity, Resilience & Quality, during which we were kept fully informed regarding: (i) the activities carried out to identify, assess, manage and monitor business risks and (ii) the audit work carried out 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;
- 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;
- also examined the reports prepared by ASPI's Ethics Office, 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 2022 tax year, as approved by the Board of Directors, following a positive opinion from the Control, Risk, Audit and Related Parties Committee;
- 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 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, Corporate Affairs and Procurement and the Supervisory Board to obtain an understanding of the situation and conduct a detailed examination of the steps taken by the Company;
- was periodically updated by the heads of the relevant departments on compliance with the Company's obligations under the motorway concession arrangement;
- 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.

The Board of Statutory Auditors reports that, based on the overall checks carried out, no significant concerns have emerged that would raise doubts about the adequacy of the internal control system;

- 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;
- we have issued our opinion in all the cases required by law;
- we have examined both the separate and consolidated financial statements as at and for the year ended 31 December 2023, with regard to which we have the following observations to make:
 - the financial statements were made available to us within the deadline provided for in paragraph 1 of art. 2429 of the Italian Civil Code;
 - the scope of consolidation, consisting of the companies over which Autostrade per l'Italia exercises management and coordination, has changed with respect to 31 December 2022 following the establishment of Free To X SpA via the transfer of Free To X Srl's e-mobility business unit, which produces and operates charging stations for electric and hybrid vehicles, to the new company;
 - the consolidated and separate financial statements as at and for the year ended 31 December 2023 have been on a going concern basis and 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;

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 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;

- we have received confirmation that, following the contribution of motorway assets by the former Autostrade – Concessioni e Costruzioni Autostrade SpA in 2003, the goodwill recognised in the separate and consolidated financial statements includes the sum of €6,111 million and that the recoverable value of this asset was confirmed following an impairment test;

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;

the independent auditors have 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 2023 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 2023 and have been prepared in compliance with the related statutory requirements;

We note that in their report the independent auditors have included certain matters of emphasis arising from their audit, with regard to measurement of the provisions for the repair and replacement of motorway infrastructure in the separate financial statements and measurement of the provisions for the repair and replacement of motorway infrastructure and for the renewal of motorway infrastructure in the consolidated financial statements;

we have overseen compliance with the provisions introduced by Legislative Decree 254 of 30 December 2016 and have noted that the independent auditors have issued a report stating that the disclosures provided in the non-financial statement are in compliance with the law and the accounting standards adopted.

The term of office of the Board of Statutory Auditors will expire with the Annual General Meeting held to approve the financial statements as at and for the year ended 31 December 2023. We wish to thank shareholders for their trust and invite you to adopt the necessary resolutions, as required by law and the Articles of Association.

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 2023, as prepared by the Directors.

Rome, 22 March 2024

For the Board of Statutory Auditors
The Chairman
Angelo Gervaso Colombo



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(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 2023, 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 material information on the 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 2023 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 the 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 audit opinion.

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.

KPMG S.p.A. è una società per azioni di diritto italiano e fa parte del network KPMG di entità indipendenti affiliate a KPMG International Limited, società di diritto inglese.

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Trieste Venezia Verona

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Autostrade per l'Italia Group
Independent auditors' report
31 December 2023

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" 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 2023 include provisions for the repair and replacement of motorway infrastructure of €1,072 million (whose non-current and current portions amount to €948 million and €124 million, respectively) and provisions for the renewal of motorway infrastructure of €91 million (whose non-current and current portions amount to €76 million and €15 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.

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.



Autostrade per l'Italia Group
Independent auditors' report
31 December 2023

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 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, the measures taken to eliminate those threats or the safeguards applied.

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 this report.



Autostrade per l'Italia Group
Independent auditors' report
31 December 2023

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 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 2023 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 2023 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 2023 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 consolidated non-financial statement separately.

Rome, 22 March 2024

KPMG S.p.A.

(signed on the original)

Marcella Balistreri
Director of Audit



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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 2023, 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 material information on the 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 2023 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 the 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 audit opinion.

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.

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Autostrade per l'Italia S.p.A.
Independent auditors' report
31 December 2023

Measurement of the provisions for the repair and replacement of motorway infrastructure

Notes to the separate financial statements: accounting policies - sections "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 2023 include provisions for the repair and replacement of motorway infrastructure of €968 million (whose non-current and current portions amount to €858 million and €110 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

As required by the law, the company disclosed the key figures from the latest financial statements of the company that manages and coordinates it in the notes to its own separate financial statements. Our opinion on the separate financial statements of Autostrade per l'Italia S.p.A. does not extend to such data.

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.



Autosole per l'Italia S.p.A.
Independent auditors' report
31 December 2023

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 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, the measures taken to eliminate those threats or the safeguards applied.

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 this report.



Autosstrade per l'Italia S.p.A.
Independent auditors' report
31 December 2023

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 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 2023 and for the consistency of such reports with the related separate 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 2023 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 2023 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, 22 March 2024

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

AD Moving S.p.A.

€ 000	FINANCIAL POSITION	31/12/2023	31/12/2022
	Non-current assets	478	485
	<i>of which non-current investments</i>	-	-
	Current assets	6,351	4,811
	Other assets	14	19
	Total assets	6,843	5,315
	Equity	3,021	2,558
	<i>of which issued capital</i>	1,000	1,000
	Provisions and post-employment benefits	184	200
	Payables	3,623	2,528
	Other liabilities	15	29
	Total equity and liabilities	6,843	5,315
€ 000	RESULT OF OPERATIONS	2023	2022
	Value of production	6,564	5,233
	Costs of production	(5,343)	(4,168)
	Operating profit/(loss)	1,221	1,065
	Profit/(Loss) for the year	942	764

Amplia Infrastructures S.p.A.

€ 000	FINANCIAL POSITION	31/12/2023	31/12/2022
	Non-current assets	84,722	71,133
	<i>of which non-current investments</i>	8,654	7,260
	Current assets	528,352	487,638
	Other assets	5,535	3,644
	Total assets	618,609	562,416
	Equity	54,236	54,288
	<i>of which issued capital</i>	30,116	30,116
	Provisions and post-employment benefits	9,722	8,829
	Payables	553,055	498,244
	Other liabilities	1,596	1,054
	Total equity and liabilities	618,609	562,416
€ 000	RESULT OF OPERATIONS	2023	2022
	Value of production	623,641	488,742
	Costs of production	(613,314)	(485,800)
	Operating profit/(loss)	10,327	2,943
	Profit/(Loss) for the year	88	138

Autostrade Meridionali S.p.A.

€ 000	FINANCIAL POSITION	31/12/2023	31/12/2022
	Non-current assets	1,956	1,896
	Current assets	57,594	91,045
	Total assets	59,550	92,941
	Equity	49,377	63,238
	<i>of which issued capital</i>	9,056	9,056
	Provisions and post-employment benefits	6,067	4,721
	Payables	4,106	24,982
	Total equity and liabilities	59,550	92,941
€ 000	RESULT OF OPERATIONS	2023	2022
	Value of production	7,891	33,978
	Costs of production	(5,039)	(11,115)
	Operating profit/(loss)	2,852	22,863
	Profit/(Loss) for the year	1,451	15,839

Elgea SpA

€ 000	FINANCIAL POSITION	31/12/2023	31/12/2022
	Non-current assets	462	609
	<i>of which non-current investments</i>	-	-
	Current assets	4,179	2,429
	Other assets	2	-
	Total assets	4,643	3,038
	Equity	1,759	1,652
	<i>of which issued capital</i>	2,000	1,000
	Provisions and post-employment benefits	-	-
	Payables	2,884	1,386
	Other liabilities	-	-
	Total equity and liabilities	4,643	3,038
€ 000	RESULT OF OPERATIONS	2023	2022
	Value of production	3,610	1,189
	Costs of production	(3,534)	(1,652)
	Operating profit/(loss)	76	(463)
	Profit/(Loss) for the year	107	(348)

EsseDiEsse Società di Servizi S.p.A.

€ 000	FINANCIAL POSITION	31/12/2023	31/12/2022
	Non-current assets	165	222
	<i>of which non-current investments</i>	-	-
	Current assets	43,935	15,512
	Other assets	148	155
	Total assets	44,248	15,889
	Equity	5,037	3,749
	<i>of which issued capital</i>	500	500
	Provisions and post-employment benefits	25,447	2,927
	Payables	13,313	8,770
	Other liabilities	451	443
	Total equity and liabilities	44,248	15,889
€ 000	RESULT OF OPERATIONS	45291	2022
	Value of production	29,324	28,187
	Costs of production	(52,335)	(27,820)
	Operating profit/(loss)	(23,011)	367
	Profit/(Loss) for the year	(17,638)	302

Free To X S.r.l.

€ 000	FINANCIAL POSITION	31/12/2023	31/12/2022
	Non-current assets	104,541	26,764
	<i>of which non-current investments</i>	104,238	-
	Current assets	44,809	42,872
	Other assets	70	12
	Total assets	149,420	69,648
	Equity	118,256	49,603
	<i>of which issued capital</i>	49,603	24,343
	Provisions and post-employment be	40	29
	Payables	31,086	19,973
	Other liabilities	38	43
	Total equity and liabilities	149,420	69,648
€ 000	RESULT OF OPERATIONS	2023	2022
	Value of production	73,406	15,846
	Costs of production	(25,840)	(22,199)
	Operating profit/(loss)	47,566	(6,353)
	Profit/(Loss) for the year	48,653	(4,740)

Giovia S.r.l.

€ 000	FINANCIAL POSITION	31/12/2023	31/12/2022
	Non-current assets	252	283
	<i>of which non-current investments</i>	-	-
	Current assets	10,350	8,136
	Other assets	13	20
	Total assets	10,615	8,439
	Equity	3,458	2,724
	<i>of which issued capital</i>	10	10
	Provisions and post-employment benefit	2,007	2,046
	Payables	4,857	3,400
	Other liabilities	293	269
	Total equity and liabilities	10,615	8,439
€ 000	RESULT OF OPERATIONS	31/12/2023	2022
	Value of production	18,424	15,555
	Costs of production	(16,642)	(14,731)
	Operating profit/(loss)	1,782	824
	Profit/(Loss) for the year	1,260	525

Movyon S.p.A.

€ 000	FINANCIAL POSITION	31/12/2023	31/12/2022
	Non-current assets	34,091	32,147
	<i>of which non-current investments</i>	4,808	5,046
	Current assets	185,999	149,214
	Other assets	635	426
	Total assets	220,725	181,787
	Equity	80,175	75,464
	<i>of which issued capital</i>	1,120	1,120
	Provisions and post-employment benefit	5015	1,511
	Payables	134,300	104,111
	Other liabilities	1235	701
	Total equity and liabilities	220,725	181,787
€ 000	RESULT OF OPERATIONS	2023	2022
	Value of production	170,022	131,976
	Costs of production	(162,180)	(126,154)
	Operating profit/(loss)	7,842	5,822
	Profit/(Loss) for the year	5,314	3,827

Amplia Infrastructures S.p.A.

€ 000	FINANCIAL POSITION	31/12/2023	31/12/2022
	Non-current assets	329,012	333,961
	<i>of which non-current investments</i>	52	52
	Current assets	25,380	23,296
	Other assets	204	158
	Total assets	354,596	357,415
	Equity	83,947	79,823
	<i>of which issued capital</i>	24,461	24,461
	Provisions and post-employment benefits	5,621	6,217
	Payables	261,673	266,869
	Other liabilities	3,355	4,506
	Total equity and liabilities	354,596	357,415
€ 000	RESULT OF OPERATIONS	2023	2022
	Value of production	48,759	46,659
	Costs of production	(31,077)	(28,037)
	Operating profit/(loss)	17,682	18,622
	Profit/(Loss) for the year	4,124	4,129

Società Italiana per azioni per il Traforo del Monte Bianco S.p.A.

€ 000	FINANCIAL POSITION	31/12/2023	31/12/2022
	Non-current assets	272,319	268,022
	<i>of which non-current investments</i>	165,752	165,752
	Current assets	257,605	287,304
	Other assets	1,879	901
	Total assets	531,803	556,227
	Equity	234,948	232,839
	<i>of which issued capital</i>	198,749	198,749
	Provisions and post-employment benefits	133,769	137,924
	Payables	162,844	185,237
	Other liabilities	242	227
	Total equity and liabilities	531,803	556,227
€ 000	RESULT OF OPERATIONS	2023	2022
	Value of production	68,110	66,938
	Costs of production	(58,004)	(53,352)
	Operating profit/(loss)	10,106	13,586
	Profit/(Loss) for the year	11,512	9,897

Tangenziale di Napoli S.p.A.

€ 000	FINANCIAL POSITION	31/12/2023	31/12/2022
	Non-current assets	330,059	309,161
	<i>of which non-current investments</i>	2	2
	Current assets	36,722	39,077
	Other assets	586	387
	Total assets	367,367	348,625
	Equity	284,781	277,517
	<i>of which issued capital</i>	108,077	108,077
	Provisions and post-employment benefits	26,137	27,929
	Payables	56,434	43,179
	Other liabilities	15	-
	Total equity and liabilities	367,367	348,625
€ 000	RESULT OF OPERATIONS	2023	2022
	Value of production	75,142	72,384
	Costs of production	(68,112)	(66,926)
	Operating profit/(loss)	7,030	5,458
	Profit/(Loss) for the year	12,501	5,531

Tecne Gruppo Autostrade per l'Italia S.p.A.

€ 000	FINANCIAL POSITION	31/12/2023	31/12/2022
	Non-current assets	5,201	5,205
	<i>of which non-current investments</i>	1,476	1,476
	Current assets	165,944	108,273
	Other assets	1250	1,806
	Total assets	172,395	115,284
	Equity	21,119	10,638
	<i>of which issued capital</i>	5,694	5,694
	Provisions and post-employment benefits	6,159	5,181
	Payables	143,033	97,743
	Other liabilities	2,084	1,722
	Total equity and liabilities	172,395	115,284
€ 000	RESULT OF OPERATIONS	2023	2022
	Value of production	172,904	125,597
	Costs of production	(159,000)	(121,815)
	Operating profit/(loss)	13,904	3,782
	Profit/(Loss) for the year	10,156	3,022

Subsidiaries

Tangenziali Esterne di Milano S.p.A.

€ 000	FINANCIAL POSITION	31/12/2023	31/12/2022
	Non-current assets	225,361	225,361
	<i>of which non-current investments</i>	225,361	225,361
	Current assets	4,335	4,890
	Other assets	12	3
	Total assets	229,708	230,254
	Equity	229,473	229,976
	<i>of which issued capital</i>	220,344	220,344
	Provisions and post-employment benefits	52	46
	Payables	183	232
	Other liabilities	-	-
	Total equity and liabilities	229,708	230,254
€ 000	RESULT OF OPERATIONS	2023	2022
	Value of production	110	129
	Costs of production	(648)	(649)
	Operating profit/(loss)	(538)	(520)
	Profit/(Loss) for the year	(503)	(520)

Spea Engineering S.p.A.

€ 000	FINANCIAL POSITION	31/12/2022	31/12/2021
	Non-current assets	9642	2,794
	<i>of which non-current investments</i>	-	38
	Current assets	49,672	96,684
	Other assets	6281	6,903
	Total assets	65,595	106,381
	Equity	28,211	33,809
	<i>of which issued capital</i>	6,966	6,966
	Provisions and post-employment benefits	7,678	26,661
	Payables	29,705	45,911
	Other liabilities	1	-
	Total equity and liabilities	65,595	106,381
€ 000	RESULT OF OPERATIONS	2022	2021
	Value of production	8,165	9,295
	Costs of production	(14,122)	(18,629)
	Operating profit/(loss)	(5,957)	(9,339)
	Profit/(Loss) for the year	(5,474)	(6,820)

Bologna e Fiera Parking S.p.A.

€ 000	FINANCIAL POSITION	31/12/2022	31/12/2021
Non-current assets		36,965	38,313
<i>of which non-current investments</i>		-	-
Current assets		6,898	6,602
Other assets		9	19
Total assets		43,872	44,934
Equity		8,551	5,987
<i>of which issued capital</i>		2,715	2,715
Provisions and post-employment benefits		250	450
Payables		31,943	35,386
Other liabilities		3,128	3,111
Total equity and liabilities		43,872	44,934
€ 000	RESULT OF OPERATIONS	2022	2021
Value of production		6,623	2,441
Costs of production		(2,805)	(2,292)
Operating profit/(loss)		3,818	149
Profit/(Loss) for the year		2,565	3

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