



# **2020 Financial Statements (Draft)**

for approval by the Shareholders' Meeting



*THE FINANCIAL STATEMENTS HAVE BEEN TRANSLATED INTO ENGLISH SOLELY FOR THE CONVENIENCE OF THE INTERNATIONAL READER. IN THE EVENT OF CONFLICT OR INCONSISTENCY BETWEEN THE TERMS USED IN THE ITALIAN VERSION OF THE DOCUMENT AND THE ENGLISH VERSION, THE ITALIAN VERSION SHALL PREVAIL.*

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## 2020 Parent Company Financial Statements

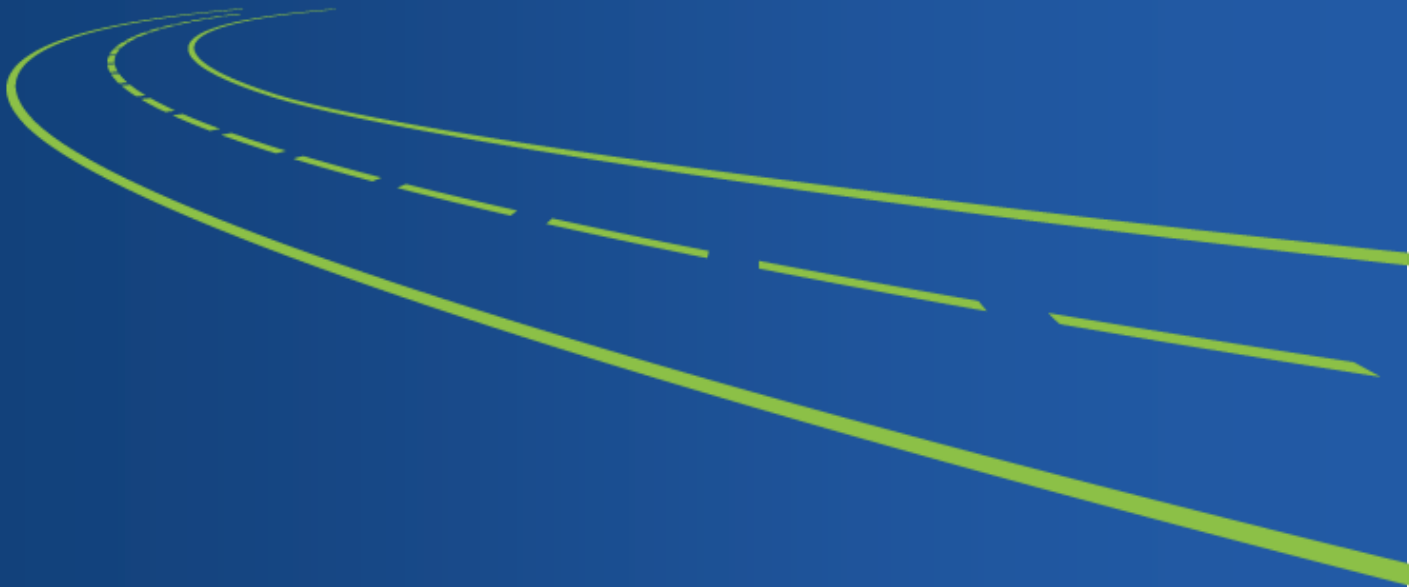
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# 1. Introduction





## Board of Directors and Board of Statutory Auditors

### ASTM

Public Limited Company  
 Share capital € 70,257,447.50 fully paid-up  
 Tax code and registration with the  
 Turin Register of Companies no: 00488270018  
 Registered Office in Turin – Corso Regina Margherita 165  
 Website: <http://www.astm.it>  
 e-mail: [astm@astm.it](mailto:astm@astm.it)  
 Management and coordination: Nuova Argo Finanziaria S.p.A.

#### MEMBERS OF THE BOARD OF DIRECTORS

*Chairman*  
 Alberto Rubegni

*Vice Chairman*  
 Franco Moschetti <sup>(1)</sup>

*Chief Executive Officer*  
 Umberto Tosoni <sup>(2)</sup>

*Directors*  
 Caterina Bima <sup>(5)</sup>  
 Giulio Gallazzi <sup>(1)</sup>  
 Giuseppe Gatto <sup>(3)</sup>  
 Patrizia Michela Gianguialano <sup>(3)</sup>  
 Venanzio Iacozzilli  
 Fabiola Mascardi <sup>(4)</sup>  
 Stefano Mion <sup>(6)</sup>  
 Valentina Mele <sup>(4)</sup>  
 Andrea Giovanni Francesco Pellegrini <sup>(3)</sup>  
 Barbara Poggiali <sup>(4)</sup>  
 Giovanni Quaglia  
 Micaela Vescia <sup>(1)</sup>

#### BOARD OF STATUTORY AUDITORS

*Chairman*  
 Andrea Bonelli <sup>(7)</sup>

*Statutory Auditors*  
 Piera Braja <sup>(5)</sup>  
 Pellegrino Libroia

*Alternate Auditors*  
 Roberto Coda  
 Gasparino Ferrari

- (1) Member of the Appointments and Remuneration Committee
- (2) Director responsible for the Internal Audit and Risk Management System
- (3) Member of the Audit and Risk Committee
- (4) Member of the Sustainability Committee
- (5) Member of the Supervisory Body
- (6) Dr. Stefano Mion was co-opted by the Board of Directors on 24 September 2020 following the resignation of the director Rosario Mazza
- (7) Andrea Bonelli was appointed Chairman of the Board on 22 December 2020, replacing Paola Camagni who tendered her resignation.

#### INDEPENDENT AUDITORS

PricewaterhouseCoopers S.p.A.

#### MANAGER IN CHARGE OF DRAWING UP THE CORPORATE ACCOUNTING DOCUMENTS

Alberto Gargioni

#### TERM OF OFFICE

The Board of Directors were appointed for three financial years by the Ordinary Shareholders' Meeting on 12 February 2020 and its term of office will expire with the Shareholders' Meeting that will be held for the approval of the 2022 Financial Statements. The Board of Statutory Auditors were appointed for three financial years by the Ordinary Shareholders' Meeting on 25 May 2020 and its term of office will expire with the Shareholders' Meeting that will be held for the approval of the 2022 Financial Statements. The Independent Auditors were appointed by the Ordinary Shareholders' Meeting on 28 April 2017 and are in office for nine financial years. Their term of office will expire with the Shareholders' Meeting that will be held for the approval of the 2025 Financial Statements.

#### POWERS OF COMPANY OFFICERS

The Chairman, appointed by the Board of Directors on 18 February 2020, exercises the powers conferred on them on the same date. The Vice-Chairman (appointed by the Board of Directors on 18 February 2020) was granted powers to be exercised in case of absence or impediment of the Chairperson. The Chief Executive Officer was appointed by means of a Board resolution dated 18 February 2020 and exercises the management powers granted to them by law and the Articles of Association.



## **Financial Statements at 31 December 2020**



## Alternative performance measures

To allow improved assessment of economic management trends and the equity and financial situation, in addition to the conventional financial benchmarks established in the IAS/IFRS international accounting standards, the ASTM Group also uses some **Alternative Performance Measures** (hereafter, also “APMs”). The APMs presented in the “Management Report” are considered relevant for assessing the overall operating performance of the Group, the operating segments and the individual Group companies. In addition, the APMs are considered to provide better comparability over time of the same results, although they are not a replacement or an alternative to the results provided in the “Consolidated Financial Statements” according to the IAS/IFRS (official or reported data).

With reference to the APMs relating to the consolidated results, it should be noted that, in the “Economic, equity and financial data” section, the ASTM Group presents restated financial statements that differ from those envisaged by the IAS/IFRS included in the Consolidated Financial Statements; therefore, the restated consolidated income statement, consolidated financial position and the net financial indebtedness contain, in addition to the economic-financial and equity data governed by the IAS/IFRS, certain indicators and items derived therefrom, although not required by said standards and therefore called “APMs”.

The main APMs presented in the Management Report and a summary description of their composition, as well as a reconciliation with the corresponding official data, are provided below:

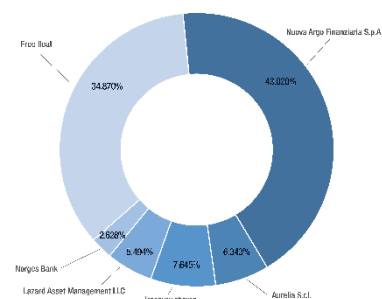
- a) “Turnover”: differs from “Total revenues” in the schedule of the Condensed Consolidated Financial Report in that it does not consider (i) revenues for the design and construction of IFRIC 12 and (ii) the fee/additional fee payable to ANAS.
- b) “Value of production”: the value of production for the EPC sector represents revenues for works and planning, changes to works to order, revenues for sales of materials and the provision of services.
- c) “EBITDA”: is the summary indicator of profitability deriving from operating activities and is determined by subtracting from the “Total revenue” all recurring operating costs, excluding amortisation and depreciation, provisions and write-downs of intangible and tangible assets. “EBITDA” does not include the balance of financial items and taxes.
- d) “EBITDA margin”: this is the ratio between “EBITDA” and turnover
- e) “EBITDA margin motorway sector”: this is the ratio between “EBITDA” and turnover in the motorway sector
- f) “Operating income”: measures the profitability of total capital invested in the company and is determined by subtracting the amortisation and depreciation, provisions and write-downs of intangible and tangible assets from the “EBITDA”.
- g) “Net invested capital”: shows the total amount of non-financial assets, net of non-financial liabilities.
- h) “Backlog”: the orders not yet performed by the EPC sector.
- i) “Net financial indebtedness”: the net financial position prepared in compliance with the ESMA Recommendation of 20 March 2013.
- j) “Operating cash flow”: indicates the cash generated or absorbed by operating activities and is calculated by adding to the profit for the period the amortisation and depreciation, adjustment to the provision for restoration/replacement of non-compensated revertible assets, the adjustment of the employee benefits provision, the provisions for risks, the loss (profit) of companies accounted for by the equity method and the write-downs (revaluations) of financial assets, and by deducting the capitalisation of financial expenses.



## ASTM S.p.A. Shareholder base

As at 31 December 2020, the number of Ordinary Shares constituting the Share Capital was equal to 140,514,895. On the basis of communications received pursuant to article 120 of Italian Legislative Decree 58/1998 and other available information, the entities which hold significant equity investments in the Company, directly or indirectly, with voting rights, are:

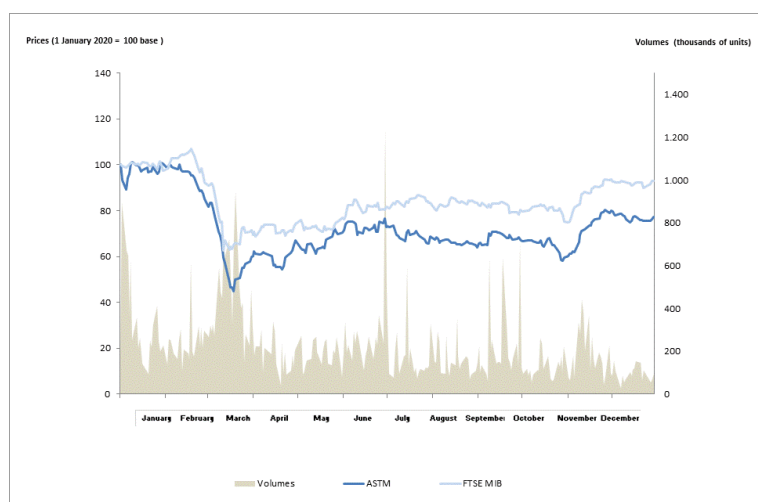
Nuova Argo Finanziaria S.p.A. <sup>(1)</sup>	43.020%
Aurelia S.r.l.	6.343%
Treasury shares <sup>(2)</sup>	7.645%
Lazard Asset Management LLC	5.494%
Norges Bank	2.628%
Float	34.870%
<b>TOTAL</b>	<b>100.000%</b>



<sup>(1)</sup> of which 1.386% through Nuova Codelfa S.p.A.

<sup>(2)</sup> ASTM S.p.A. 6.100%, Sina S.p.A. 1.530% and Ativa S.p.A. 0.015%

## ASTM S.p.A. on the Stock Exchange - performance in 2020



### Information on the Shares

Number of Shares as at 31 December 2020	140,514,895
Treasury Shares as at 31 December 2020	(10,741,948)
Outstanding Shares as at 31 December 2020	129,772,947
Market capitalisation as at 30 December 2020 (million EUR)	2,895
Market capitalisation as at 30 December 2020 – net of Treasury Shares – (million EUR)	2,673
Listing as at 30 December 2020	20.60
Maximum price in the period 1 January - 30 December 2020 (10 January 2020)	26.85
Minimum price in the period 1 January - 30 December 2020 (19 March 2020)	11.92
Average daily volumes in the period 1 January – 30 December 2020 (thousands of shares)	222

### Group Credit rating at 31 December 2020

Moody's	Baa2 (outlook negative)
Fitch	BBB (stable outlook)





## Main financial highlights

Below is the main consolidated income and financial data as at 31 December 2020 and that relating to the previous year:

(€ million)	FY 2020	FY 2019
Turnover	2,004.7	2,076.2
Net toll revenue	949.0	1,123.7
EPC sector revenues	951.5	813.3
EBITDA	547.8	792.4
Profit (Loss) for the period attributable to the Group	108.8	76.3
Operating cash flow	370.9	614.3
Motorway network investments	392.2	265.3

(€ million)	31 December 2020	31 December 2019
Net financial indebtedness	848.5	1,352.2

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The results for 2020 were significantly affected by the health emergency caused by the Covid-19 pandemic, which affected the motorway sector particularly in terms of lower toll revenues and consequently lower margins; on the other hand, the impact on the EPC and Technology sectors was limited.

- ✓ **Turnover: € 2,004.7 million** - despite increased revenues in the EPC sector, turnover in 2020 fell by around € 71.5 million, mainly due to the impact of the Covid-19 pandemic on revenues in the motorway sector.
- ✓ **Net toll revenue: € 949 million** - The restrictions on mobility imposed by national and local government authorities intended to combat the spread of the epidemic led to a reduction in motorway traffic for both light vehicles and, to a lesser extent, heavy vehicles. The decrease in traffic volumes was reflected in toll revenues which saw a decline of € 174.7 million<sup>1</sup> (-15.5%<sup>2</sup>).
- ✓ **EPC sector revenues: € 951.5 million** - although the spread of the pandemic and the consequent measures to contain it adopted by the authorities of the various countries in which the Group operates – particularly in Italy and Europe – have negatively impacted work in some of the main construction projects under way, the EPC sector showed an approximately € 138.2 million (+17%) increase in production thanks to steady growth in business volumes abroad.
- ✓ **EBITDA: € 547.8 million** - the decrease in EBITDA, totalling € 244.6 million, is connected mainly to the motorway sector, where the drop in net toll revenue was inevitably mirrored in the EBITDA. The EBITDA margin for the motorway sector, also due to the measures adopted by the Group to limit the economic effects of the epidemic while still guaranteeing full operation of the infrastructures managed and compliance with safety regulations for users and employees, showed a reduction in percentage terms of circa 10 points, falling from 62% in the first half of 2019 to 52% in the first half of 2020.
- ✓ **Profit (Loss) for the period attributable to the Group: € 108.8 million** - Group Net profit increased by 42% compared to the previous year, as the decrease in EBITDA was offset by changes in depreciation and amortisation, provisions, financial income and income taxes (the latter benefiting from the effect of the realignment of differences between tax values and statutory values carried out pursuant to Article 110, paragraph 7 of Italian Legislative Decree No. 104 of 14 August 2020)<sup>3</sup>.

<sup>1</sup> -273.8 million on a like-for-like basis (net of ATIVA S.p.A. tolls, for which income statement figures were consolidated as of 1 January 2020).

<sup>2</sup> -24.4% on a like-for-like basis (net of tolls from ATIVA S.p.A., for which income statement figures are consolidated as of 1 January 2020).

<sup>3</sup> The increase in the Group's share of the profit for the period is partly due to the fact that in the 2019 financial year the Profit attributable to "minority shareholders" of SIAS S.p.A. was attributed to minority interests for the entire year as the merger of SIAS S.p.A. with ASTM S.p.A. was completed on 31 December.

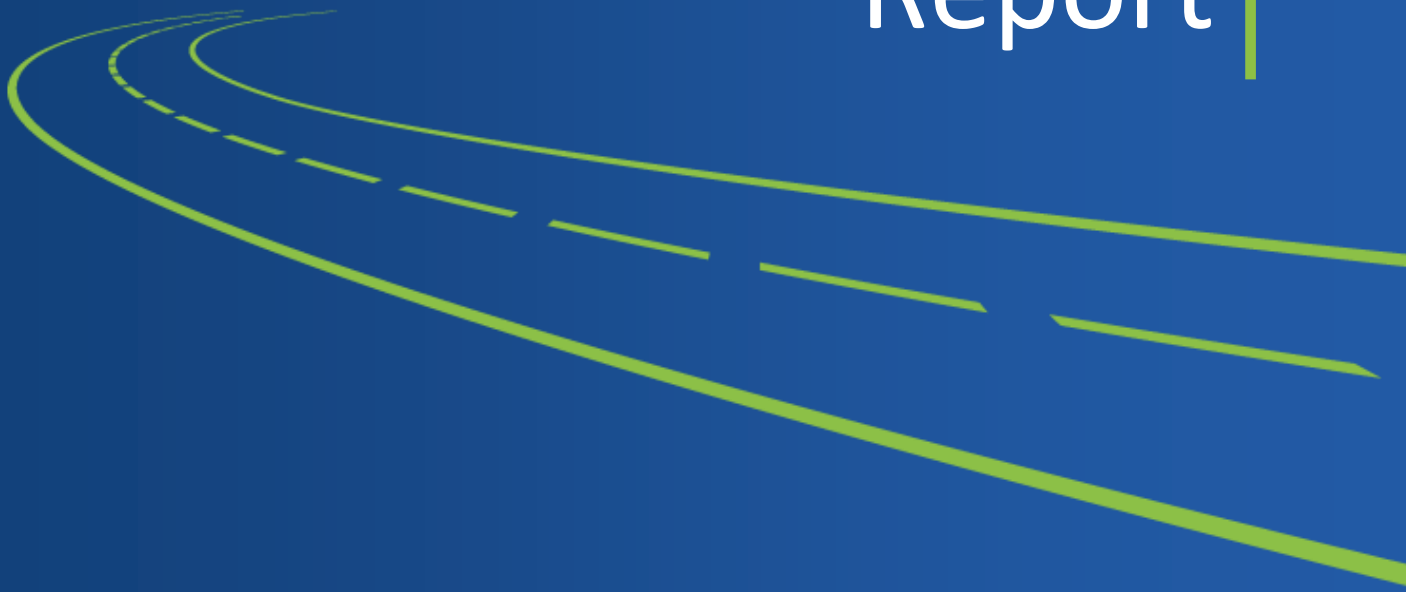


- ✓ **Operating cash flow: € 370.9 million** – the reduction in Operating Cash Flow is a direct consequence of the drop in EBITDA as a result of the Covid-19 pandemic.
- ✓ **Motorway network investments: € 392.2 million**- despite the operational difficulties arising as a result of the Covid-19 pandemic, investment in the motorway network in 2020 increased by € 126.9 million (+47.8%) compared to the previous period, giving proof of the Group's constant focus on improving and modernising the network and on continuously raising safety standards.
- ✓ **Net financial indebtedness: € 848.5 million** - The improvement in net financial indebtedness, equal to € 503.7 million, is substantially attributable to the recognition among financial receivables of receivables from terminal values accrued on the expired concessions of the subsidiaries ATIVA S.p.A., SATAP S.p.A. (A21 Section) and SALT p.A. (A12 Section); these receivables (equal to € 729.7 million as at 31 December 2020) refer to the value of motorway investments not depreciated as of the day the concessions expired, as well as receivables accrued for investments made after the expiration of the concessions, which must be paid by the incoming concessionaire. The recognition of the terminal value is provided for in the tender documents issued by the MIT for the renewal of the above-mentioned concessions, which were recently awarded. For the remaining part, the change in Net financial indebtedness is the result of flows from operations, disbursements for investments carried out and transactions on the investment portfolio, such as the purchase of shares in SITAF S.p.A. and the sale of shares held in the capital of Milano Serravalle-Milano Tangenziali S.p.A..

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# 2. Management Report





## COVID-19 Pandemic

With regard to the progressive spread of the Covid-19 pandemic in Italy and in the foreign countries where the Group's main investees operate, starting from February 2020, the Company, in line with national and local health authority directives, adopted prevention and containment measures, issuing instructions for all its subsidiaries, coordinating communications and actions in order to mitigate the impacts of the pandemic on the health of its employees and other workers, as well as its business operations; more specifically:

- ✓ during February, the ASTM Crisis Management Team was established, specifically for the Coronavirus – Covid -19 epidemiological emergency;
- ✓ in the various central and operating offices and work sites, both in Italy and abroad, all necessary measures were adopted to protect the health and safety of employees and contractors, in compliance with the instructions issued by the authorities in the individual companies, while also guaranteeing, as much as possible, continuity in the execution of work which is, in any case, essential for communities and clients;
- ✓ in particular, the necessary safeguards to protect health and safety in the workplaces were adopted, specifically distribution of adequate personal protective equipment, intensification of workplace cleaning activity, adoption of appropriate measures to guarantee interpersonal distance during work. Additionally, smart working methods were adopted, particularly with reference to staff, implementing the needed digital tools, both in terms of hardware and software, with only operating personnel and other staff for which remote work was not possible excepted;
- ✓ operationally and, in particular, with regards to management of the motorway network granted in concession, all user services relative to the road network were guaranteed, and actions relative to maintenance and non-deferrable investment activities also continued, given that these were necessary to maintain and, in some cases, increase the safety standards for infrastructure and operations despite the complex situation, taking into account the difficulties faced by subcontractor companies, above all during the initial stage of the epidemic;
- ✓ at the end of the “lockdown” period and before re-opening began, ASTM adopted and issued a safety protocol and Phase 2 Regulations, based around its organisation, through which it and its subsidiaries adopted specific safety and regulation operating instructions to protect workers' health. In highlighting the importance of responsible behaviour, the document also emphasises, among other things, basic behavioural rules, providing instructions with regards to entering the company, personal hygiene actions, the use of personal protective equipment and disinfecting products, cleaning of working environments, management of symptomatic staff within the company, etc.;
- ✓ in continuity with disclosures to date, and given the continuation of the emergency, reminders have been periodically circulated to maintain compliance with the protocols and operating instructions put in place by each company;
- ✓ The particularly widespread nature of the pandemic and the increase in infection rates nationally since October have led the competent authorities to take further measures and issue new restrictions. In this context, the protocols and operating instructions already issued have been supplemented and updated by the document “Guidelines for the protection of company personnel and the reduction of contagion”, which each company, has adopted in line with the scope of its management autonomy;
- ✓ the special section created on the Group intranet at the beginning of the health emergency has been constantly updated and enhanced with documents and information available to all Group employees.

Also note that to show its support during the Covid-19 health emergency and to demonstrate its solidarity with all the communities and everyone working daily to fight the epidemic, the ASTM Group gave € 3 million to benefit the Piedmont region and donated two ambulances to the Italian Red Cross during the initial months of the year.



The constant monitoring of the internal and external situation, the framework of available information, data and analysis, and the adoption of responsible behaviour by all parties, have made it possible to deal effectively with the emergency and to evaluate, identify and implement the most appropriate actions for the protection the health of personnel and the business, revealing the remarkable resilience of the company structure and its processes.

The operations of the concessionaires controlled by ASTM, including the service provided to customers, have not been interrupted. However, based on the experience gained during the emergency, with a view to continuous improvement and the goal of boosting business continuity capacity in the face of potential extraordinary events and/or exogenous factors that may affect the Company, specific activities and actions have been implemented and/or launched to mitigate their potential effects.

In order to consolidate the flexible working approach, the information technology infrastructure and equipment were strengthened and a rationalisation project was launched, with a close eye nevertheless kept on the quality of service and soundness of safeguards.

an experimental project aimed at defining a smart working model was also launched, tailored to the Group and capable of ensuring business continuity in compliance with the principles of sustainability.

In order to consolidate a sense of Group belonging, to stay focused on achieving strategic objectives and to encourage communication between company staff, numerous webinars have been held by specialists. These have been an opportunity for colleagues to meet and exchange ideas on topics such as work organisation, conduct when working remotely, time management for children and family, interaction with colleagues, team work, psychological and physical well-being, workload management and data security. Additionally, awareness was increased about the use of the company intranet which contains, among other things, numerous initiatives aimed at employees.

Given the current context, the Group continues to constantly monitor the health of its employees and contractors, in line with the measures issued by the competent authorities and institutions. Constant monitoring of the provisions issued by the authorities and institutions in charge also continues; each Group company shall undertake to comply with these rules, if necessary adapting and integrating its own protocols and operating instructions.

During the year, the Group's efforts were focused on identifying and implementing all possible measures to mitigate the health crisis' impact on its economic and financial results. Particular efforts were made to safeguard the Group's financial soundness and cash availability, so as to keep both aspects fit for and consistent with existing commitments and operating programmes, with the goal of ensuring the maintenance of absolute levels of efficiency in the service provided to users and the safety of the managed infrastructures.

To that end, note that during the year, new funding and refinancing projects were carried out to further strengthen the financial structure and to extend its maturity.

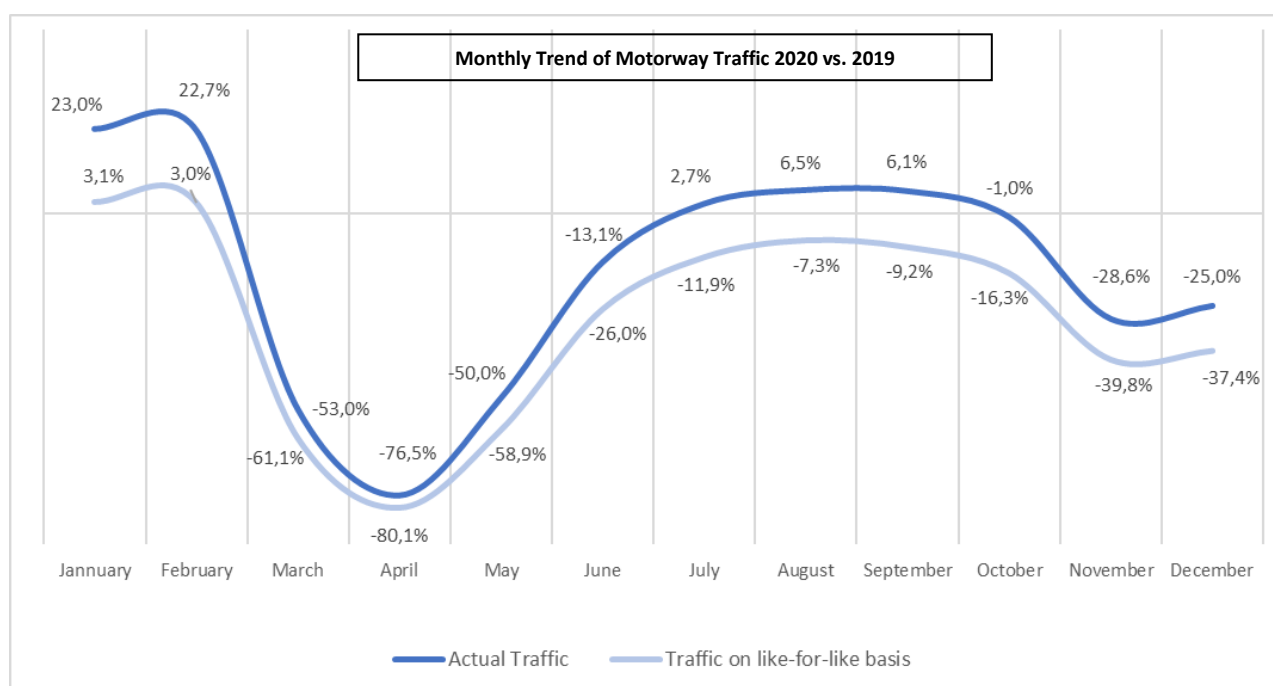


## • Motorway sector

The trend in traffic volumes and, consequently, in toll revenues during the 2020 financial year was strongly influenced by the Covid-19 epidemic.

As is known, the preponderant part of the Group's operating margins and cash generation comes from the motorway sector. For this reason, it should also be noted that the current Agreements establish contractual mechanisms to restore economic financial balance in the face of *force majeure* events such as the one in question. This right has been confirmed by the Granting Body in recent discussions and, at the latter's request, the pandemic's economic impact in the first half of 2020 have been included in the updated models of the financial plans sent to the Granting Body.

The following is an analysis of **motorway traffic**<sup>1</sup> performance, both effective and on a like-for-like basis<sup>2</sup> during 2020 compared to 2019.



In 2020, traffic performance saw an overall decrease of 28.3% (-34% light vehicles; -12% heavy vehicles) on a like-for-like basis; -15.4% (-20.3% light vehicles; -1.4% heavy vehicles) in actual traffic.

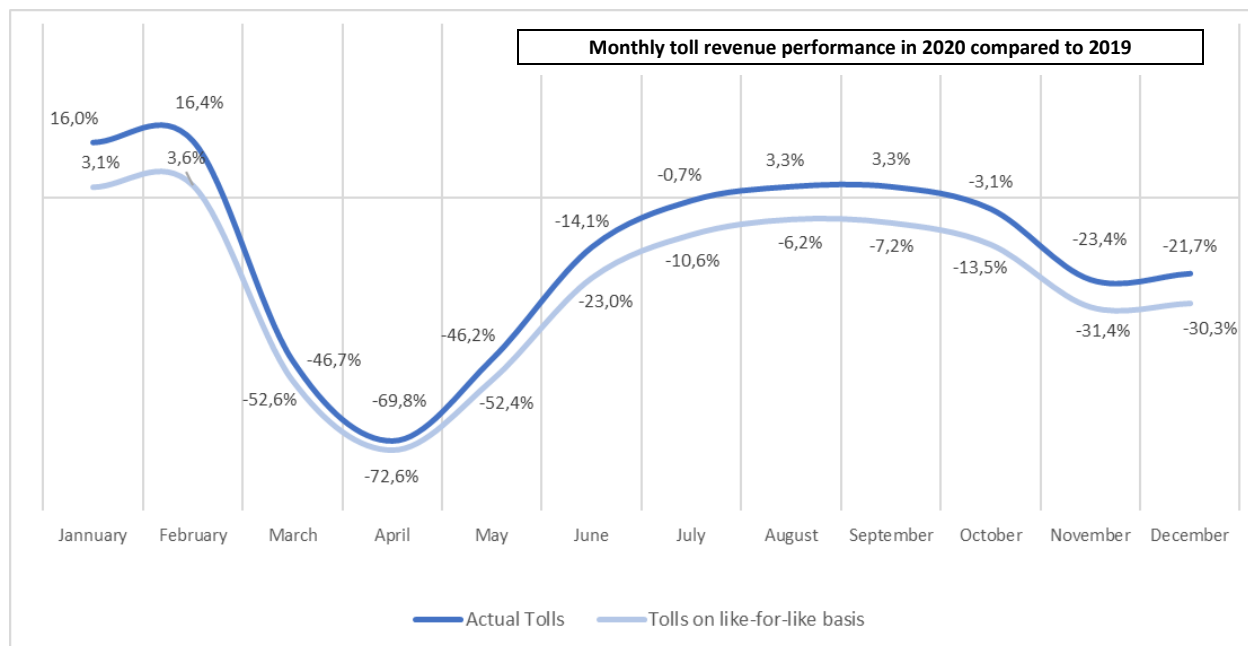
As can be seen from the graph, after the heavy reduction in traffic volumes recorded in March and April due to the lockdown, and following the slowdown in the spread of the pandemic after the virus containment measures were loosened, a recovery in traffic volumes was seen starting in May along the managed stretches. This recovery became stronger during the third quarter of the year. Following the resumption of the Covid-19 epidemic and the consequent additional restrictive measures on mobility established both by the Prime Ministerial Decrees of November 3 and December 3, 2020, and by the related ordinances of the Ministry of Health, the fourth quarter of the year recorded a new decrease in traffic, albeit less marked than against the performance recorded in the spring months.

<sup>1</sup> For details regarding traffic performance by individual concession holder companies, as well as for toll revenues, please see the section "Results of Operations".

<sup>2</sup> Amounts net of traffic figures for ATIVA S.p.A., for which income statement figures are consolidated as of 1 January 2020.



The following is an analysis of **toll revenue** performance, both effective and on a like-for-like basis<sup>1</sup> in 2020 compared to 2019.



In the 2020 financial period “net toll revenues” fell by 24.4% on a like-for-like basis, compared to 2019 (-15.5% “actual” net toll revenues); the reduction in tolls “on a like-for-like basis” is proportionately smaller than the reduction in traffic, since the fall in heavy vehicle volumes was more limited than that for light traffic while there was a limited contribution deriving from the toll adjustment granted to the concessionaire Autovia Padana S.p.A. from 1 January 2020.

<sup>1</sup> Amounts net of toll figures for ATIVA S.p.A., for which income statement figures are consolidated as of 1 January 2020.



- **EPC sector**

Despite the problems linked to the spread of the Covid-19 pandemic worldwide, in the EPC sector the **Itinera Group** continued its development during the 2020 financial year, showing a further growth in business volumes, with over 70% of production carried out abroad.

**Revenues** before eliminations totalled € 1,129.6 million against € 985.2 million in 2019, representing an increase of 15% over the previous year and 78% compared to 2018.

In terms of **results**, despite the overall increase in production volumes, the pandemic nevertheless caused slowdowns and delays to work progress schedules, leading to extra costs and longer times at basically all the main work sites both in Italy and abroad. These matters are the subject of claims against customers. All this involved a decrease in the margins recognised for contracts in progress, with a consequent lower coverage of fixed and non-operating structural costs.

The other Group companies in the EPC sector, Sina (engineering) and Euroimpianti (electrical and electromechanical systems), whose business is mainly captive, also recorded an increase in production due to interventions carried out with motorway companies to continually raise safety standards on the managed stretches.

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## Significant transactions

During the 2020 period, despite the complex global economic scenario created by the Covid-19 pandemic, the Group concluded important transactions as part of its targeted growth and development plan:

- the strengthening of motorway concessions both on the domestic market (cross financing of the A4-A33, SITAF tender, A21-A5 and A12-A10 tenders) and on the international market (Ecorodovias operation, participation in PPP tenders in the USA and Norway), with a view to growth and geographical diversification of risk; and,
- as regards the EPC sector, to consolidate its leading position in the construction market and to strengthen its support activities in the concessions sector (Tubosider acquisition).

The transactions carried out on the domestic market are tangible proof of the Group's continued confidence in the country, despite the extremely difficult economic situation, together with its awareness of the strategic role that infrastructure plays in relaunching the economy and the responsibility that the Group itself invests in its role of primary operator in the management of infrastructure networks.

### BRAZIL – Agreement finalised for Ecorodovias capitalisation and subsequent consolidation of control

Since 2016, the ASTM Group has exercised joint control over Ecorodovias Infraestrutura e Logística S.A. ("EcoRodovias"), a company listed on the San Paolo stock exchange and one of the main players in Brazil in the construction and management of motorway infrastructure, with an approximately 3,040 km network along the main commercial corridors in the rich areas of the south and south-east of the country.

On 30 July 2020, IGLI S.p.A. ("IGLI"), a fully held subsidiary of ASTM S.p.A. ("ASTM"), and – in the role of guarantor – ASTM, signed, together with Primav Construções e Comércio SA ("Primav Construções"), Primav Infraestrutura SA ("Primav"), Participare - Administração e Participações Ltda ("Participare") and EcoRodovias, a dissociation agreement (the "Agreement") aimed at reorganising its shareholdings in EcoRodovias and, finally, capitalising EcoRodovias.

As an effect of the operations set out in the Agreement, taking into account the final issue price for EcoRodovias shares and the adhesion to the EcoRodovias capital increase by other shareholders, it is foreseen that that IGLI will consolidate the control over EcoRodovias as part of the capital increase or, in any case, through subsequent operations on the equity market.

#### Reason for the operation:

- The operation falls within the development and internationalisation process promoted by the ASTM Group, which has accelerated significantly since 2017, with the presentation of the strategic plan and which today sees the Group present in Italy, Europe, Brazil and the United States;
- Since 2016, ASTM has developed in-depth knowledge of the Brazilian infrastructural market and in particular about EcoRodovias, which over these years has allowed it, among other things, to successfully handle growth through the awarding of new important tenders;
- EcoRodovias is a strategic platform for developing the Group's business in Brazil and Latin America, and the operation will strengthen ASTM's position among the main infrastructure operators in Italy and the world;
- The Brazilian market is affected by a major privatisation programme, in particular in the motorway sector. The planned EcoRodovias capital increase, with ASTM subscribing the largest part, will allow the company to optimise the resources needed to participate in the relevant calls for tenders;
- IGLI is expected to consolidate its control of EcoRodovias in terms of the capital increase of the latter or, in any case, through successive transactions on the capital market, thereby consolidating the results and helping significantly lengthen the average duration of Group concessions;



- the completion of the operation will allow EcoRodovias to further integrate with the other Group companies in a “One Company” approach.

### **The operation:**

As at the date of signing of the Agreement and as at 31 December 2020, IGLI held (a) 50% of the ordinary shares and 100% of preferred shares with no voting rights of Primav, representing as a whole 69.1% of Primav’s share capital which, in turn, holds 64.1% of EcoRodovias and (b) directly held 4.99% of EcoRodovias shares in circulation. The remaining 50% of shares with voting rights, representing the remaining 30.9% of Primav’s share capital is held by the Almeida family, through the company Participare, which, in turn, holds Primav Construções.

Primav and, consequently, EcoRodovias, are currently subject to joint control by IGLI and Primav Construções.

Following completion of the transactions envisaged in the Agreement, and with all conditions precedent having been met in the meantime, IGLI is expected to consolidate the control of EcoRodovias as part of the capital increase or, in any event, through subsequent transactions on the capital market.

The Agreement is divided into two distinct phases, the first of which was concluded on 11 March 2021 (see the ASTM press release of 12 March 2021).

#### ➤ Phase 1 - Capital increase and demerger of Primav

On 10 March 2021, Primav resolved a capital increase reserved entirely for IGLI for an amount of BRL 880.9 million (€ 142.8 million<sup>1</sup>), aimed exclusively at the full repayment of Primav’s financial indebtedness.

On 11 March 2021, IGLI and Primav Construções therefore approved a partial demerger of Primav, as a result of which the latter assigned to IGLI do Brasil Participações Ltda (“IGLI Brasil”), a Brazilian company wholly owned by IGLI, a total of 232,504,226 EcoRodovias shares and 135,923,941 shares of Vem ABC - Monotrilho Linha 18 – Bronze S.A., a company operating in the urban mobility sector.

Following the demerger, IGLI no longer holds any shares in Primav but, through IGLI Brasil, holds the above-mentioned shares in EcoRodovias and Vem ABC; Primav – which holds 125,000,000 shares in EcoRodovias and 73,076,059 shares in Vem ABC – is instead wholly owned by Primav Construções.

#### ➤ Phase 2 - EcoRodovias capital increase

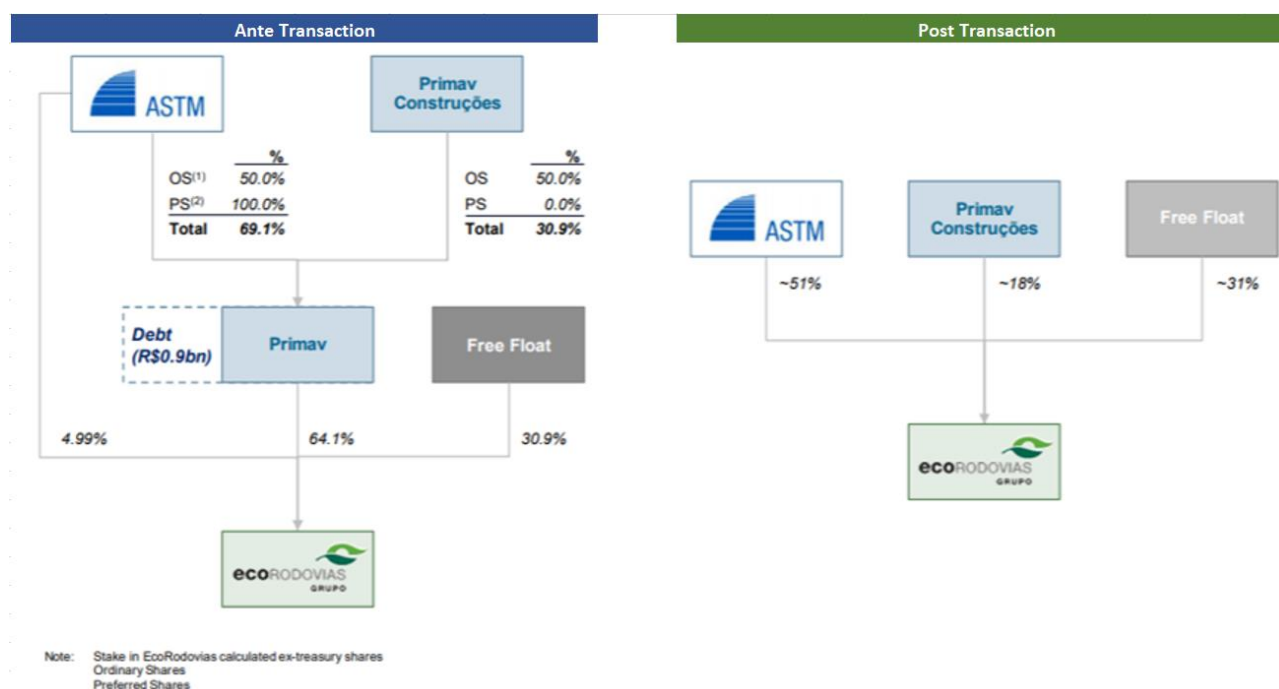
Following the completion of the Primav demerger, the Board of EcoRodovias will resolve, on the basis of the shareholders’ resolution of 20 September 2020, a capital increase of between BRL 1,200 million (approximately € 200<sup>1</sup> million) and BRL 1,800 million (approximately € 300<sup>1</sup> million) in order to strengthen the EcoRodovias capital base. The capital increase will be carried out through a “follow-on public offer with restricted distribution efforts” or, if it is not possible to complete the public offer by 30 September 2021 due to market conditions, through a private capital increase to be approved by 31 December 2021. As a result of this transaction, IGLI is expected to consolidate the control of EcoRodovias.

#### ➤ Corporate governance

As provided by the Agreement, at the same time as the demerger of Primav, the previous shareholders’ agreement between IGLI and Primav Construções was amended to maintain the pre-existing joint control structure in EcoRodovias until the earlier of the following dates (i) the date of the EcoRodovias capital increase (ii) 31 December 2021, if said increase is not carried out and certain conditions precedent provided by the Agreement are not met by that date; and (iii) 4 May 2026, the date on which the original shareholders’ agreement between IGLI and Primav Construções expires.

Below is a graph which illustrates the expected change in the Group’s structure following the transactions set out in the Agreement.

<sup>1</sup> At the hedged exchange rate EUR/Reais 6.168



## SITAF

In a public auction held on 23 July 2020, ASTM was awarded the acquisition of 19.347% of the share capital of SITAF S.p.A. (“Società Italiana Traforo Autostradale del Frejus”), thus gaining direct and indirect control of 67.22% of the share capital. The transfer of the shares and related payment of the consideration of € 272 million took place at the end of October.

The public auction was promoted by Finanziaria Città di Torino Holding S.p.A. and Città Metropolitana di Torino for the joint sale of their respective stakes held in SITAF S.p.A. equal to 10.653% and 8.694%, in execution of the Council of State ruling No. 7393/2019. SITAF S.p.A. is the owner of the concession, expiring in 2050, for the design, construction and management of the Frejus tunnel (about 13 km long) and the connector to the tunnel, the A32 Turin-Bardonecchia motorway (73 km long).

The acquisition of the majority stake by ASTM will allow it to provide a stable foundation for its management, with investments in innovation, user service quality, technology and info-mobility for a national strategic asset in terms of international connections with France, which as of 2021 will also see doubling of transport capacity through the opening of the second carriageway, the only Alpine tunnel with this feature, obtaining a competitive advantage with respect to alternative motorway routes, in particular for heavy traffic.

The award of the tender allows ASTM:

- to extend the pro-forma average duration of the Group’s concessions;
- to include SITAF S.p.A. in ASTM’s “One Company” business model, making particular use of the Group’s expertise in the EPC and technology sectors;
- the potential strengthening of relations with the French institutions controlling the French portion of the Frejus Tunnel, also with a view to the potential relaunch of the privatisation of SFTRF (Société Française du Tunnel Routier du Fréjus), the company that manages the French stretch of the Tunnel;
- the potential future integration of the Alpine tunnel system.



As explained in greater detail in the explanatory notes to the Consolidated Financial Statements, despite ASTM's possession, as at 31 December 2020, of the majority of the share capital of SITAF S.p.A. (67.22%) and therefore the majority of voting rights, pursuant to IFRS 10 (international accounting standard governing the rules of the consolidated financial statements), these voting rights are not substantial and therefore do not guarantee ASTM control of SITAF S.p.A. and consequently its consolidation on a "line-by-line basis". In the Consolidated Financial Statements of ASTM as at 31 December 2020, the participation in SITAF S.p.A. was accounted for using the "equity method".

### Tubosider

On 27 July 2020 the subsidiary Itinera S.p.A. acquired a 90% participation in the share capital of Tubosider S.p.A., a company in which the ASTM Group and Itinera itself had already been a shareholder in previous years with a minority stake. The countervalue of the transaction was equal to € 11.9 million, which was almost entirely offset by receivables of equal value from the seller Argo Finanziaria S.p.A..

Tubosider S.p.A. produces, installs and sells items for use in road, rail, civil and industrial construction, including road barriers, pipes, tanks and other items, mainly made of steel.

The acquisition of control occurs after an in-depth process to restore health to the participation begun in 2019, involving the restructuring of bank debt (reducing the amount by around 60% through renunciation by the relative banks), covering previous losses with control being transferred from the previous majority shareholder to the Aurelia Group and, above all, by beginning an operational restructuring process intended to rationalise the production cycle by making significant investments to replace ancient systems with up-to-date ones, centralising production in a single location and by fully revising the personnel organisation, from production to office workers.

The decision to acquire control over Tubosider S.p.A. was determined after analysing the situation of the market segment which represents the company's core business, that is the production of safety barriers, in which at present there are few competitors, and a context in which there is heavy growth in demand due to the need for large safety investments by all infrastructure operators, whether public or private.

Acquisition of control over Tubosider S.p.A. hence allows the Group to further expand its operations and increase its knowledge of the O&M sector, covering an area which at present is reserved for third party operators, with Tubosider assisting Group companies already active in these areas, such as Itinera S.p.A., SEA Segnaletica Stradale S.p.A., Euroimpianti S.p.A. and Sinelec S.p.A..

### Milano Serravalle

On 29 July 2020, ASTM S.p.A. and the subsidiaries Autostrada dei Fiori S.p.A. and SATAP S.p.A. sold the shares they held in the share capital of Milano Serravalle – Milano Tangenziali S.p.A. ("MI-SE"), representing 13.6% of the same, to FNM S.p.A., a subsidiary of the Regione Lombardia, currently the majority shareholder of MI-SE.

The total value of the transaction was € 85.7 million, with capital gains of € 19.6 million with respect to the book value of € 66.1 million, with the shares valued at € 3.5 each. At closing, the consideration of € 78.3 million was collected, equal to € 3.2 per share, while the residual amount of € 7.4 million was paid in January 2021.

The decision to leave the MI-SE shareholding structure was due to divergences in opinion with regards to the concession holder's strategic plan, in particular with reference to the project to create new stretches by its subsidiary Autostrada Pedemontana Lombarda S.p.A., the concession holder for the creation and management of the A36 motorway, due to the uncertainties surrounding this project.



### Cross-Financing SATAP A4 - Asti-Cuneo Motorway A33

On 30 October 2020, the subsidiaries SATAP S.p.A. (concession holder of the A4 Torino-Milano) and Asti-Cuneo S.p.A. (concession holder of the A33 Asti-Cuneo motorway) signed the Additional Deeds with the Ministry of Infrastructure and Transport (MIT) for their respective Agreements to adjust the cross-financing operation aimed at rebalancing and completing the A33 Asti-Cuneo motorway. The signing of the Additional Deeds followed on from CIPE's approval of the revision of the Economic and Financial Plans (PEF) of the two companies on 14 May, the registration of the related resolutions by the Court of Auditors on 22 October and their publication in the Official Journal on 30 October 2020.

On the basis of the new Additional Deeds, SATAP A4 will make investments for a total value of approximately € 740 million, of which approximately € 630 million shall go to the rebalancing and completion of the Asti-Cuneo motorway and the remainder to the completion of investments on the section of its competence.

On 7 January 2021, the interministerial decrees (MIT and the Ministry of the Economy and Finance) relating to the Additional Deeds were signed. They became fully effective following the registration of the aforementioned decrees by the Court of Auditors on 6 March 2021.

### Concession tenders Italy

#### *A21 Torino-Alessandria-Piacenza stretch and A5 Torino-Ivrea-Quincinetto stretches, A4/A5 Ivrea-Santhià link road, Torino-Pinerolo fork and Sistema Autostradale Tangenziale Torinese*

On 20 September 2019, the MIT published the European call for tenders to identify a new concession holder for the motorway stretches "A21 Torino-Alessandria-Piacenza" - for which the concession expired on 30 June 2017 - "A5 Torino-Ivrea-Quincinetto", the link road "A4/A5 Ivrea-Santhià", the "Torino-Pinerolo" fork and the "Sistema Autostradale Tangenziale Torinese" - for which the concessions expired on 31 August 2016, currently respectively managed under an extension by the Group subsidiaries SATAP S.p.A. and ATIVA S.p.A. respectively.

The Temporary Consortium of Companies, made up almost entirely (97.6%) of Group companies, with the subsidiary SALT p.A. as lead member, submitted its bid by the tender procedure deadline (10 July 2020).

On 26 November 2020, the Ministry of Infrastructure and Transport decreed the award of the concession to the above-mentioned Temporary Consortium, while awaiting judgement in the pending proceedings against the exclusion measure adopted by said Ministry on 19 December 2019. With judgment n. 620 of 15 January 2021, the Administrative Court of Lazio rejected the appeal filed on 3 January 2020 by the Consortium. The latter therefore lodged an appeal with the Council of State on 19 February 2021 in order to have its actions recognised as fully compliant with the law.

#### *A12 Sestri Levante-Livorno stretches, A11/A12 Viareggio-Lucca, A15 fork towards La Spezia and A10 Ventimiglia-Savona stretch*

On 27 December 2019, the MIT published the European call for tenders to identify the new concession holder for the motorway stretches A12 Sestri Levante-Livorno, A11/A12 Viareggio-Lucca and A15 La Spezia fork - for which the concessions expired on 31 July 2019 - and for A10 Savona-Ventimiglia (French border) - for which the concession will expire on 30 November 2021 - currently managed by the Group companies SALT p.A. and Autostrada dei Fiori S.p.A..

The subsidiary Itinera S.p.A. submitted the relevant offer by the tender procedure deadline (20 July 2020).

On 18 November 2020, the MIT awarded the concession to the subsidiary Itinera S.p.A..

The second-place tenderer lodged an appeal with the Administrative Court of Lazio for the annulment of this award. The Administrative Court of Lazio did not grant the suspension and stated that it would proceed on the merits by June 2021.



## Other initiatives in progress

### *Tender for SR 400 Express Lane (Georgia - USA)*

As part of its international growth plan, the ASTM Group has been pre-qualified in the United States for a project worth around USD 1.3 billion for the construction and management of a motorway stretch in Georgia called the “SR 400 Express Lane”, part of the road system around the city of Atlanta. The initiative involves the modernisation of the motorway, with the construction of two additional toll lanes, for each direction of travel, for a total length of approximately 25 km. This initiative is a Public-Private Partnership (PPP) with an availability fee paid by the Client for the construction, maintenance and operation of the motorway stretch for a period of 35 years.

The ASTM Group is in joint venture with other primary industrial and financial operators.

### *Rapid Mass Transit Corridor North tender (Miami - USA)*

The ASTM Group has been pre-qualified in the United States for another project worth approximately USD 1.6 billion for the construction and management of a city rail transit corridor in Florida called the “Miami-Dade County Rapid Mass Transit Solution - North Corridor”, aimed at improving the collective mobility system of the city of Miami. The project will involve the construction and subsequent operation of the urban mobility Northern line (including rolling stock). This initiative is a Public-Private Partnership (PPP) with an availability fee paid by the Client and ancillary commercial revenues against the construction, maintenance and operation of the motorway stretch for a period of 30 years.

The ASTM Group is joint venture with other primary financial operators.

### *RV555 Connection Sotra tender (Bergen - Norway)*

The ASTM Group has been pre-qualified in Norway and is going through the various bidding stages envisaged by the tender procedure and documents, for a 25-year concession project to plan, build and manage a motorway stretch of approximately 10 km, which will involve building a 900 meter long suspension bridge in the south of the country near the city of Bergen. This initiative is a Public-Private Partnership (PPP) with an availability fee paid by the client for the construction, maintenance and operation of the motorway stretch for a period of 15 years from the end of the construction period.



## Economic, equity and financial data

### Group economic data

The **Reclassified Consolidated Income Statement** of the 2020 period – which was significantly affected by the impacts of the Covid-19 pandemic – is shown below, with a comparison to analogous figures for the previous year.

Note that (i) as from 1 January 2020, the economic data of the ATIVA Group, control of which was acquired at the end of the previous year, has been consolidated, and (ii) as from 1 July 2020, the economic data of the Tubosider Group, control of which was acquired at the beginning of the same month, has been consolidated.

(€ '000s)	2020	2019	Changes
Motorway sector revenue – operating activities <sup>(1) (2)</sup>	969,458	1,155,380	(185,922)
“EPC” sector revenue <sup>(2)</sup>	951,545	813,349	138,196
Technology sector revenue	16,387	23,154	(6,767)
Other revenues	67,270	84,349	(17,079)
<b>Total turnover</b>	<b>2,004,660</b>	<b>2,076,232</b>	<b>(71,572)</b>
Operating costs <sup>(1)(2)</sup>	(1,456,876)	(1,283,833)	(173,043)
<b>EBITDA</b>	<b>547,784</b>	<b>792,399</b>	<b>(244,615)</b>
Net amortisation/depreciation and provisions	(254,436)	(403,701)	149,265
<b>Operating income</b>	<b>293,348</b>	<b>388,698</b>	<b>(95,350)</b>
Financial income	18,730	38,945	(20,215)
Financial expenses	(103,569)	(94,330)	(9,239)
Capitalised financial expenses	16,425	15,164	1,261
Profit (loss) of companies accounted for with the equity method	(56,288)	(90,504)	34,216
<b>Net financial income (expense)</b>	<b>(124,702)</b>	<b>(130,725)</b>	<b>6,023</b>
<b>Profit before tax</b>	<b>168,646</b>	<b>257,973</b>	<b>(89,327)</b>
Income taxes (current and deferred)	(24,924)	(88,081)	63,157
<b>Profit (loss) for the period</b>	<b>143,722</b>	<b>169,892</b>	<b>(26,170)</b>
▪ Profit attributable to minorities	34,885	93,613	(58,728)
▪ <b>Profit attributable to Shareholders</b>	<b>108,837</b>	<b>76,279</b>	<b>32,558</b>

(1) Amounts net of the fee/additional fee payable to ANAS (€ 76.1 million in 2020 and € 85.7 million in 2019).

(2) With regard to licensees, the IFRIC 12 prescribes full recognition in the income statement of costs and revenues for “construction activity” concerning non-compensated revertible assets. In order to provide a clearer representation in the table above, these components – amounting to € 401.5 million in 2020 and € 283 million in 2019 respectively – were reversed for the same amount from the corresponding revenue/cost items.

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The item “*motorway sector revenue*” totalled € 969.5 million (€ 1,155.4 million in 2019) and breaks down as follows:

(€ '000s)	2020	2019	Changes
Net toll revenue	949,028	1,123,659	(174,631)
Rental income and other accessory revenues	20,430	31,721	(11,291)
<b>Total motorway sector revenue</b>	<b>969,458</b>	<b>1,155,380</b>	<b>(185,922)</b>

The decrease seen in “*net toll revenue*” - equal to € 174.6 million (-15.5%) - is the result of decreased traffic volumes due to the COVID-19 pandemic (€ -276.1 million) counteracted by (i) the increase due to consolidation as of the current half of toll revenues from ATIVA S.p.A. (€ +99.2 million) and (ii) the increase due to recognition as of 1 January 2020 of toll adjustments limited solely to Autovia Padana S.p.A. (€ +2.3 million).

The decrease in “*Rental income and other ancillary revenues*” - despite the consolidation of ATIVA S.p.A. data (+€ +2.9 million) - reflects the reduction in consumption at the service areas and consequently in related royalties.

As anticipated in previous sections, despite the slowing of activities at construction sites due to the pandemic, the “EPC” sector showed increased production, thanks to constant growth in turnover abroad.



The reduction in production relative to third parties in the “*technology*” sector is in part due to consolidation starting from the current financial period, of the ATIVA Group's income statement figures.

The decrease in the item “*other revenues*” is mainly attributable to the presence in the previous year of income related both to the return of service areas by previous sub-licensees and to the release of previously allocated funds.

The increase in “*operating costs*” is essentially due to (i) the increased production by EPC companies and (ii) the consolidation of the ATIVA Group starting from this year.

As a result of the above, the EBITDA equalled € 547.8 million, down € 244.6 million, mainly due to the motorway sector as a result of the impact of the Covid-19 pandemic:

(€ million)	FY 2020	FY 2019	Changes
· Motorway Sector	534.9	757.0	(222.1)
· EPC sector	21.0	45.2	(24.2)
· Technology Sector	15.8	12.6	3.2
· Services Sector ( <i>holding company</i> )	(23.9)	(22.4)	(1.5)
Total	547.8	792.4	(244.6)

The “*Net amortisation/depreciation and provisions*” item is equal to € 254.4 million (€ 403.7 million in 2019). The change compared to the previous year is due to: (i) lower depreciation and amortisation for € 98 million<sup>1</sup>, (ii) lower provisions for risks and charges for € 61.8 million and (iii) higher net allocations to the “provision for restoration and replacement” of non-compensated revertible assets for € 10.5 million<sup>2</sup>.

The item “*financial income*” amounted to € 18.7 million (€ 38.9 million in 2019); the change was mainly due to the recognition in the previous period of a gain of € 19.5 million resulting from the fair value alignment of the shares previously held in ATIVA S.p.A. following the takeover of that company.

“*Financial expenses*” – including expenses on interest rate swap contracts – increased by € 9.2 million, mainly due to (i) higher expenses for exchange differences on Brazilian Bank Deposit Certificates and (ii) the write-down of a number of financial receivables from associates. The change in “*capitalised financial expenses*” is related to the performance of the investments made.

The item “*profit (loss) of companies accounted for by the equity method*” included the share of profits from jointly controlled entities and associated companies. The improvement in the item compared to the previous period is essentially the result of lower losses reported by the Brazilian subsidiaries (€ +43 million), higher losses of the EPC sector subsidiaries (€ -3.7 million) and the lack of the ATIVA Group companies’ contribution following their consolidation on a line-by-line basis (€ -2.5 million).

As regards the amount of “*income taxes*”, note that the 2020 figure includes an amount of € 7.7 million attributable to the substitute tax for the realignment of differences between tax values and statutory values resulting from merger and/or contribution transactions of previous years. These realignments – made pursuant to Article 110, paragraph 7 of Decree-Law No. 104 of 14 August 2020 – allowed the recognition of deferred tax credits/release of deferred tax provisions previously allocated for a total of € 72.5 million.

Note that the amount of “*income taxes*” includes an additional 3.5% corporate income tax (IRES) deriving from activities carried out on the basis of the motorway concessions, provided by Italian Law 160 of 27.12.2019. Note also that the 2019 figure benefited – for an amount equal to € 17.1 million – from the positive outcome of an “ACE” tax clearance application in the years 2013-2018.

In view of the above, the portion of the “*profit for the period*” attributable to Shareholders – net of taxes and the profit attributable to minority interests<sup>3</sup> – was equal to € 108.8 million (€ 76.3 million in the 2019 financial year).

<sup>1</sup> This change reflects the reduction seen in traffic volumes, as well as the 2019 depreciation of the SALT A12 stretch, for which the concession expired on 31 July 2019.

<sup>2</sup> The figure for the 2019 period included the partial release of the provision for restoration and replacement of non-compensated revertible assets against no new provisions, given the expiry of the concession for the A12 stretch.

<sup>3</sup> The reduction in “Profit for the period attributable to minority interests” is also affected by the fact that this item in 2019 reflected the portion of profit attributed to “minority interests” of SIAS S.p.A. for the entire year, as the merger by incorporation of the latter into ASTM S.p.A. was completed on 31 December 2019.





## Group equity and financial data

The main components of the consolidated financial position at 31 December 2020, compared with the corresponding figures from the previous period, can be summarised as follows:

(€ '000s)	31/12/2020	31/12/2019	Changes
Net fixed assets	3,206,038	3,159,047	46,991
Equity investments and other financial assets	1,214,476	1,765,025	(550,549)
Working capital	(31,461)	(12,807)	(18,654)
<b>Invested capital</b>	<b>4,389,053</b>	<b>4,911,265</b>	<b>(522,212)</b>
Payable to ANAS – Central Garanty Fund	(168,826)	(180,726)	11,900
Employee benefits and other provisions	(438,439)	(418,432)	(20,007)
<b>Invested capital less provisions for medium- and long-term risks and charges</b>	<b>3,781,788</b>	<b>4,312,107</b>	<b>(530,319)</b>
Shareholders' equity and profit (loss) (including minority interests)	2,933,325	2,959,877	(26,552)
Net financial indebtedness	848,463	1,352,230	(503,767)
<b>Equity and minority interests</b>	<b>3,781,788</b>	<b>4,312,107</b>	<b>(530,319)</b>

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### Net financial indebtedness

The Net financial indebtedness of the ASTM Group, at 31 December 2020, prepared according to the schedule included in ESMA Recommendation 2013/319, is composed as follows:

(€ '000s)	31/12/2020	31/12/2019	Changes
A) Cash and cash equivalents	879,003	1,197,537	(318,534)
B) Securities held for trading	-	-	-
<b>C) Liquidity (A) + (B)</b>	<b>879,003</b>	<b>1,197,537</b>	<b>(318,534)</b>
<b>D) Financial receivables</b>	<b>1,133,252</b>	<b>574,161</b>	<b>559,091</b>
E) Bank short-term borrowings	(206,193)	(147,038)	(59,155)
F) Current portion of medium/long-term borrowings	(449,859)	(347,617)	(102,242)
G) Other current financial liabilities	(84,784)	(571,062)	486,278
<b>H) Short-term borrowings (E) + (F) + (G)</b>	<b>(740,836)</b>	<b>(1,065,717)</b>	<b>324,881</b>
<b>I) Current net cash (C) + (D) + (H)</b>	<b>1,271,419</b>	<b>705,981</b>	<b>565,438</b>
J) Bank long-term borrowings	(1,015,355)	(952,502)	(62,853)
K) Hedging derivatives	(17,065)	(20,729)	3,664
L) Bonds issued	(1,041,629)	(1,040,228)	(1,401)
M) Other long-term payables	(45,833)	(44,752)	(1,081)
<b>N) Long-term borrowings (J) + (K) + (L) + (M)</b>	<b>(2,119,882)</b>	<b>(2,058,211)</b>	<b>(61,671)</b>
<b>O) Net financial indebtedness (I) + (N)</b>	<b>(848,463)</b>	<b>(1,352,230)</b>	<b>503,767</b>

At 31 December 2020, the "Net financial indebtedness" totalled € 848.5 million (€ 1,352.2 million at 31 December 2019). This amount does not include (i) the fair value of "investment funds" subscribed in previous years to invest cash, equal to € 14.6 million (€ 19.4 million at 31 December 2019), (ii) the discounted value of medium/long-term receivables for "guaranteed minimums" of € 1.7 million (€ 2.3 million at 31 December 2019) and (iii) the discounted value of the "payables due to ANAS-Central Guarantee Fund" of € 125.3 million (€ 129.2 million at 31 December 2019).

The improvement in "Net financial indebtedness", (equal to € 503.8 million), is substantially attributable to the recognition among current financial receivables of terminal values accrued on the expired concessions of the subsidiaries ATIVA S.p.A., SATAP S.p.A. (A21 Stretch), SALT p.A. (A12 Section); these receivables (equal to € 729.7 million as at 31 December 2020) refer to the value of motorway investments not depreciated as of the day the concessions expired, as well as receivables accrued for investments made



after the expiration of the concessions, which must be paid to the outgoing licensee company by the incoming licensee. The recognition of the terminal value is provided for in the tender documents issued by the MIT for the renewal of the above-mentioned concessions, which were recently awarded. As already mentioned, tenders were awarded to companies/consortia belonging to the ASTM Group on the basis of the bids submitted, however the procedure for assigning them has not yet been completed following both the appeal presented to the Regional Administrative Court of Lazio (TAR) by the competing consortium concerning the result of the A12-A10 tender, and the appeal filed with the Council of State by our Consortium against said TAR's Judgement n.620 of 15 January 2021.

As regards the remaining part, the change in Net financial indebtedness is due to (i) the execution of enhancement works on the Group's motorway infrastructure (€ 392.2 million), (ii) investments in other works net of grants received (€ 55.7 million), (iii) the acquisition of Treasury Shares (€ 11.7 million), (iv) the purchase of shares of SITAF S.p.A. and other equity investments (€ 272.2 million), (v) the payment of dividends from subsidiaries to minority shareholders (€ 22.7 million); and the payment of instalments due on the payable to ANAS Central Garanty Fund (€ 11.9 million). These outlays were offset by (i) the *"operating cash flow"* (equal to € 370.9 million), (ii) the sale of the shares held by Group companies in the capital of Milano Serravalle-Milano Tangenziali S.p.A. (with proceeds in the period of € 78.3 million), (iii) the change in net working capital and other minor changes (equal to € 89.2 million) and (iv) net cash funds deriving from the consolidation of Tubosider S.p.A. and its subsidiaries (€ 6.6 million).

"Net financial indebtedness" at 31 December 2020 also includes the positive difference accrued during the period (equal to € 4.6 million), related to the fair value of hedging derivatives ("no cash" item).

With reference to the structure of the item *"net financial indebtedness"*, the following is noted:

- the change in the item *"cash and cash equivalents"* - in addition to the aforementioned changes - also refers to: (i) the repayment of the 2010-2020 bond and the payment of the related interest and that of the other bonds (€ -548.3 million) corresponding to a reduction in *"other current financial liabilities"*, (ii) the payment of instalments due with respect to the *"current portion of medium/long-term borrowings"* (equal to € 348.3 million) and (iii) the provision of a loan to the jointly held subsidiary Prima Infrastruttura SA (€ 5.4 million). These outlays were offset by: repayments/pay-offs of insurance capitalisation policies (€ 32.7 million) taken out in prior periods, (ii) the redemption of cash investments made in previous years by the subsidiaries IGLI S.p.A., Itinera Costrucoes Ltda and the companies of the Halmar Group net of subscriptions (€ 18.4 million), (iii) the disposal of a temporary cash investment in term current accounts (€ 70.2 million) and (iv) the granting of new loans for € 513.1 million;
- the increase in the item *"financial receivables"* (equal to € 559.1 million) is due to: the recognition of the aforementioned takeover receivables (€ 729.7 million), (ii) the loan granted by the subsidiary IGLI S.p.A. to Primav Infrastruttura SA (€ 5.4 million) and (iii) the recognition of interest income on capitalisation policies (+€ 2.4 million). These increases were partially offset by (i) the decrease in interconnection receivables (€ 57.1 million), (ii) the redemption of the aforementioned cash investments made in previous years by the subsidiaries IGLI S.p.A., Itinera Costrucoes Ltda and the companies of the Halmar Group, net of subscriptions (€ 18.4 million), (iii) repayments/pay-offs of insurance capitalisation policies taken out in previous years (€ 32.7 million) and (iv) the disposal of a temporary cash investment in term current accounts (€ 70.2 million);
- the change seen in the item *"bank short-term borrowings"* (equal to € 59.2 million) is due, for € 57.8 million to the use – by Autostrada Asti Cuneo S.p.A., Itinera S.p.A., Halmar International LLC and Storstroem Bridge JV – of available credit lines and, for € 1.4 million, to new loans granted to the company Halmar International LLC;
- the change in the item *"current portion of medium/long-term borrowings"* is due to (i) the reimbursement of the instalments due in 2020 (€ -348.3 million), (ii) the reclassification from the item *"bank long-term borrowings"* of the instalments due in the following 12 months (€ +349.6 million), (iii) the granting of new loans (€ +100 million) and (iv) the differential for the interest accruals and so-called amortised cost (€ +0.9 million);



- the change in “*other current financial liabilities*” was mostly attributable to: (i) the repayment of the 2010-2020 bond and the payment of both the related interest and that of other bonds (€ -548.3 million), (ii) lower interconnection payables (€ -3 million), (iii) the assessment of interest accrued in the period (€ +45 million), (iv) the fair value of the non-deliverable forward contracts signed by IGLI S.p.A. (€ +8.3 million) and (v) higher other short-term financial liabilities related to IFRS 16 and other changes (€ +11.7 million);
- the change in the item “*bank long-term borrowings*” is due to: (i) the disbursement of new loans (€ +463.1 million), (ii) the reclassification to the item “current portion of medium/long-term borrowings” of the instalments falling due in the following 12 months (€ -349.6 million), (iii) early repayments of certain loan contracts (€ -50 million) and (iv) the effects of the so-called amortised cost and other minor changes (€ -0.6 million);
- “*hedging derivatives*” amount to € 17.1 million, as the negative difference concerning the fair value of IRS agreements. As at 31 December 2020, approximately 56% of medium-long term consolidated debt was “*fixed rate*”/“*hedged*”;
- the change the item “*bonds issued*” is attributable to the effects of the so-called amortised cost;
- the item “*other long-term payables*” substantially refers to the non-current portion of payables due for leasing contracts, recognised in compliance with IFRS 16. The change seen during the period is the result of the new contracts signed during the period and the reclassification as current of the portion maturing in the next twelve months.

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The **financial resources available** as at 31 December 2020 are broken down as follows:

(€ million)

• Cash and financial receivables		2,012
• Investment funds		15
• Cassa Depositi e Prestiti loan (in favour of ASTM) intended for the Capex of SATAP A4	350 <sup>1</sup>	
• Unicredit pool loan (in favour of ASTM) intended for the Capex of Autovia Padana	90 <sup>1</sup>	
• <i>Back up committed facilities</i> credit lines (in favour of ASTM S.p.A. - Ecorodovias acquisition)	370 <sup>1</sup>	
• Back up committed facilities (in favour of ASTM S.p.A.)	250 <sup>1</sup>	
• “Uncommitted” credit lines (in favour of ASTM S.p.A. and its consolidated companies)	369 <sup>1</sup>	
	Subtotal	1,429
	<b>Total financial resources as at 31 December 2020</b>	<b>3,456</b>

<sup>1</sup> For the breakdown of the items refer to the note in “Other information” – (ii) Financial risk management.



## Financial income

In 2010, the ASTM Group began the implementation of a financial structure model that provides for diversification of the financing sources and centralisation of funding activities, with subsequent transfer of resources to Italian companies operating in the motorway sector through specific intercompany loans. ASTM therefore acts as the Group's interface with the debt market, limited to Italian companies operating in the motorway sector, in its various forms: financing banks, national and supranational institutions and subscribers of bond issues.

The implementation of this structure makes it possible to find medium/long-term "committed" resources (i) from a variety of financial instruments (mainly bonds and medium/long-term loans) and a variety of counterparties (international and national banks or other supranational institutions such as the European Investment Bank and national institutions such as Cassa Depositi e Prestiti S.p.A.), (ii) at uniform economic conditions and duration throughout the Group and (iii) avoiding, at the same time, any form of structural subordination between existing creditors at the level of investee companies and new ASTM S.p.A. creditors.

On the basis of this financial structure, the funds raised centrally are, from time to time, loaned to subsidiaries operating in the motorway sector in particular through specific intercompany loan agreements, in order to support their financial requirements for investments in line with the economic financial plans and/or in any case with the needs of the individual companies.

It should also be noted that the debt contracted by ASTM S.p.A. within this structure is supported by a special security package, based on the pledging or collateral assignment of receivables from intercompany loans, which guarantees ASTM S.p.A.'s creditors direct access to the financed operating companies in the event of certain pathological events, and makes it possible to prevent, where existing, any structural subordination between the financial creditors of ASTM S.p.A. and the financial creditors of its subsidiaries.

### EMTN Programme

SIAS S.p.A. (now merged into ASTM S.p.A.) in 2010 had set up a Euro Medium Term Notes (EMTN) programme for € 2 billion. As part of this programme, the Company issued three bonds, governed by British Law and traded on the Irish Stock Exchange:

- "2010-2020 bond" of € 500 million issued on 19 October 2010, with a term of 10 years and repaid at maturity (26 October 2020) in a lump sum, at par value.
- "2014-2024 bond" of € 500 million issued on 6 February 2014, with a term of 10 years and scheduled to be repaid at maturity (13 February 2024) in a lump sum, at par value.
- "2018-2028 bond" of € 550 million issued on 8 February 2018, with a term of 10 years and scheduled to be repaid at maturity (8 February 2028) in a lump sum, at par value.

Note also that on 12 August 2020, ASTM S.p.A. approved the establishment of a new medium/long-term bond issue programme (EMTN) for a total maximum amount of € 3 billion, on the regulated market managed by the Irish Stock Exchange (Euronext Dublin), having as its objective the issuance of senior non-convertible bonds.

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## Credit Rating

In December 2020, the rating agencies Fitch Ratings and Moody's carried out the periodic review of ASTM's ratings and in the same month confirmed the long-term ratings of:

- Baa2 of Moody's
- BBB of Fitch Ratings

The confirmation by both agencies takes into account the expected rebound in motorway traffic for the ASTM Group after 2020, ASTM's solid fundamentals in the Italian motorway network, which includes the essential transport connections in some of the richest regions of Italy and the dimensions and diversification of the motorway network of EcoRodovias which is in the richest states of Brazil. In addition, both agencies emphasised the significant increase in the remaining useful life of the Group's concessions due to the increase in the equity participation in SITAF, the consolidation of control of EcoRodovias, and the announcement of the award of Italian concession tenders. This aspect enabled Moody's and will enable Fitch Ratings to relax the reference leverage ratio guidance for the ASTM Group.

As regards the financial profile, the ratings are supported by a balanced Group financial policy which is reflected in a moderate leverage, a sound cash profile and the absence of significant refinancing needs.

In addition, both Fitch and Moody's stress the following assessment aspects:

- the dimensions and resilience of the motorway network that ASTM operates is the second in terms of dimension in Italy for kilometres covered and its stretches are of strategic importance thanks to the trade across Northern Italy;
- the stability of the regulatory framework applied to the Group's licensee companies.

Fitch Ratings kept the Outlook unchanged, while Moody's changed it from stable to negative in view of the increase in ASTM's equity investment in EcoRodovias, a company that operates in Brazil (rating: Fitch Ratings BB-, Moody's Ba2).

In March 2021, following the disclosure pursuant to Article 102, paragraph 1, of Legislative Decree 58/1998, by the bidder NAF 2 S.p.A., a company 100% owned by Nuova Argo Finanziaria S.p.A., as part of the voluntary tender offer aimed at (i) acquiring all the ASTM ordinary shares held by minorities and (ii) obtaining delisting from the Electronic Stock Market (MTA), Moody's published an updated Credit Opinion and Fitch Ratings issued a special Rating Action Commentary (see "Rating Action Commentary"; see paragraph on "Significant subsequent events").



## Analysis of the Parent Company's results for 2020

### ASTM S.p.A.

The main revenue and expenditure items of the Parent Company Income Statement follow:

(€ '000s)	2020	2019	Changes
Income from equity investments	94,101	151,221	(57,120)
Other financial income	85,201	89,881	(4,680)
Interest and other financial expenses	(66,638)	(68,350)	1,712
<b>Financial income and expenses</b>	<b>112,664</b>	<b>172,752</b>	<b>(60,088)</b>
<b>Value adjustments of financial assets</b>	<b>(4)</b>	<b>(71)</b>	<b>67</b>
<b>Other operating income</b>	<b>12,544</b>	<b>8,925</b>	<b>3,619</b>
<b>Other operating costs</b>	<b>(32,836)</b>	<b>(27,670)</b>	<b>(5,166)</b>
<b>Pre-tax profit (loss)</b>	<b>92,368</b>	<b>153,936</b>	<b>(61,568)</b>
Income taxes	68	13,835	(13,767)
<b>Profit for the year</b>	<b>92,436</b>	<b>167,771</b>	<b>(75,335)</b>

The items contained in the Parent Company's Income Statement reflect the industrial holding activity it performs; in particular, the "income from equity investments" (totalling € 94.1 million) was mainly due to the collection of reserves and dividends distributed during the year by the subsidiaries SATAP S.p.A. (€ 50.6 million), SALT p.A. (€ 24.5 million), Sinelec S.p.A. (€ 8.3 million), SINA S.p.A. (€ 5.5 million) and ATIVA S.p.A. (€ 4.6 million), as well as the associated company Road Link Holdings Ltd (€ 0.4 million) and the investee Assicurazioni Generali S.p.A. (€ 0.2 million). The change compared to the previous year is due to the lower distribution of profits/reserves by the investee companies as a direct consequence of the economic scenario created during the year by the Covid-19 emergency.

The items "other financial income" and "interest and other financial charges" reflect the centralisation function of the financial funding activities assumed by ASTM S.p.A., with subsequent transfer of resources to the operating companies through specific intercompany loans. More specifically, the item "other financial income" (€ 85.2 million) mainly related to the interest accrued for the period on intercompany loans granted to subsidiaries and associated companies and was partially offset by financial expenses, mainly due to the funding raised by the merged company SIAS S.p.A. through the issue of bonds and the opening of loans. The decrease in "other financial income" compared to the previous year is mainly due to the repayment of some intercompany loans related to the "2010-2020 bond", which was paid back last October.

The item "interest and other financial expenses" mainly includes (i) interest from the year accrued on the short, medium and long-term loans taken out by the Company (€ 10 million), (ii) interest paid on intercompany loans obtained by the subsidiaries SATAP S.p.A. (€ 5.9 million) and Autostrada dei Fiori S.p.A. (€ 1.9 million), (iii) interest expenses on the three bonds (€ 46.4 million) and (iv) and other bank charges and fees (€ 2.4 million). The reduction in "interest and other financial expenses" is the result of the repayment of the above-mentioned bond and the raising of new loans.

The item "other operating income" reflects the accounting, administrative and financial consulting and assistance provided by ASTM S.p.A. to Group companies, the reversal of costs, and the income related to the secondment of personnel. This income is offset by "Other operating costs", consisting mainly of personnel costs (€ 9.6 million), service costs (€ 15.5 million) and other costs (€ 7.1 million); the latter costs include an amount of about € 3 million for the donation made to the Piedmont region for the Covid-19 emergency.



With regard to "income taxes", note that the figures for 2019 include the positive outcome of "ACE" tax clearance applications in the financial years 2013-2018 presented by both ASTM S.p.A. and the merged company SIAS S.p.A., which led to tax savings of approximately € 17.1 million.

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The main components relating to financial indebtedness at 31 December 2020, compared with those at 31 December 2019, can be summarised as follows:

(€ '000s)	31/12/2020	31/12/2019	Changes
A) Cash and cash equivalents	140,068	38,057	102,011
B) Securities held for trading	-	-	-
<b>C) Liquidity (A) + (B)</b>	<b>140,068</b>	<b>38,057</b>	<b>102,011</b>
<b>D) Financial receivables</b>	<b>71,421</b>	<b>582,376</b>	<b>(510,955)</b>
E) Bank short-term borrowings	-	-	-
F) Current portion of medium/long-term borrowings	(261,736)	(191,557)	(70,179)
G) Other current financial liabilities	(256,037)	(751,406)	495,369
<b>H) Short-term borrowings (E) + (F) + (G)</b>	<b>(517,773)</b>	<b>(942,963)</b>	<b>425,190</b>
<b>I) Current net cash (C) + (D) + (H)</b>	<b>(306,284)</b>	<b>(322,530)</b>	<b>16,246</b>
J) Bank long-term borrowings	(966,616)	(673,069)	(293,547)
K) Hedging derivatives	-	-	-
L) Bonds issued	(1,041,629)	(1,040,228)	(1,401)
M) Other long-term payables	(1,075)	(1,042)	(33)
<b>N) Long-term borrowings (J) + (K) + (L) + (M)</b>	<b>(2,009,320)</b>	<b>(1,714,339)</b>	<b>(294,981)</b>
<b>O) Net financial indebtedness (I) + (N) (*)</b>	<b>(2,315,604)</b>	<b>(2,036,869)</b>	<b>(278,735)</b>

(\*) Pursuant to ESMA Recommendation

The "Net financial indebtedness" as at 31 December 2020 showed a balance equal to € 2,315.6 million (€ 2,036.9 million as at 31 December 2019); this amount does not include the non-current receivables related to the "intercompany loans" granted – as part of the financial structure defined at holding level – to the investee companies SALT p.A., SATAP S.p.A., SAV S.p.A., Autostrada dei Fiori S.p.A., Autostrada Asti-Cuneo S.p.A., Società di Progetto Autovia Padana S.p.A., Tangenziale Esterna S.p.A. e IGLI S.p.A. totalling € 1,862.9<sup>1</sup> million (€ 1,714.4 million at 31 December 2019) and (ii) the fair value of the "investment funds" subscribed in previous financial years as a cash investment equal to € 11.9 million (€ 11.6 million at 31 December 2019). The adjusted net financial indebtedness of the abovementioned items totalled € 440.8 million (€ 310.9 million at 31 December 2019).

The change in the composition of the Net financial indebtedness is the result of: (i) the acquisition of shares in SITAF S.p.A. € 272 million), (ii) the acquisition of treasury shares (€ 11.7 million), (iii) the capital increase and disbursement of loans to subsidiaries (€ 151.1 million) and (iv) the change in net working capital and other minor changes (€ 2.2 million). These outlays are offset by (i) the "operating cash flow" (equal to € 96.6 million), (ii) the sale of the participation in the Milano Serravalle-Milano Tangenziali S.p.A. (€ 61.7 million).

With reference to the "structure" of the item "net financial indebtedness", the following is noted:

- the item "cash and cash equivalents", in addition to the aforementioned changes, also includes: (i) the repayment of the 2010-2020 bond and the payment of the related interest and that of the other bonds (€ -548.3 million) corresponding to a reduction in "other current financial liabilities", (ii) the payment of instalments due with respect to the "current portion of medium/long-term borrowings" (€ -192.2 million). These outlays were offset by (i) the disbursement of new loans (€ 556

<sup>1</sup> Includes the short-term portion of the financial receivables due from the subsidiary Autostrada Asti-Cuneo S.p.A. and the associated company ATIVA Immobiliare S.p.A..



million), (ii) the collection of maturing instalments of intercompany loans (around € 541.7 million) and related accrued interest (€ 4.3 million);

- the change in the item *"financial receivables"* is due to: (i) the collection of instalments falling due on *"intercompany"* loans (€ -541.7 million) and related accrued interest income (€ -4.3 million) and (ii) the reclassification of instalments falling due in the next 12 months on *"intercompany"* loans (€ +35 million);
- the change in the item *"current portion of medium/long-term borrowings"* is due to: (i) the repayment of instalments falling due in the period and the related accrued interest (€ -192.2 million), (ii) the granting of new loans (€ +100 million) and (iii) the reclassification - from the item *"bank long-term borrowings"* - of instalments falling due in the following 12 months (€ +161.8 million) and (iv) the effects related to the amortised cost and accrued interest (€ +0.6 million);
- the change in the item *"other current financial liabilities"* was mostly attributable to: (i) the above-mentioned repayment of the 2010-2020 bond and payment of both the related interest and that of other bonds (€ -548.3 million), (ii) the assessment of the interest accrued during the year on these bonds and on the loans outstanding with the subsidiaries SATAP S.p.A. and Autostrada dei Fiori S.p.A. (€ +52.7 million) and (iii) higher other short-term financial liabilities related to rental contracts recognised in accordance with IFRS 16 (€ +0.2 million);
- the change in the item *"bank long-term borrowings"* is due to: (i) the disbursement of new loans (€ 456 million), (ii) the reclassification to the item *"current portion of medium/long-term borrowings"* of the instalments falling due in the following 12 months (€ -161.8 million) and (iii) the effects related to the amortised cost and other minor effects (€ -0.7 million);
- the item *"bonds issued"* refers to the *"2014-2024 bond"* and the *"2018-2028 bond"*; the change in the year is due to the effects of the amortised cost;
- The item *"other long-term payables"* refers mainly to the non-current portion of payables relative to leasing contracts recognised in compliance with IFRS 16.

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The "Reconciliation statement of the Shareholders' Equity and the Profit for the year of ASTM S.p.A. and the corresponding values of the ASTM Group" required by CONSOB Notice No. DEM/6064293 of 28 July 2006 is included in the "Explanatory Notes" to the Consolidated Financial Statements.





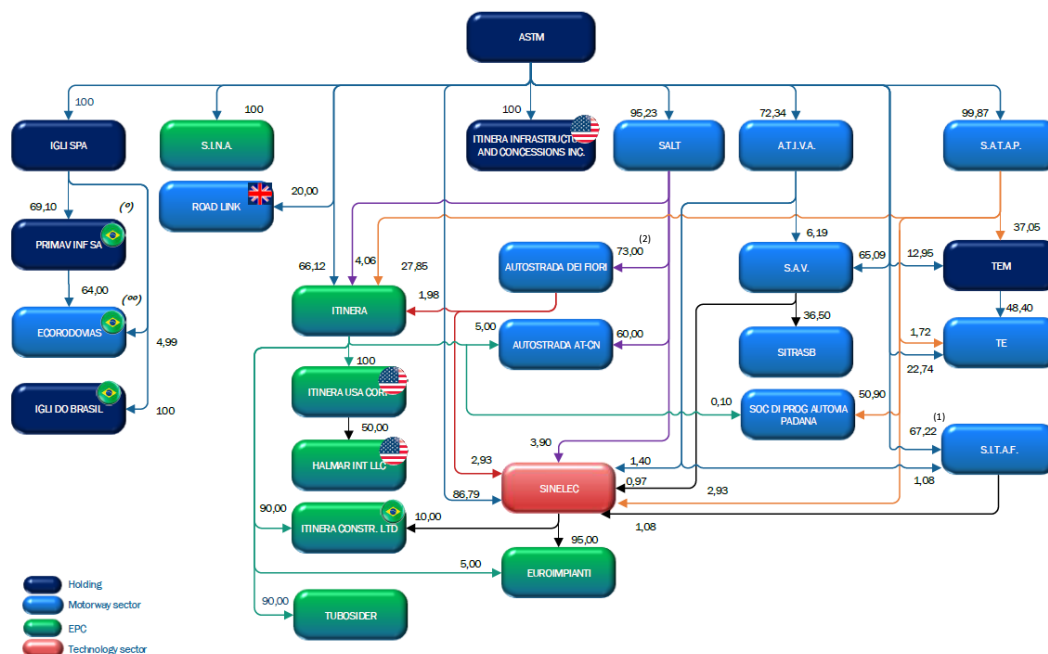
## Group structure and business segments

ASTM, through its subsidiaries, is mainly active in the management of motorway networks under concession and in the sectors of design and construction of major infrastructure works ("EPC"), as well as technology applied to transport mobility.

Through its subsidiaries and associated companies operating in Italy in the motorway sector and the company subject to "joint control", Ecorodovias (Brazilian holding company listed on the Novo Mercado BOVESPA), the ASTM Group is one of the main players in the motorway concession management sector.

In the EPC sector, the ASTM Group - through the Itinera Group, SINA and Euroimpianti - designs and builds major transport infrastructure works (roads, motorways, railways, underground railways, bridges, viaducts, tunnels), civil and industrial construction works (hospitals, shopping centres, airports) as well as electrical and electromechanical systems, while in the mobility technology sector - through Sinelec - it designs, builds and manages advanced infrastructure network monitoring systems, info-mobility, toll collection, etc.

The Group's structure as at 31 December 2020 - limited to the main investees<sup>1</sup> - was as follows:

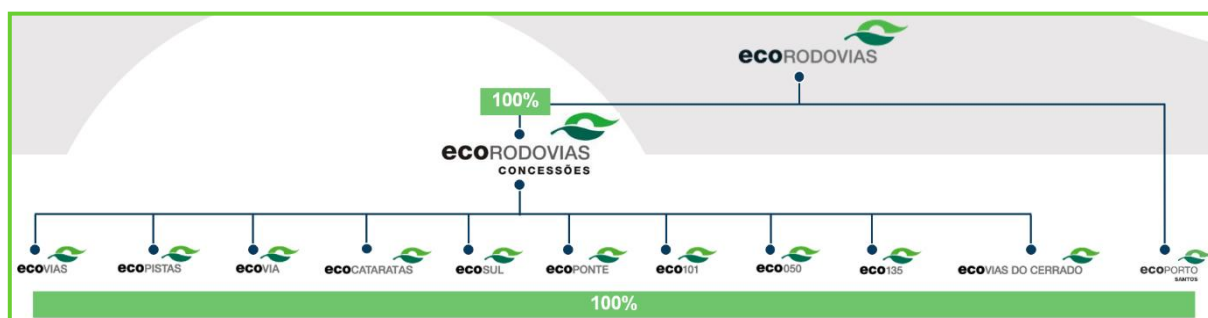


(1) of which 0.07% by Albenga Gareggio Ceva

(2) of which 1.86% by Albenga Gareggio Ceva

(\*) Based on the contractual agreements, this percentage of participation corresponds to 50% of the voting rights.

(\*\*) Brazilian holding company (listed on the Novo Mercado BOVESPA and jointly controlled), which holds companies operating in the motorway concession and logistics sectors, as detailed below.



<sup>1</sup>The complete list of investee companies is included in the "Explanatory notes – Scope of consolidation" in the consolidated Financial Statements.



## Results of operations - Motorway sector

As at **31 December 2020**, the Group was managing a motorway network of approx. 4,548 km; 1,423 km of this network is located in Italy, while 3,125 km is located abroad.

### Motorway sector – Italy

In Italy, the Group operates in the north-western area of the country.



The extension of the overall **motorway network** managed through subsidiaries and associated companies in Italy was as follows:

Company	%	Managed stretch	Km	Concession expiry
SATAP S.p.A.	99.87%	A4 Torino-Milano	130.3	31 December 2026
		A21 Torino-Piacenza	167.7	30 June 2017 <sup>(1)</sup>
		A12 Sestri Levante-Livorno, Viareggio-Lucca and Fornola-La Spezia	154.9	31 July 2019 <sup>(1)</sup>
Società Autostrada Ligure Toscana p.A.	95.23%	A15 La Spezia-Parma	182.0 <sup>(3)</sup>	31 December 2031
Società Autostrade Valdostane S.p.A.	71.28%	A5 Quincinetto-Aosta	59.5	31 December 2032
Autostrada dei Fiori S.p.A.	73.00%	A10 Savona-Ventimiglia	113.2	30 November 2021
		A6 Torino-Savona	130.9	31 December 2038
Società Autostrada Asti-Cuneo S.p.A.	65.00%	A33 Asti-Cuneo	78.0 <sup>(4)</sup>	31 December 2031 <sup>(2)</sup>
Società di Progetto Autovia Padana S.p.A.	51.00%	A21 Piacenza-Cremona-Brescia	111.6 <sup>(5)</sup>	28 February 2043
Autostrada Torino-Ivrea-Valle d'Aosta S.p.A.	72.34%	A55 Tangenziale di Torino, Torino-Pinerolo, A5 Torino-Quincinetto and Ivrea-Santhià	155.8	31 August 2016 <sup>(1)</sup>
<b>Total amount managed by subsidiaries (A)</b>			<b>1,283.9</b>	
Società Italiana Traforo Autostradale del Frejus S.p.A.	67.22%	A32 Torino-Bardonecchia, T4 Frejus Tunnel	94.0	31 December 2050
Società Italiana Traforo del Gran San Bernardo S.p.A.	36.50%	T2 Traforo Gran San Bernardo (Great St Bernard Tunnel)	12.8	31 December 2034
Tangenziale Esterna S.p.A.	24.45% <sup>(6)</sup>	A58 Tangenziale Est Esterna di Milano (Milan Outer Ring Road)	32.0	30 April 2065
<b>Total managed by associated companies (B)</b>			<b>138.8</b>	
<b>TOTAL (A+B)</b>			<b>1,422.7</b>	

<sup>(1)</sup> A management "extension" has been granted, pending the appointment of a new concessionaire.

<sup>(2)</sup> The expiry date at 31 December 2031 is provided for in the Additional Deed signed with the Granting Body, which provides for a cross-financing operation between SATAP and Asti Cuneo aimed at completing construction work on the A33 Asti-Cuneo stretch.

<sup>(3)</sup> Of which 81 Km under construction. The current EFP does not provide for the completion of the motorway link to Nogarole Rocca (81 km), but only the construction of a first functional lot at Trecasali-Terre Verdiane of approximately 12 km.

<sup>(4)</sup> Of which 23 Km under construction.

<sup>(5)</sup> Of which 11.5 Km under construction.

<sup>(6)</sup> Investee company of TEM S.p.A. (48.4% of the share capital), in which the Group holds 49.99% of the share capital.



## Motorway sector - Italy – Subsidiaries

Below is **traffic performance** for the individual concession holder companies, broken down by managed stretch.

TRAFFIC DATA BY COMPANY									
(millions vehicle/km)	1/1-31/12/2020			1/1-31/12/2019			Changes		
Company	Light	Heavy	Total	Light	Heavy	Total	Light	Heavy	Total
SATAP S.p.A. – A4 Section	1,080	538	1,618	1,734	599	2,333	-37.7%	-10.1%	-30.6%
SATAP S.p.A. – A21 Section	854	598	1,452	1,339	680	2,019	-36.2%	-12.0%	-28.1%
SAV S.p.A.	184	67	251	275	81	356	-33.1%	-17.1%	-29.4%
Autostrada dei Fiori S.p.A. – A10 Section	578	263	841	914	307	1,221	-36.7%	-14.2%	-31.1%
Autostrada dei Fiori S.p.A. – A6 Section	555	156	711	744	168	912	-25.5%	-7.4%	-22.1%
SALT p.A. – A12 Section	1,029	325	1,354	1,511	379	1,890	-31.9%	-14.1%	-28.4%
SALT p.A. – A15 Section	463	173	636	654	197	851	-29.3%	-12.5%	-25.5%
Autostrada Asti-Cuneo S.p.A.	81	36	117	119	39	158	-31.9%	-9.6%	-26.4%
Autovia Padana S.p.A.	423	311	734	659	352	1,011	-35.8%	-11.7%	-27.4%
<b>Total like-for-like <sup>(1)</sup></b>	<b>5,247</b>	<b>2,467</b>	<b>7,714</b>	<b>7,949</b>	<b>2,802</b>	<b>10,751</b>	<b>-34.0%</b>	<b>-12.0%</b>	<b>-28.3%</b>
ATIVA S.p.A.	1,089	297	1,386	-	-	-	-	-	-
<b>Effective total</b>	<b>6,336</b>	<b>2,764</b>	<b>9,100</b>	<b>7,949</b>	<b>2,802</b>	<b>10,751</b>	<b>-20.3%</b>	<b>-1.4%</b>	<b>-15.4%</b>

<sup>(1)</sup> Amounts net of traffic figures for ATIVA S.p.A., for which income statement figures are consolidated as of 1 January 2020.

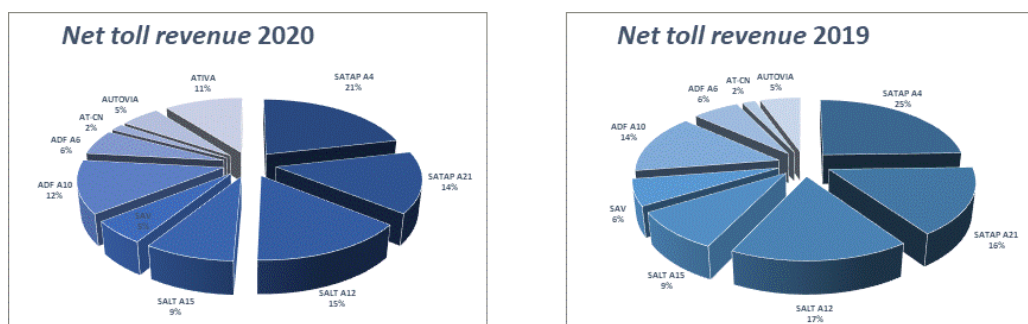
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The amount of **net toll revenue** for the individual subsidiary concession holders (broken down by managed stretch) for the year 2020, compared with the same figure from the previous year, is indicated below:

NET TOLL REVENUE - ACCUMULATED - FOR COMPANY AND STRETCH (€ '000s)					
Company	Stretch	2020	2019	Changes	%
SATAP S.p.A.	A4 Torino-Milano Stretch	202,924	275,526	(72,602)	-26.4%
SATAP S.p.A.	A21 Torino-Piacenza Stretch	136,438	178,107	(41,669)	-23.4%
SALT p.A.	A12 Sestri Levante-Livorno, Viareggio-Lucca and Fornola-La Spezia Stretch	140,508	188,715	(48,207)	-25.5%
SALT p.A.	A15 La Spezia-Parma Stretch	80,003	102,826	(22,823)	-22.2%
SAV S.p.A.	A5 Quincinetto-Aosta Stretch	51,094	69,431	(18,337)	-26.4%
ADF S.p.A.	A10 Savona-Ventimiglia Stretch	117,319	157,866	(40,547)	-25.7%
ADF S.p.A.	A6 Torino-Savona Stretch	56,295	70,248	(13,953)	-19.9%
AT-CN S.p.A.	A33 Asti-Cuneo Stretch	15,604	19,871	(4,267)	-21.5%
AUTOVIA PADANA S.p.A.	A21 Piacenza-Cremona-Brescia Stretch	49,628	61,069	(11,441)	-18.7%
<b>Total like-for-like <sup>(1)</sup></b>		<b>849,813</b>	<b>1,123,659</b>	<b>(273,846)</b>	<b>-24.4%</b>
ATIVA S.p.A.	A55 Tangenziale di Torino and Torino-Pinerolo, A5 Torino-Quincinetto and Ivrea-Santhià	99,215	-	99,215	n.a.
<b>Effective total</b>		<b>949,028</b>	<b>1,123,659</b>	<b>(174,631)</b>	<b>-15.5%</b>

<sup>(1)</sup> Amounts net of toll revenues of ATIVA S.p.A., whose economic data was consolidated as of 1 January 2020.

The **impact** of individual stretches on total **net toll revenue** is indicated below:





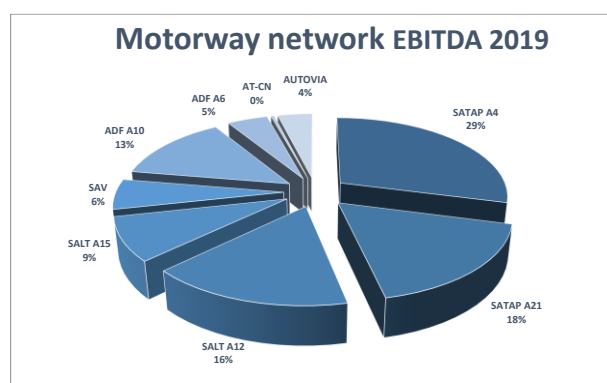
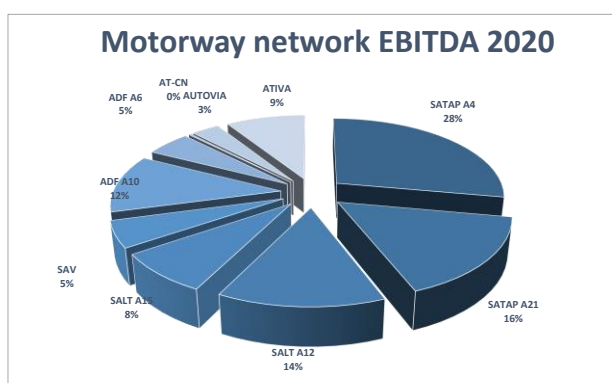
The decrease in net toll revenue was inevitably reflected in the **gross operating margin (EBITDA)** for individual concession holders, despite the measures adopted to contain costs which, as noted, in any case ensured full usability of infrastructure managed and compliance with safety requirements for users and employees.

The details of the **gross operating margin (EBITDA)** (broken down by managed stretch), compared with the same figure from the previous year, are provided below:

EBITDA BY COMPANY AND ROUTE (€ '000sos)					
Company	Stretch	2020	2019	Changes	%
SATAP S.p.A.	A4 Torino-Milano Stretch	149,875	219,897	(70,022)	-31.8%
SATAP S.p.A.	A21 Torino-Piacenza Stretch	87,226	132,862	(45,636)	-34.3%
SALT p.A.	A12 Sestri Levante-Livorno, Viareggio-Lucca and Fornola-La Spezia Stretch	71,730	123,329	(51,599)	-41.8%
SALT p.A.	A15 La Spezia-Parma Stretch	43,241	65,799	(22,558)	-34.3%
SAV S.p.A.	A5 Quincinetto-Aosta Stretch	28,512	45,906	(17,394)	-37.9%
ADF S.p.A.	A10 Savona-Ventimiglia Stretch	63,110	102,159	(39,049)	-38.2%
ADF S.p.A.	A6 Torino-Savona Stretch	27,158	34,642	(7,484)	-21.6%
AT-CN S.p.A.	A33 Asti-Cuneo Stretch	(1,364)	2,733	(4,097)	-149.9%
AUTOVIA PADANA S.p.A.	A21 Piacenza-Cremona-Brescia Stretch	17,022	29,685	(12,663)	-42.7%
<b>Total like-for-like<sup>(1)</sup></b>		<b>486,510</b>	<b>757,012</b>	<b>(270,502)</b>	<b>-35.7%</b>
ATIVA S.p.A.	A55 Tangenziale di Torino and Torino-Pinerolo, A5 Torino-Quincinetto and Ivrea-Santhià	48,424	-	48,424	n.a.
<b>Effective total</b>		<b>534,934</b>	<b>757,012</b>	<b>(222,078)</b>	<b>-29.3%</b>

<sup>(1)</sup> Amounts net of EBITDA of ATIVA S.p.A., whose financial data were consolidated as of 1 January 2020.

The **impact** of individual stretches on the **gross operating margin (EBITDA)** total for the motorway sector is shown below:





For individual **concession subsidiaries**, a summary is provided of the main **revenue and expenditure items** for the first half of 2020, compared with those of the previous year, as well as the **net financial indebtedness** balance at 31 December 2020 compared with the balance at 31 December 2019:

	2020						
	SATAP	SALT	SAV	ADF	AT-CN	AUTOVIA	ATIVA
Net toll revenue <sup>(1)</sup>	339,362	220,511	51,094	173,614	15,604	49,628	99,215
Other motorway sector revenue <sup>(2)</sup>	8,235	6,347	786	4,653	24	559	2,936
Other revenues	18,784	9,720	6,825	13,756	1,829	1,958	3,675
<b>Turnover (A)</b>	<b>366,381</b>	<b>236,578</b>	<b>58,705</b>	<b>192,023</b>	<b>17,457</b>	<b>52,145</b>	<b>105,826</b>
Operating costs <sup>(1)(2)</sup> (B)	(129,280)	(121,607)	(30,193)	(101,755)	(18,821)	(35,123)	(57,402)
<b>EBITDA (A-B)</b>	<b>237,101</b>	<b>114,971</b>	<b>28,512</b>	<b>90,268</b>	<b>(1,364)</b>	<b>17,022</b>	<b>48,424</b>
<b>Net financial indebtedness</b>	(37,770)	158,276	(40,565)	(84,392)	(245,025)	(168,582)	269,720

<sup>(1)</sup> Amounts net of the fee/additional fee payable to ANAS

<sup>(2)</sup> Amounts net of revenue and costs for construction activities of non-compensated revertible assets

	2019						
	SATAP	SALT	SAV	ADF	AT-CN	AUTOVIA	ATIVA <sup>(3)</sup>
Net toll revenue <sup>(1)</sup>	453,633	291,541	69,431	228,114	19,871	61,069	128,939
Other motorway sector revenue <sup>(2)</sup>	15,208	11,237	852	6,726	51	835	4,908
Other revenues	26,659	14,116	6,526	9,574	1,214	4,329	3,943
<b>Turnover (A)</b>	<b>495,500</b>	<b>316,894</b>	<b>76,809</b>	<b>244,414</b>	<b>21,136</b>	<b>66,233</b>	<b>137,790</b>
Operating costs <sup>(1)(2)</sup> (B)	(142,741)	(127,766)	(30,903)	(107,613)	(18,403)	(36,548)	(60,856)
<b>EBITDA (A-B)</b>	<b>352,759</b>	<b>189,128</b>	<b>45,906</b>	<b>136,801</b>	<b>2,733</b>	<b>29,685</b>	<b>76,934</b>
<b>Net financial indebtedness</b>	(327,860)	(172,140)	(42,279)	(44,297)	(237,486)	(139,891)	82,230

<sup>(1)</sup> Amounts net of the fee/additional fee payable to ANAS

<sup>(2)</sup> Amounts net of revenue and costs for construction activities of non-compensated revertible assets

<sup>(3)</sup> The income state figures for ATIVA, over which control was acquired at the end of the previous year, have been consolidated as of 1 January 2020

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## Investments

Despite the difficulties that arose as a result of the “Covid-19 Pandemic”, the concessionaires of the ASTM Group in 2020 made investments for approximately €392.2 million, **up 47.8%** compared to the previous year. The following table shows the details of investments per managed motorway stretch in 2020 and 2019.

INVESTMENTS IN MOTORWAY ASSETS (€ millions)			
Company	Stretch	2020	2019
SATAP S.p.A.	A4 Torino-Milano	10.1	9.5
SATAP S.p.A.	A21 Torino-Piacenza	53.6	20.2
SALT p.A.	A15 La Spezia-Parma	44.1	65.9
SALT p.A.	A12 Sestri Levante-Viareggio-Lucca and Fornola-La Spezia	73.1	39.5
Autostrada Asti-Cuneo S.p.A.	A33 Asti-Cuneo	2.8	10.2
Autostrada dei Fiori S.p.A.	A10 Savona-Ventimiglia	44.3	20.8
Autostrada dei Fiori S.p.A.	A6 Torino-Savona	87.4	63.3
SAV S.p.A.	A5 Quincinetto-Aosta	11.7	12.5
Autovia Padana S.p.A.	A21 Piacenza-Cremona-Brescia	28.5	23.4
ATIVA S.p.A.	A55 Tangenziale di Torino and Torino-Pinerolo, A5 Torino-Quincinetto and Ivrea-Santhià	36.6	n.a.
<b>Total investments in motorway assets</b>		<b>392.2</b>	<b>265.3</b>

The Group's concessionaires continue investing constantly in their own motorway network, with particular attention to improving quality and safety standards, in compliance not only with conventional obligations but, mostly, with the industrial approach to business that has always distinguished the Group.

Approximately 80% of investments in motorway assets made in 2020 relate to investments to improve the safety of the network, including upgrading of tunnels to comply with EU directives, work on bridges, viaducts, overpasses and the upgrading of safety and noise barriers.

During the 2020 financial period, work also continued on the new motorway works carried out by SALT for the construction of the Tyrrhenian-Brenner multi-modal corridor (TIBRE) and by Autovia Padana for the construction of the new Montichiari - Ospitaletto motorway junction and the variant to the former SS 45bis provincial road near the settlements of Pontevico (BS) and Robecco d'Oglio (CR).



### Motorway sector - Italy – Associated companies

For individual **concessionaire subsidiaries**, a summary is provided of the main **revenue and expenditure items** for the first half of 2020, compared with those from the previous year, as well as the **net financial indebtedness** balance at 31 December 2020 compared with the balance at 31 December 2019:

	2020	
	SITAF	TE
Net toll revenue <sup>(1)</sup>	125,077	48,387
Other motorway sector revenue <sup>(2)</sup>	535	-
Other revenues <sup>(3)</sup>	66,412	1,274
<b>Turnover (A)</b>	<b>192,024</b>	<b>49,661</b>
Operating costs <sup>(1)(2)</sup> (B)	(69,804)	(20,661)
<b>EBITDA (A-B)</b>	<b>122,220</b>	<b>29,000</b>
<b>Net financial indebtedness <sup>(4)</sup></b>	<b>(264,810)</b>	<b>(1,082,974)</b>

<sup>(1)</sup> Amounts net of the fee/additional fee payable to ANAS

<sup>(2)</sup> Amounts net of revenue and costs for construction activities of non-compensated revertible assets

<sup>(3)</sup> The SITAF figure includes an amount equal to € 52.6 million related to the share of the income resulting from the discounting of the payable due to ANAS/Central Garanty Fund

<sup>(4)</sup> The SITAF figure does not include the current value of the payable due to ANAS/Central Garanty Fund equal to € 513.6 million

	2019	
	SITAF	TE
Net toll revenue <sup>(1)</sup>	146,706	66,148
Other motorway sector revenue <sup>(2)</sup>	566	-
Other revenues <sup>(3)</sup>	44,514	1,319
<b>Turnover (A)</b>	<b>191,786</b>	<b>67,467</b>
Operating costs <sup>(1)(2)</sup> (B)	(72,684)	(22,906)
<b>EBITDA (A-B)</b>	<b>119,102</b>	<b>44,561</b>
<b>Net financial indebtedness <sup>(4)</sup></b>	<b>(275,667)</b>	<b>(1,067,667)</b>

<sup>(1)</sup> Amounts net of the fee/additional fee payable to ANAS

<sup>(2)</sup> Amounts net of revenue and costs for construction activities of non-compensated revertible assets

<sup>(3)</sup> The SITAF figure includes an amount equal to € 27.8 million relating to the share of the income resulting from the discounting of the payable due to ANAS/Central Garanty Fund

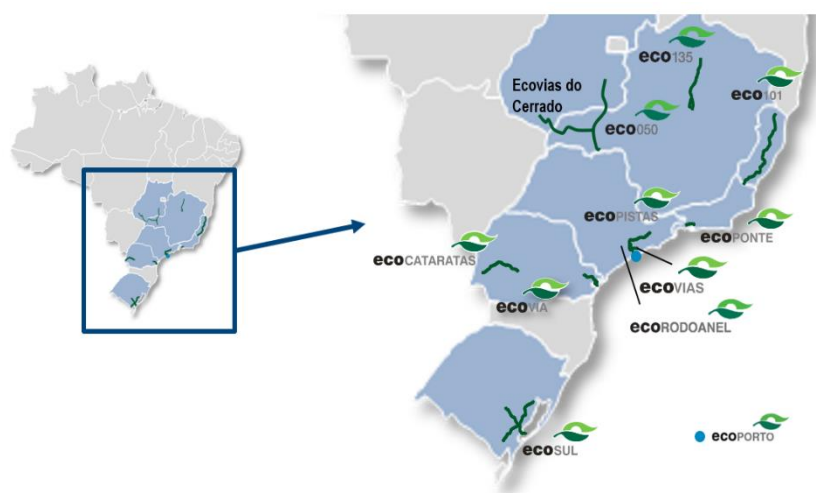
<sup>(4)</sup> The SITAF figure does not include the current value of the payable due to ANAS/Central Garanty Fund equal to € 493.4 million



## Motorway sector – Outside Italy

### Brazil

The Group operates in one of the wealthiest areas of Brazil through the jointly controlled company Primav Infraestrutura S.A.<sup>1</sup>, a Brazilian company that controls the listed sub-holding company EcoRodovias Infraestrutura e Logística S.A. ("EcoRodovias").



The extension of the **motorway network** as at 31 December 2020, entirely managed in Brazil through the subsidiaries of EcoRodovias Infraestrutura e Logística S.A. ("Ecorodovias") was as follows:

Company	%	Managed stretch	km	Concession expiry
Concessionária Ecovia CaMinho Do Mar S.A.	100%	Curitiba metropolitan area – Port of Paranaguá	136.7	November 2021
Rodovia das Cataratas S.A. – Ecocataratas	100%	Paraná – "triple border" (Brazil, Argentina and Paraguay)	387.1	November 2021
Concessionária Ecovias dos Imigrantes S.A.	100%	Sao Paulo metropolitan area – Port of Santos	176.8	June 2026
Concessionária das Rodovias Ayrton Senna e Carvalho Pinto S.A. – Ecopistas	100%	Metropolitan São Paulo – Vale do Rio Paraíba industrial area	143.8	June 2039
Concessionária Ponte Rio-Niteroi S.A. – Ecoponte	100%	Rio de Janeiro Niteroi – State of Rio de Janeiro	25.6	May 2045
Empresa Concessionária de Rodovias do Sul S.A. – Ecosul	100%	Pelotas – Porto Alegre and Rio Grande Port	457.3	March 2026
Eco 101 Concessionária de Rodovias S.A.	100%	Macuri/BA Rio de Janeiro border	475.9	May 2038
Eco050 - Concessionária de Rodovias S.A. <sup>(1)</sup>	100%	Cristalina (Goiás) - Delta (Minas Gerais)	436.6	January 2044
Eco135 Concessionária de Rodovias S.A. <sup>(2)</sup>	100%	Montes Claros - Curvelo (Minas Gerais)	364.0	June 2048
Ecovias do Cerrado <sup>(3)</sup>	100%	Jataí (Goiás) – Uberlândia (Minas Gerais)	437.0	January 2050
<b>Total<sup>(4)</sup> managed by subsidiaries</b>			<b>3,040.8</b>	

<sup>(1)</sup> On 30 May 2019 the transfer of the "Eco 050 (MGO)" concession to the Ecorodovias Group was completed; the figures of said concessionaire were therefore consolidated as of 1 June 2019.

<sup>(2)</sup> The company began operating as of 1 July 2018 and collected tolls as of 1 April 2019.

<sup>(3)</sup> On 27 September 2019, EcoRodovias won the tender for the 30-year management of the "BR-364/BR-365" motorway system, which links the states of Goiás and Minas Gerais. The concession contract was signed on 19 December 2019 and the assets were transferred on 20 January 2020. The 30-year concession will expire on 19 January 2050.

<sup>(4)</sup> With regard to the concession of Nord-Rodoanel Norte, a company not yet operational and awaiting the signing of the concession contract, Ecorodovias in December 2020 was informed of the decision of the Managing Council of Public-Private Partnerships (CGPPP) that the completion of the works on the motorway stretch and the related management of the Tangenziale Nord-Rodoanel Norte will no longer be managed by the Ecorodovias Group.

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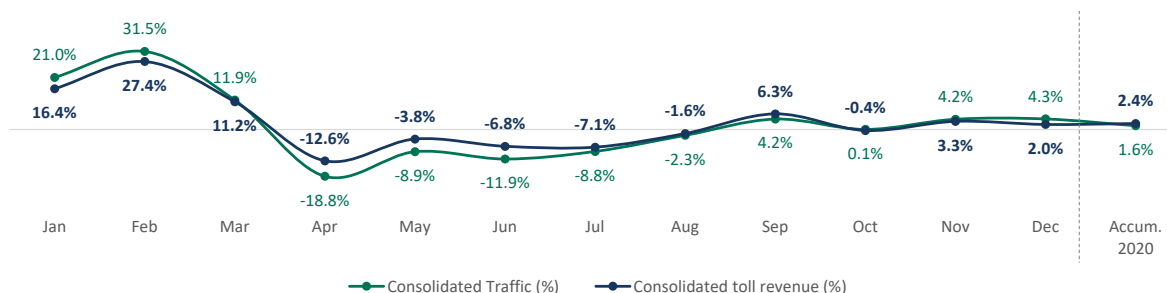
<sup>1</sup> Primav Infraestrutura S.A. (investee company via the subsidiary IGLI S.p.A.) is consolidated with the "equity method" as a company subject to joint control and, therefore, not subject to reporting in these Financial Statements. Nevertheless, given the importance of the investment, below is some information on income performance, as well as data related to traffic and revenue in 2020, compared with similar data from the previous year.





The 2020 figures for the Ecorodovias Group reflect the effects of the progressive spread of the Covid-19 pandemic in Brazil. The companies of the Ecorodovias Group, in line with the directives issued by national and local health authorities, adopted prevention and containment measures to mitigate the impact of the pandemic on the health of their employees and on their business operations. Note that, from a regulatory point of view, the concession contracts of Ecorodovias Group companies contain clauses relative to *force majeure* events and/or unforeseen circumstances and, therefore, the Group believes that its concessions will have the right to restore their economic balance with regards to the impact of the Covid-19 epidemic, a *force majeure* event.

### MONTHLY TRAFFIC AND TOLL REVENUE PERFORMANCE <sup>1</sup> (2020 VS. 2019)



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As regards the financial performance of the EcoRodovias Group, note that in 2020 the Company recorded:

- traffic volume growth of 1.6%<sup>2</sup>;
- a 2.4% growth in toll revenues totalling 3,023.9 million Reais (€ 513 million<sup>3</sup>);
- pro-forma EBITDA<sup>4</sup> equal to 2,038.5 million Reais (€ 345.8 million<sup>3</sup>), up by 0.3%. EBITDA in 2020 was 1,412.8 million Reais (around € 240 million<sup>3</sup>);
- a loss of 424.0 million Reais (€ 71.9 million<sup>3</sup>); this item, adjusted for the effects of the agreements with the states of Paraná and São Paulo defined in 2019 and 2020, the impairment test on Ecoporto Santos and the provisions for Eco101 penalties, would show a Profit of 331.9 million Reais (€ 56.3 million<sup>3</sup>);
- a Net financial indebtedness as at 31 December 2020 equal to 6,936.6 million Reais (€ 1,088.3 million<sup>5</sup>).

With regard to the “Ecoporto Santos” concession, following the decision of the Ministry of Infrastructure not to accept the request to extend the duration of the concession – due to expire in June 2023 – for a further 25 years, the EcoRodovias group, in the financial statements at 31 December 2020, recognised an impairment loss of related assets for an amount of 616 million Reais (€ 104.5 million<sup>6</sup>).

In the financial area, funding and refinancing projects were carried out during the 2020 financial period in order to extend the maturity of debt and strengthen the financial structure. In particular:

<sup>1</sup> Considering Eco135 from April 2019, Eco050 from June 2019 and the start of Ecovias do Cerrado toll collection at toll stations P1 and P2 from 14 November 2020.

<sup>2</sup> -8.2% on a like-for-like basis – excluding the traffic of Eco135, Eco050 and Ecovias do Cerrado.

<sup>3</sup> Based on the 2020 Euro/Reais average exchange rate of 5.8943.

<sup>4</sup> Excluding construction revenues and costs, provisions for maintenance, costs related to agreements with the states of Paraná and São Paulo, provisions for penalties of Eco101 and the impairment of Ecoporto.

<sup>5</sup> Based on the Euro/Reais exchange rate of 6.3735 as at 31 December 2020.

<sup>6</sup> Based on the 2020 Euro/Reais average exchange rate of 5.8943.



- in April Ecorodovias Infraestrutura e Logística S.A. issued promissory notes for 1.2 billion Reais (€ 188.3 million<sup>1</sup>) with a maturity of two years;
- in June Ecosul S.A. issued Bank Credit Notes for 250 million Reais (€ 39.2 million<sup>1</sup>) with a duration of one year;
- in June BNDES issued tranches A and B of a loan to Eco 135 S.A. for 106.6 million Reais (€ 16.7 million<sup>1</sup>);
- in July Ecorodovias Concessões e Serviços (ECS) S.A. issued a bond for 1 billion Reais (€ 156.8 million<sup>1</sup>).

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Detailed **traffic volumes** for each Brazilian concessionaire company in 2020, compared with the corresponding period of the previous year, are as follows:

(in thousands of equivalent paying vehicles) <sup>1</sup>	2020			2019			Changes		
Company	Light	Heavy	Total	Light	Heavy	Total	Light	Heavy	Total
Ecovia Caminho Do Mar	4,708	12,702	17,410	4,752	11,495	16,247	-0.9%	10.5%	7.2%
Ecocataratas	8,544	17,189	25,733	10,603	16,365	26,968	-19.4%	5.0%	-4.6%
Ecovias dos Imigrantes	30,339	26,276	56,615	35,924	25,064	60,988	-15.5%	4.8%	-7.2%
Ecopistas	50,306	23,109	73,415	61,582	25,874	87,456	-18.3%	-10.7%	-16.1%
Ecoponte	20,770	3,897	24,667	25,129	4,260	29,389	-17.3%	-8.5%	-16.1%
Ecosul	5,537	19,048	24,585	6,838	19,573	26,411	-19.0%	-2.7%	-6.9%
Eco 101	14,633	33,242	47,875	15,831	31,158	46,989	-7.6%	6.7%	1.9%
Eco 135 <sup>2</sup>	6,490	26,884	33,374	5,090	20,196	25,286	27.5%	33.1%	32.0%
Eco 050 (MGO) <sup>(3)</sup>	11,740	33,977	45,717	7,874	18,994	26,868	49.1%	78.9%	70.2%
Ecovias do Cerrado <sup>(4)</sup>	717	1,877	2,594	-	-	-	n.a.	n.a.	n.a.
<b>Total</b>	<b>153,784</b>	<b>198,201</b>	<b>351,985</b>	<b>173,624</b>	<b>172,979</b>	<b>346,602</b>	<b>-11.4%</b>	<b>14.6%</b>	<b>1.6%</b>
<b>Adjusted total <sup>5</sup></b>	<b>134,837</b>	<b>135,463</b>	<b>270,300</b>	<b>160,660</b>	<b>133,789</b>	<b>294,449</b>	<b>-16.1%</b>	<b>1.3%</b>	<b>-8.2%</b>

<sup>(1)</sup> Traffic volumes are expressed in "equivalent paying vehicles", the basic reference unit in toll statistics on the Brazilian market. Light vehicles (such as cars) correspond to an equivalent vehicle unit. Heavy vehicles (such as lorries and buses) are converted into equivalent vehicles by a multiplier applied to the number of axles per vehicle, established in the terms of each concession contract.

<sup>(2)</sup> Period from 1 April 2019.

<sup>(3)</sup> Period from 1 June 2019.

<sup>(4)</sup> Period from 14 November 2020, for the stretches "P1 and P2 UP1 in Uberlândia in Monte Alegre de Minas".

<sup>(5)</sup> Figure on a like-for-like basis (does not include traffic figures from the concessionaires Eco 135, Eco 050 and Ecovias do Cerrado).

The decrease can mainly be attributed to social distancing measures adopted by Brazilian state and municipal governments starting in the second half of March, intended to limit the spread of the Covid-19 pandemic.

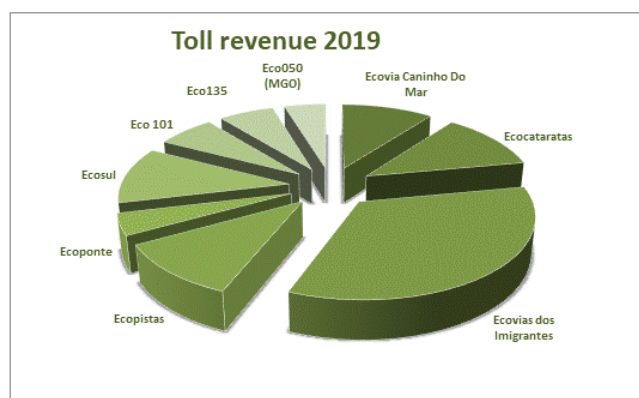
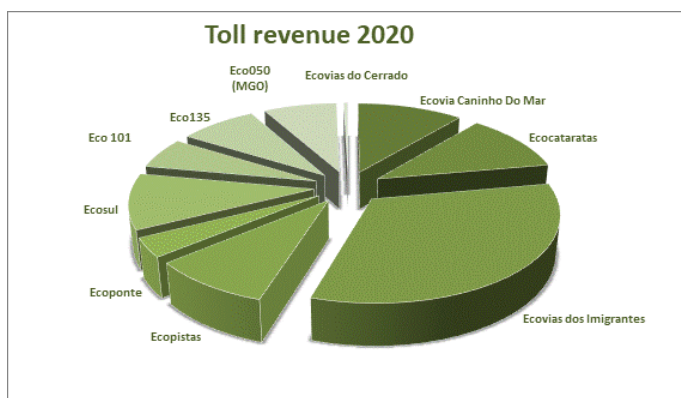
<sup>1</sup> Based on the Euro/Reais exchange rate of 6.3735 as at 31 December 2020.



The **toll revenues** for 2020 - compared with the corresponding values of 2019 - broken down by concessionaire are as follows:

(in R\$ million)	Toll revenues		
	2020	2019	changes
Ecovia Caminho Do Mar	333.7	302.9	10.2%
Ecocataratas	336.4	348.0	-3.3%
Ecovias dos Imigrantes	987.2	1,002.9	-1.6%
Ecopistas	276.9	321.8	-13.9%
Ecoponte	107.5	126.5	-15.1%
Ecosul	315.7	337.8	-6.5%
Eco 101	178.2	192.2	-7.3%
Eco135	244.3	182.3	34.0%
Eco050 (MGO)	231.3	138.0	67.6%
Ecovias do Cerrado	12.7	-	n.a
<b>TOTAL TOLL REVENUES</b>	<b>3,023.9</b>	<b>2,952.1</b>	<b>2.4%</b>
<b>Total in millions of € (*)</b>	<b>513.0</b>	<b>500.8</b>	

(\*) Based on the 2020 Euro/Reais average exchange rate of 5.8943.





## Great Britain

Through the participation in Road Link Holdings Ltd (20% of the share capital), the Group holds a stake in Road Link (A69) Ltd., which manages the 84 km-long Newcastle-Carlisle motorway stretch in the United Kingdom.

The concession is due to expire in 2026.

The investee company contributed a profit of € 0.8 million to the Group's 2020 result.





## Results of operations – EPC Sector

The Group operates in the EPC sector mainly through Itinera S.p.A. (a participation with a share of 100% of the share capital) and their respective subsidiaries, namely:

- SEA Segnaletica Stradale S.p.A. (investee with 100% of the share capital held)
- Argo Costruzioni Infrastrutture S.c.p.A. (investee with 100% of the share capital held)
- Tubosider S.p.A. (investee with 90% of the share capital held)
- Halmar International LLC (50% of the share capital) and its subsidiaries - active in the USA - held through the US holding company Itinera USA Corp (100% of the share capital)
- Itinera Construções Ltda (100% owned) active in Brazil.

In addition to the aforementioned Itinera Group companies:

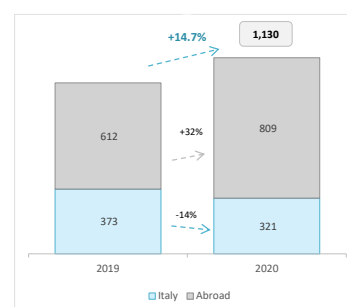
- SINA S.p.A. (100% owned) operating in engineering, design, works management and monitoring services
- Euroimpianti S.p.A. (100% owned) active in the production of electrical and electromechanical systems
- Sicogen S.r.l. (85% owned) maintenance company for the stretches operated by ATIVA S.p.A.
- Ativa Engineering S.p.A. (100% owned) engineering and works management company on the stretches managed by ATIVA S.p.A.

### Itinera group

The companies in the Itinera Group operate in the construction sector and their main activities are the construction and maintenance of road, motorway and railway infrastructures, building works (hospitals and shopping centres), maritime works, as well as underground works such as tunnels and railways.

In 2020 the Itinera Group achieved **value of production** of approximately **€ 1,130 million**, representing **growth of 14.7%** and with more than 70% of production carried out abroad, despite, as already noted, the difficulties related to the spread of Covid-19 pandemic; in particular, note the performance on the US market, where the **Halmar** Group achieved positive results, with a turnover of € 379.2 million, up 18% over the previous year.

As regards Italy, production amounted to € 321 million, with volumes down 14% on the previous year. Abroad, on the other hand, there was an overall increase compared to the previous year (volumes of € 809 million, +32%); all the foreign work sites continued their production during the year, albeit with Covid-related slowdowns particularly with regard to the works in progress in Denmark, Romania and Botswana.





The most significant projects in which the Group was involved during the year include **on Italian territory** the construction of the new surgical and emergency hospital centre at the San Raffaele Hospital in Milan and the design and construction of the Canello-Frasso Telesino stretch of the Naples-Bari railway line. **Foreign orders** include the construction of the Reem Mall and the Mina Tunnel in the United Arab Emirates, the construction of the bridge over the Okavango river in Botswana and the Satu Mare variant in Romania, the hospitals in Odense and Koge, the construction of the Storstroem Bridge in Denmark, and the construction of the new Skurungund Bridge in Sweden.

With reference to the Halmar subsidiary, the most significant projects on the US market are the expansion of the Long Island Railroad (LIRR) and the modernisation of the Kew Garden road junction, both in New York, and the construction of the Potomac Yard railway station in Washington.

In terms of **results**, it should be noted that, despite the overall increase in volumes, the Covid-19 effect nevertheless caused production to fall off from work progress schedules, generating extra costs and lengthening time frames in most of the main sites in Italy and abroad. Clients have complained about delays and associated cost increases, although contracts generally provide for the recognition of extra time needed, but not the related extra costs.

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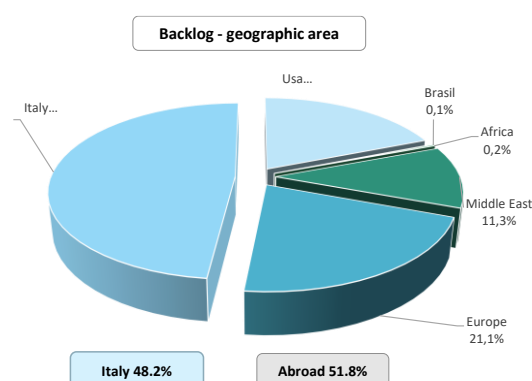
As regards the “*financial position*”, a summary of its components is provided below:

(€ '000s)	31/12/2020	31/12/2019	Changes
A) Cash	141,429	137,289	4,140
B) Financial receivables	27,125	36,648	(9,523)
C) Short-term borrowings	(245,956)	(147,150)	(98,806)
<b>D) Current net cash (A) + (B) + (C)</b>	<b>(77,402)</b>	<b>26,787</b>	<b>(104,189)</b>
E) Long-term borrowings	(56,546)	(91,755)	35,209
<b>F) Net financial indebtedness (D) + (E)</b>	<b>(133,948)</b>	<b>(64,968)</b>	<b>(68,980)</b>

Net financial indebtedness amounted to € 134 million (€ 65 million at 31 December 2019). The change is mainly due to resources absorbed by operating activities for € 22.3 million, investment for € 23.9 million and financial activities for € 30.5 million, partly offset by cash from the consolidation of Tubosider and its subsidiaries (€ 7.7 million).

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The **backlog** as of 31 December 2020 amounts to around € 3.7 billion (figures deriving from the use of exchange rates as at 31 December 2020 for contracts in currencies other than the Euro), of which €2.9 billion for the parent company Itinera S.p.A., €0.7 billion for Halmar and €0.1 billion for Itinera Construcões and Sea Segnaletica Stradale. New acquisitions during the period amount to € 0.7 billion. The main type of work in the portfolio (68%) is infrastructure projects.





In a **commercial** terms, in line with the strategic plan, Itinera continues to support the parent company ASTM in participating in international Private-Public Partnership (PPP) tenders; in particular, thanks to the references and technical-engineering know-how of Itinera and the knowledge and control of international markets developed in recent years, the Group has been able to participate in tenders for some important projects, as mentioned in the previous paragraphs (USA and Norway).

The same goes for the tenders held during the year in Italy for the awarding of concessions for the A5-A21 and A10-A12 motorway stretches, in which Itinera is also a bidder, either individually or in a temporary consortia.

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Estimates for the 2021 financial year point to slightly higher Itinera Group production volumes compared to the 2020; in fact, production is expected to grow roughly by 5%-10% – an increase generated solely by work already in the backlog.

In strategic terms, the lines of development remain confirmed, in coordination with Group strategy. A fundamental aspect is the continued presence on foreign markets (Northern Europe, USA and Brazil) – accounting for an increasingly significant part of turnover – and the maintenance of present production volumes on the Italian market.

### SINA S.p.A.

The company deals with the study and design of infrastructure works, supervision of works and inspections and monitoring of infrastructure works.

During the year in question, turnover showed an increase of around € 18.7 million, reaching € 70 million (€ 51.3 million in 2019). The increase can mainly be attributed to greater production during the period relative to Group companies.

The “net financial position” as at 31 December 2020 showed net cash of around € 8.1 million (€ 15.2 million as at 31 December 2019).

During the year, the company distributed reserves totalling € 5.5 million.

Estimates for the 2021 financial year point to an increase in production volume compared to 2020, mainly due to intragroup orders.

SINA holds 100% of the share capital of **Siteco Informatica S.r.l.**, a company operating in the development of technological software (in particular, application software managing road databases) and in the engineering and integration of technologies and instruments to carry out high-performance tools for photographic, geometric and topographic surveys of infrastructures.

In the 2020 financial year revenues amounted to € 1.4 million (€ 1.2 million in 2019).

At 31 December 2020, the company had a net debt of € 15 thousand (net cash equal to € 9 thousand at 31 December 2019).



## Euroimpianti S.p.A.

The company operates in the area of design and production of electrical and electromechanical systems.

During the year, the company strengthened its presence on foreign markets through the opening of a branch office in Denmark for the construction of the plant installations of the Koge University Hospital project, for which Itinera is the executing company.

During the year in question, turnover showed an increase of around € 20.2 million, reaching € 94.3 million (€ 74.1 million in 2019).

At 31 December 2020, the company reported net cash totalled around € 9.1 million (€ 6.6 million at 31 December 2019). During the year, the company distributed reserves totalling € 1.8 million.

Estimates for the 2021 financial year point to an increase in production volume over that of 2020. The production forecast suggests growth between 10% and 15%, solely with works already in the backlog.





## Results of operations – Technology sector

Activities in the technology sector are carried out by the Group through Sinelec S.p.A. (investee company with 98.91% of the share capital).

### Sinelec S.p.A.

This Company is active in the field of Information & Communication Technology: it designs, implements and manages advanced systems for the processing of data relating to mobility, transport and toll collection, as well as the development and implementation of new technologies in the service of safety and assisted driving of vehicles. It also operates in the lease sector of both fibre optics and sites for the positioning of transmission devices for companies operating in the mobile telephony sector.

In the financial year in question, turnover shows a production volume of € 75.6 million, in line with the figure for 2019 (€ 74.7 million).

At 31 December 2020, the company reported net cash totalled around € 5.8 million (€ 11 million at 31 December 2019). During the year, the company distributed reserves totalling € 9.6 million.

Forecasts for 2021 indicate a turnover of around € 80 million with growth in the share realised outside the Group.



## Regulatory framework, relations with the granting body and toll rates

### Renewal and approval of the PEFs of motorway companies and the new toll regime proposed by the Transport Regulation Authority

With regard to the issues of the renewal and approval of the Economic Financial Plans (“PEF”) for motorway concession companies and the relative impacts on toll trends, it is noted that current motorway sector regulations establish that the PEF be updated every five years, by 30 June of the first year of the new regulatory period.

In this regard, it is noted that the PEF for the Piacenza-Cremona-Brescia stretch managed by the subsidiary **Autovia Padana (A21)** is fully in effect, while the PEFs for the motorway stretches managed by the subsidiaries **SAV (A5)**, **ADF (A10 and A6)** and **SALT (A15)** and those of the associate **SITAF (A32)** expired on 31 December 2018, while that of the associate **Tangenziale Esterna Est di Milano (A58)** expired during the first half of 2019.

Although the above concession holders took action in accordance with the calendar indicated in the regulations, the PEF update process is still in progress.

As reported in previous financial reports, it is noted that during 2019 the Transport Regulation Authority (“ART”) issued specific resolutions –challenged by the Group's concession holder companies – which aimed to define, among other things, a toll rate system different from those currently set out in the concession contracts. This action was judged to be illegitimate in that the ART, which serves only as support to the Ministry, cannot modify contracts already stipulated by the parties involved. Nonetheless, solely for the purpose of complying with the requests of the Granting Body, avoiding in any case any evidence of acquiescence with regards to both the Granting Body and ART, the subsidiaries SAV (A5), ADF (A10 and A6) and SALT (A15) sent their respective PEFs, prepared in compliance with the aforementioned ART resolutions.

Lastly, it should be noted that in February 2021, the Ministry of Infrastructure and Transport (MIT) forwarded to the involved concession holders certain observations made by ART as part of the preliminary investigation to update the PEFs, and the concession holders resubmitted the PEFs to MIT at the beginning of March. The updating process must be completed by 31 July 2021, in accordance with Decree-Law No. 183 of 31 December 2020.

MIT sent instructions to all relevant concession holders to not consider the change in traffic due to Covid-19 in their PEF updates, given that the effects of the pandemic, which MIT recognises as a *force majeure* event, will be compensated as part of the update of the PEFs.

#### Missed tariff increases

As mentioned above, the Group's motorway concession companies (with the exception of Autovia Padana S.p.A.) duly submitted their PEFs for approval to the Ministry of Infrastructure, which did not approve them by the deadline foreseen in the agreements. As a result, due to the lack of approval, Decree-Law No 183 of 31 December 2020 did not permit any tariff increases. This eventuality was detrimental to the concession holders, who therefore appealed to the administrative courts.

As mentioned, the completion of the PEF updating process in accordance with the ART framework by 31 July 2021 as envisaged, will allow the concession holders to recover the suspended tariff increases.

The tariff increase granted to the concession holder Autovia Padana for 2021 is 3.20%.



## Risk factors and uncertainties

The main risks<sup>1</sup> and uncertainties to which the Company is exposed are detailed as follows:

### Covid-19 pandemic

As regards the main identifiable uncertainties, as of the date these Financial Statements, associated with the health emergency resulting from the Covid-19 pandemic domestically and internationally, please refer to the previous section “Covid-19 Pandemic” and to the “Business outlook” below.

### Renewal and approval of the economic and financial plans of motorway concession companies and the new toll regime proposed by the Transport Regulation Authority

With regard to issues concerning the renewal and approval of economic-financial plans for motorway concessionaires and related consequences on the tariff trend, reference is made to the information included in the section “Regulatory framework, relations with the granting body and toll rates”.

### Expired motorway concessions

As noted in previous financial reports, with Resolution No. 38/2019 of 24 July 2019 (published in the Official Journal of 30 October 2019), the Italian Interministerial Committee for Economic Planning (“CIPE”) approved the “*general criterion for ascertaining and defining the economic relationships pertaining to the motorway concession companies limited to the period between the date of expiry of the concession and the date of effective changeover of the new concession (transitional period)*”, as presented by the MIT. The criterion established by the MIT and approved by the CIPE affects, and amends, the regulatory regime of the transitional period previously and precisely provided for by the agreements and said Law (Art. 178 of Italian Legislative Decree No. 50/2016).

Within the Group, as mentioned, 31 December 2020 was the expiry date of the concessions managed by the subsidiaries ATIVA S.p.A. (whose concession expired on 31 August 2016), SATAP S.p.A. - A21 Stretch (whose concession expired on 30 June 2017) and SALT p.A. - A12 Section (whose concession expired on 31 July 2019). These entities, while awaiting the identification of a new concessionaire and at the request of the Granting Body, continue to manage their concessions under an extension.

The companies in question reacted negatively to MIT requests to prepare the Transitional Financial Plan provided for by CIPE Resolution No. 38/2019 and appealed before the Regional Administrative Court of Lazio, as regards SATAP S.p.A. and SALT p.A., and before the Regional Administrative Court of Piedmont, as regards ATIVA S.p.A., both Resolution 38 - and the consequent acts -, claiming that the adoption of the new regime established by the CIPE resolution was unlawful from several points of view, essentially resulting in the unilateral imposition on the outgoing concessionaire company of conditions other than those set out in agreements and by Law.

The aforementioned subsidiaries therefore assessed, with support from their legal, administrative and technical consultants, and taking into account the contractual obligations in force, the risks related to said current and potential lawsuits with the Granting Body.

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<sup>1</sup> With regard to “financial risk management”, reference should be made to the “Other information” section included in the Explanatory Notes of the Consolidated Financial Statements.



Having assessed these risks as “probable”, the companies in question then quantified them and allocated specific provisions in their respective financial statements. The total amount of the funds allocated in the Financial Statements as at 31 December 2020 relating to the so-called “concession risk” totalled € 243.8 million, of which an amount of € 27.3 million was allocated during 2020.

With regard to the provisions made over the years by the “expired” concession holders, note also that since this is an assessment made by the individual companies with support from their own consultants and with no cross-examination with the counterparty, and deeming the estimate as adequate for the existing risk, there is still a possibility of incurring additional charges on top of the amounts of the provisions recorded.

The opinions of legal advisors issued in support of the assessments of the concessionaires’ 2020 Financial Statements in relation to the point in question highlight an important new development regarding the previous year. It is represented by Judgment No. 1354/2021 of the Regional Administrative Court of Lazio which, with regard to another motorway concession company (not part of the ASTM Group) also operating under an “extension” regime following the expiry of its concession, ruled on the scope of application of Resolution 38/2019, reiterating - inter alia - that during the “extension” period the rules set out in the Standard Agreement continue to apply.

For further details, please refer to the Explanatory Notes to the Consolidated Financial Statements under “Provisions for risks”.

## Claims

Specific disputes are pending for several companies operating in the “EPC sector” with buyers which have given rise to claims by such buyers and, in some cases, lawsuits initiated by said buyers to protect their interests.

It should be noted, however, that specific adjusting provisions have been recognised for the portion of the amounts recognised in the Financial Statements, which are deemed to be at “risk” as a result of pronouncements, sentences, judgements handed down in arbitration or judicial proceedings called to decide on the lawsuit.

## Ecorodovias Infraestrutura e Logística S.A.

With reference to the potential risks associated with investigations involving certain companies of the EcoRodovias Group, please refer to the section “Other information” in the Explanatory Notes to the Consolidated Financial Statements.

## Segment information

Pursuant to CONSOB Communication No. 98084143 of 27 October 1998, it should be underlined that – as already pointed out in the previous section “Business segments and Group composition” – the Group’s main areas of activity are the management of motorway networks under concession, and the design and construction of major infrastructure works, as well as technology applied to transport mobility. As a consequence, the economic-financial components of the Consolidated Financial Statements are mainly attributable to these types of activity.

In the Explanatory Notes, an analysis of the results by business segment is included in the related section “Operating segments”, pursuant to IFRS 8.



## Other specific information pursuant to current regulations

### Information on the Environment and Personnel

With regard to information concerning the **environment**, the ASTM Group is committed to pursuing solutions that can guarantee the protection of local areas, a responsible use of natural resources, efficient energy consumption, the management of atmospheric emissions and protection of biodiversity.

Since 2018, ASTM has been a member of the CDP Climate Change Programme and in 2020 it was judged to be a global leader in management and transparency for climate issues and was added to the prestigious Climate A List.

To strengthen the Group's climate strategy, in 2020 the process of aligning with Task Force on Climate-Related Financial Disclosures (TCFD) recommendations continued. The main objective of these is to guide companies to provide clear and comparable information to Stakeholders on risks and opportunities associated with climate change.

In line with objectives defined in the Sustainability Plan, the Group companies contribute to protecting and safeguarding the environment, also through the following actions:

- a. the distribution of energy saving policies through the use of work sites with a reduced environmental impact, promoting the adoption of these policies also by subcontractors;
- b. efficient lighting systems on motorways, through increased use of LED lighting;
- c. noise abatement plans for motorway infrastructure;
- d. the promotion of recycled materials, as part of activities for the maintenance and modernisation of motorway infrastructure and with a view to supporting a circular economy;
- e. promoting protection of the local area, reduction in land use and protection of biodiversity.

In this context, a project has been launched to harmonise environmental management systems in each business segment, scheduled for completion by 2021.

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With regard to information relating to **employees**, the ASTM Group has adopted policies and initiatives to empower its human capital, with a particular focus on employees' health and safety, company welfare, diversity and inclusion.

In 2020, guaranteeing the health of personnel in the context of the Covid-19 epidemiological emergency was the top priority for the Group. Through the adoption of appropriate health protocols, the extension of the remote work programme, it ensured its business and projects continued, all within the limits imposed in terms of social distancing and mobility restrictions.

A project was also started to harmonise occupational health and safety management systems, which will conclude by 2021.

ASTM and its main operating subsidiaries have implemented a diversity and inclusion policy. They have also launched a talent policy based on an integrated human capital management system and employee training and development programmes, in order to create a shared company culture based on expertise and innovation.

In the context of initiatives for employees, 2020 saw the launch of the #ASTM Channel project, a series of 10 webinars intended to share experiences, opportunities for reflection and suggestions to better deal with the changes to working methods caused by the Covid-19 emergency.

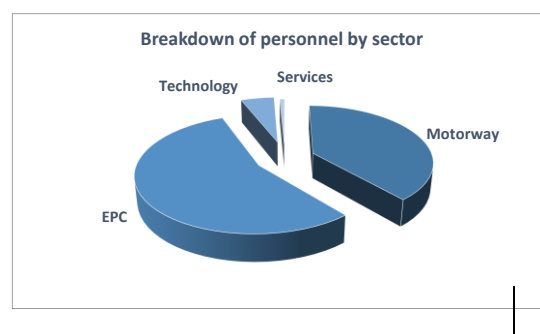
Additionally, in 2020 ASTM subscribed to the Women's Empowerment Principles (WEPs), promoted by the United Nations Global Compact to guide companies towards gender parity in employment, on the market and in the community.

ASTM was included in Bloomberg's 2021 Gender Equality Index (GEI), an international index that measures the performance and reporting quality for companies as regards gender parity.



The following table shows the existing staff at 31 December 2020, compared with the figure at 31 December 2019:

	31/12/2019	Change in the scope of consolidation	Other changes	31/12/2020
Executives	178	2	(3)	177
Middle managers	310	5	18	333
Office employees	3,356	63	41	3,460
Workers	1,865	52	188	2,106
<b>Total</b>	<b>5,709</b>	<b>122</b>	<b>244</b>	<b>6,075</b>



For more information on the environment and personnel, please refer to the *Consolidated non-financial disclosure* (NFD).

### Treasury shares and shares or stakes of Parent Companies

On 25 May 2020, the Ordinary Shareholders' Meeting approved the request to authorise the purchase and disposal of Treasury Shares; it will be possible to purchase Shares, up to a maximum of 21,000,000 Ordinary Shares, up until the approval date of the 2020 Financial Statements and, in any case, for no more than 18 months from the resolution date. The Board of Directors, which met after the Shareholders' Meeting, following careful evaluation of the applicable regulatory framework and the compatibility of a buyback programme with the Group's operating requirements (considering the changes in the economic situation as a result of the Covid-19 emergency), unanimously decided not to launch the buyback plan.

As of today - taking into account 777,012 Treasury Shares (corresponding to approximately 0.55% of Share Capital) acquired in the first months of 2020 for a total value of € 11.7 million in execution of the previous share buy-back plan resolved by the Board of Directors on 02 August 2019 - the Parent Company holds 10,741,948 Treasury Shares (corresponding to approximately 7.645% of the Share Capital), of which 8,571,040 directly and 2,170,908 indirectly (2,149,408 through the subsidiary SINA S.p.A. and 21,500 through the subsidiary ATIVA S.p.A.).



## Secondary offices

The Company does not have any secondary offices. The Board of Directors resolved to grant - to the local unit located in Tortona (AL), Strada Statale per Novi Ligure 3/13, Località San Guglielmo - the title of "administrative headquarters" of the Company.

## Relationships with subsidiaries, associated companies and joint ventures, parent companies and with companies subject to control of these latter companies

The economic and financial relationships with subsidiaries, associated companies, parent companies and companies subject to the control of the latter are provided separately, for individual items, in a specific paragraph in the Notes, "*Other information - Information about related-party transactions*", both in the Parent Company and Consolidated Financial Statements.

In compliance with Consob Regulation 17221 of 12 March 2010, the Company has adopted the "*Procedure for related party transactions*", which sets out the rules governing the approval, management and public disclosure of related-party transactions carried out by ASTM S.p.A., directly or through subsidiaries, in order to guarantee the transparency and procedural and substantive fairness of transactions.

## Report on corporate governance and ownership structure

With regard to the "Report on corporate governance and ownership structure", please refer to the "Governance" section of the corporate website [www.astm.it](http://www.astm.it).

## Certifications pursuant to Articles 15 and 16 of CONSOB Resolution No. 16191/07 ("Market Regulations")

With reference to the actions required by Art. 15 of the Consob Market Regulations, containing conditions for the listing of shares in parent companies of companies incorporated and regulated by the law of non-EU countries, it should be noted that - if the conditions are met - the regulatory requirements are applied to the investee company Halmar International LLC and its subsidiaries and, therefore, procedures have been adopted to ensure compliance with the aforementioned regulations.

As provided for by the relevant regulations, information concerning the aforementioned company is made available to the public at the registered office of the Parent Company ASTM.

Pursuant to Article 16 of the aforementioned CONSOB Resolution, it is specified that the Company meets the requirements, listed in paragraph 1 of the same article, for the listing of its Shares on the Italian regulated market.

## Compliance with the regulatory simplification process adopted by CONSOB Resolution No. 18079 of 20 January 2012

Pursuant to Art. 3 of CONSOB Resolution No. 18079 of 20 January 2012, on 6 December 2012 the Board of Directors of ASTM S.p.A. – with reference to the provisions set out in Article 70, paragraph 8, and Article 71, paragraph 1-bis of CONSOB Regulation No. 11971/99 – approved to make use of the power to derogate from the obligations concerning publication of the information documents set out in the said CONSOB Regulation in case of significant merger, split-off, share capital increase through contribution in kind, acquisition and disposal transactions.



## Consolidated non-financial disclosure

The ASTM Group prepared a consolidated non-financial information disclosure statement (“NFD”) on 31 December 2020, which meets obligations under Articles 3 and 4 of Legislative Decree 254/2016 (the “Decree”).

In particular, the NFD – constituting, according to Article 5 of the Decree, a separate report to which reference should be made, to the extent necessary to ensure an understanding of the Company’s activities, its performance, its results and the impact it produces – covers environmental, social and personnel issues, respect for human rights and the fight against active and passive corruption, which are relevant in view of the activities and characteristics of the company and the expectations of Stakeholders.

In addition, the DNF includes information on thematic areas identified as particularly important for 2020 non-financial disclosure purposes in the document “*European common enforcement priorities for 2020 annual financial reports*”, published by the European Securities and Markets Authority (ESMA, the European Union’s securities markets regulator) and referred to on 28 October 2020 by Consob in Call for Attention No. 1/21 of 16 February 2021.

## Significant subsequent events

In addition to the paragraphs above, the following is noted.

- **OPA NAF 2**

As announced on 20 February 2021, pursuant to Article 102, paragraph 1, of the Consolidated Finance Law (“TUF”) and Article 37 of the Issuers Regulation, NAF 2 S.p.A. (the “Offeror” or “NAF2”), a company 100% owned by Nuova Argo Finanziaria S.p.A., announced that it had decided to make a voluntary public tender offer pursuant to Articles 102 et seq. of the TUF (the “Offer”) aimed at: (i) acquiring all the ordinary shares (the “Shares”) of ASTM – after deducting (a) the total 60,449,417 Shares held by Nuova Argo Finanziaria S.p.A. (of which 58,501,677 directly and 1,947,740 indirectly through Nuova Codelfa S.p.A.), (b) the 2,385,650 Shares held by Mercure Investment S.à r.l. and (c) the 10,741,948 Treasury Shares held by ASTM – making a total of 66,937,880 Ordinary Shares of ASTM, with no indication of nominal value, representing 47.638% of the Company’s Share Capital; and (ii) obtaining delisting from the Mercato Telematico Azionario (“MTA”), organised and managed by Borsa Italiana S.p.A. (the “Delisting”).

NAF 2 shall pay a consideration of € 25.60 for each tendered Share (the “Consideration”). The Consideration incorporates: (i) a premium of 28.8% of the official share price as at 19 February 2021 (the last trading day prior to the date of the announcement); and (ii) a premium of 36.3% of the weighted arithmetic average of the official prices recorded by the Shares during the six months before the date of the announcement (inclusive).

In particular, NAF 2 intends to use the Offer and the Delisting to enable a reorganization of ASTM aimed to further strengthen the Company, an operation as such is more easily achieved in unlisted status.

The Delisting, whose terms, conditions and procedures will be detailed in the Offer Document, may result from the circumstances that the Shares tendered in the Offer – in addition to those held by the “Persons Acting in Concert” (i.e. Nuova Argo Finanziaria, Aurelia, Nuova Codelfa and Mercure), to the Treasury Shares held by ASTM and to the Shares possibly acquired by the Offeror and by the Persons Acting in Concert outside the actual Offer in accordance with applicable laws – exceed 90% of the Share Capital of ASTM (the “Threshold Condition”). If the Threshold Condition is not fulfilled, the Offeror has the unquestionable right to waive the Threshold Condition and to purchase a smaller number of ASTM shares, provided that when the Offer is complete the Offeror holds a total of more than two-thirds of the share capital of ASTM.

If Delisting is not achieved following the Offer, NAF 2 reserves the right to achieve the goal of the Delisting, subject to approval by the competent corporate bodies, via merger by incorporation of ASTM into NAF 2 (an unlisted company) or into another unlisted





company in the group headed by Nuova Argo Finanziaria. The merger by incorporation of ASTM into NAF 2 could qualify, if applicable, as a “leveraged buyout” with the consequent applicability of Article 2501-bis of the Italian Civil Code as well as a related party transaction subject to the relevant applicable regulations.

In any case, NAF 2 reserves the right, at its own discretion, to consider any future implementation of additional extraordinary transactions and/or corporate and business reorganisation procedures as deemed appropriate, in line with the goals and reasons for the Offer and with the objectives of strengthening ASTM, whether or not the Ordinary Shares of ASTM are subject to delisting. In the event of delisting, NAF 2 reserves the right to proceed, subject to approval by the competent corporate bodies, with the reverse merger of NAF 2 into ASTM, notwithstanding the applicability of Article 2501-bis of the Italian Civil Code. It should be noted, however, that, as of today, no formal decisions have been taken by the competent bodies of the companies that might be involved in any of these extraordinary transactions.

On 12 March 2021, the Offeror announced the filing of the Offer Document with CONSOB pursuant to Article 102, paragraph 3 of the TUF and Article 37-ter of the Issuers' Regulations.

For further information, refer to the NAF 2 S.p.A. press releases of 20 February 2021 and 12 March 2021 (available on [www.astm.it](http://www.astm.it)). On 16 March 2021, CONSOB, pursuant to Article 102, paragraph 4 of the TUF, requested certain additional information and ordered the suspension of the terms of the preliminary investigation for the approval of the Offer Document until completion of the information framework and, in any case, for a period not beyond 15 days after 16 March 2021.

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Following the above-mentioned communication of 20 February 2021, Moody's published an updated Credit Opinion and Fitch Ratings issued a special Rating Action Commentary. Moody's, although confirming the sound fundamentals of the ASTM Group, placed the Company's senior secured and unsecured ratings “under review for downgrade” in the light of the effects that the announced potential merger with NAF 2, following the outcome of the voluntary tender offer for all ASTM shares, could have on the ASTM Group financial situation. In its Credit Opinion, Moody's also stated that, on the basis of the information available at that time, the eventual downgrade could be limited to one notch. Moody's does, however, reserve the right to make final considerations when more information is available on the future capital structure and, in particular, on the future industrial and deleveraging strategy of the ASTM Group.

Following the announcement of the transaction, Fitch Ratings put ASTM's Long-Term Issuer Default Rating (IDR) on a “watch negative” footing in view of the consequent potential increase in the Group's debts. Fitch Ratings will give its own updated credit opinion only when it has a better view of the Group's capital structure in the medium term, once the announced transaction is complete.

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- **TENDER FOR THE MOTORWAY STRETCHES A21 TORINO-PIACENZA, A5 TORINO-QUINCINETTO, SISTEMA TANGENZIALE DI TORINO**

On 15 January 2021, the Lazio Administrative Court rejected the appeal filed by the companies included in the Temporary Grouping of Companies lead by SALT p.A., in its role as group leader, against the decision adopted on 19 December 2019 to exclude the Temporary Grouping from the pre-qualification process. On 19 February 2021 an appeal was filed with the Council of State.



## Business outlook

### 2020 Results and forecasts for 2021

The results of the financial period show that the Group can react to exceptional and extraordinary events such as the Covid-19 pandemic. The ensuing adverse economic and financial effects – highlighted earlier in the Report – did not stop the continued strengthening of its leading role in the motorway concessions sector, both on the domestic market (acquisition of the majority stake of SITAF and participation in the A5-21 and A12-A10 tenders) and internationally (the EcoRodovias transaction and tenders in the USA and Norway). This growth was also supported by an ongoing, balanced financial position.

The final results for 2020 confirm the forecasts provided in the Interim Financial Report with reference to the main economic and financial indicators for 2020<sup>1</sup>.

These results were obtained despite, towards the end of the year, the resurgence of the pandemic, which led to Q4 traffic volumes falling below those of the corresponding period of 2019 (November -39.8% and December -37.4% on a like-for-like basis)<sup>2</sup> and to the closure of the 2020 financial year with an overall traffic decrease of 28.3% on a like-for-like basis and toll revenues 24.4% down, also on a like-for-like basis<sup>3</sup>.

The continuation of the health emergency also into the first months of 2021 makes it difficult to make forecasts for the current financial year, particular as regards the **motorway sector**.

The 2020 travel restrictions extended to the early months of the current financial period is bound to adversely affect traffic volumes and toll revenues.

The final traffic figures as of 28 February 2021 show a decrease of 31.7% for the first two months of the year compared to 2020<sup>4</sup> (-40.7% for light vehicles and -7.1% for heavy vehicles) and a fall of 29.5% compared to 2019 (-38.6% for light vehicles and -5.6% for heavy vehicles).

Early estimates for the 2021 period, based on traffic studies by leading industry consultants, suggest volumes and revenues in line with 2020. The assumptions underlying these projections were: (i) the gradual improvement of the pandemic situation, (ii) an intensification of the ongoing vaccination campaign and (iii) the gradual easing of mobility restrictions. These factors should lead to a recovery in traffic volumes from mid-2021 onwards.

It should be borne in mind that these estimates are obviously susceptible to significant variations depending on factors beyond the Group's concessionaire companies' control. Examples include the recent Prime Ministerial Decree of 2 March 2021 and, in particular, the Decree Law of 12 March 2021 "Urgent measures to deal with health risks related to the spread of Covid-19", which introduces further restrictions and tighter measures to halt the epidemiological emergency, as well as the AIFA decision to suspend the administration of a specific anti-Covid-19 vaccine in line with other European countries.

<sup>1</sup> These indicators were represented by: aggregate group revenues (before eliminations); share attributed to parent company's shareholders; net financial indebtedness; network investments.

<sup>2</sup> Actual figures of -28.6% for November and -25% for December.

<sup>3</sup> Actual figures of -15.4% (traffic) and -15.5% (toll revenues).

<sup>4</sup> It should be noted that the figures for the first two months of 2020 were only marginally affected by the pandemic, which began in Italy at the end of February last year.



In the **EPC** sector, despite the growth in business volumes over 2019 levels, and, particularly for the Itinera Group in the financial year ended, the pandemic led to slowdowns and delays in the execution of works, increased costs and a consequent reduction in order margins.

Forecasts for the current financial year indicate a slight increase in turnover compared to the 2020 figure, based exclusively on contracts already in the portfolio.

Sina and Euroimpianti saw production go up due to the work carried out in relation to motorway companies to continuously raise safety standards.

The pandemic also had no significant effect on the **Technology** sector in terms of overall production volumes; one reason in particular was the work performed within the Group, making up most of the activity, whereas greater difficulties were encountered on orders from third party customers.

### Medium/long-term strategy and objectives

From a broader perspective, the manifestation of the epidemic did not change the Group's medium-long term strategy, which is based on the guidelines in the 2017-2021 Strategic Plan.

These objectives involve, with regards to the motorway concessions sector, the strengthening of leadership in both the domestic and international markets with an view to “qualitative” growth and the geographic diversification of risk. On the other hand, as regards the EPC sector, the goal is to strengthen the Group's position as a major player in the construction market, strengthening the support activities provided to the concession holder sector in the PPP (Public Private Partnership) area, while also maintaining a balanced financial structure.

**ABROAD** - Despite the difficult economic situation created by the Covid-19 pandemic, the agreement reached regarding EcoRodovias – the first phase of which was completed in recent days – is an important step for the Group's future, considering that a huge infrastructure development plan, particularly in the motorway sector, will take place in Brazil in the next few years. However, the country has seen a strong resurgence of the pandemic which, as well as penalising traffic volumes, creates much uncertainty on the timing for implementing the investment programme.

With regard to entry into new markets, the successful completion of the pre-qualification stages, resulting in admission to further bid stages for tenders in Georgia, Maryland and Georgia in the United States, is already a gratifying result (in the Maryland tender the Group placed second in the final list of bidders), considering the very recent entry into the US PPP market through the EPC subsidiary Halmar International LLC - acquired in July 2017.

Together with the similar initiative in Norway, which is currently under way, these initiatives demonstrate the commitment and efforts made in recent years to develop the role of ASTM as a global player present in some of the most important infrastructure initiatives worldwide. They also highlight the importance of the Group's “One Company” model, which allows it to optimise the skills and synergies between the various business sectors, from the identification of specific initiatives, to the study, design and planning of construction work, to the identification of project funding, through to infrastructure management.

**ITALY** - The growth in SITAF S.p.A.'s capital demonstrates the Group's ability to win new projects and create value for Shareholders in bidding scenarios and/or competitive tenders. It has always been able to demonstrate its skills and know-how in this respect, as well as gaining recognition for its efficiency, industrial capacity and financial soundness (see recent tenders for Asti-Cuneo, Tangenziale Esterna, Bre.be.mi. and Autovia Padana).



The achievement of the majority shareholding in SITAF will give the Company a strategic transnational asset with potential growth opportunities arising from stronger relations with French institutions and the potential future integration of the Alpine tunnels system.

The tenders for the A12-A10 and A5-A21 stretches, awarded to the Group on account of bids that were significantly better than those of the competitors, provide further evidence of the Group's economic-technical capabilities and skills. For both tenders the Company is awaiting confidently the outcome of the ongoing administrative procedures.

In light of transactions either concluded (SITAF and the cross-financing of the A4/A33) or soon to be finalised (EcoRodovias), the following are the aggregate 2019 and 2020 summary tables of the Group restated on the assumption that these transactions had been completed on a date prior to 1 January 2019. They illustrate the further growth and consolidation of the Company's leading position in the concession holder sector, accompanied by a balanced profile of the financial structure.

2019	ASTM Group <sup>(1)</sup> (A)	ECORODOVIAS Group <sup>(2)</sup> (B)	SITAF S.p.A. (C)	Redetermined aggregated data (A+B+C)
€ million				
Revenue	2,214	667	192	3,073
Operating costs	(1,345)	(207)	(73)	(1,625)
EBITDA	869	461 <sup>(3)</sup>	119	1,449
Net financial indebtedness	1,352	1,464	276	3,092

2020	ASTM Group (A)	ECORODOVIAS Group (2) (B)	SITAF S.p.A. (C)	Redetermined aggregated data (A+B+C)
€ million				
Revenue	2,005	512	192	2,709
Operating costs	(1,457)	(166)	(70)	(1,693)
EBITDA	548	346 <sup>(3)</sup>	122	1,016
Net financial indebtedness	849	1,088	265	2,202

<sup>(1)</sup> Redetermined 2019 Income statement data, including ATIVA S.p.A.

<sup>(2)</sup> Conversion of Income statement data at the average 2019 EUR/BRL rate of 4.4134 and the average 2020 rate of 5.8943  
Conversion of equity data at the EUR/BRL rate of 4.5157 as at 31 December 2019 and of 6.3735 as at 31 December 2020

<sup>(3)</sup> Pro-forma EBITDA

Alongside its growth objectives, the Group continues to pay constant attention to managing its infrastructure network, with the goal of continuously improving quality and security standards offered to its users, elevating the technological standard of the network it manages and implementing significant investments, as evidenced by the constant past growth in investments, which will continue in 2021 and in future years as a result of the significant network modernisation and improvement plans defined or under discussion with the granting bodies.



## Proposal for destination of Profit of the Parent Company

Dear Shareholders,

The Board of Directors proposes that you:

- approve the Financial Statements as at 31 December 2020, which closed with a Profit of € 92,435,618.55;
- in consideration of the uncertain scenario linked to the continuation of the Covid-19 pandemic and the consequent effects, in particular, on cash generation in the motorway sector, allocate the entire Profit for the Year of € 92,435,618.55 to strengthen the Balance Sheet, attributing it entirely to the "Retained earnings" reserve.

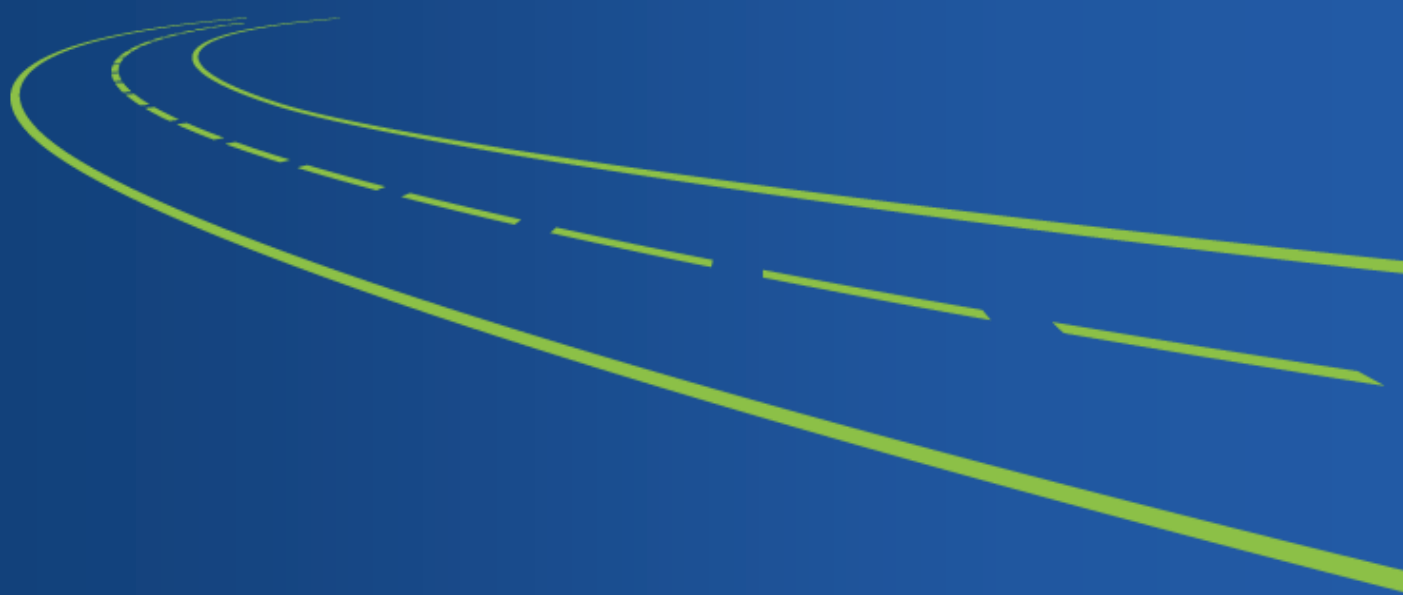
The Board of Directors hopes to be able to evaluate the possible convocation of a Shareholders' Meeting, to be held by the end of the year, to propose a possible distribution of reserves in light of an improvement in the economic and epidemiological scenario.

Tortona, 19 March 2021

on behalf of the Board of Directors  
The Chairman  
(Mr Alberto Rubegni)



# 3. Parent Company Financial Statements





## Parent Company Financial Statements



## Balance Sheet

(€ '000s)	Note	31 December 2020	31 December 2019
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets		-	-
Tangible assets	1		
property, plant, machinery and other assets		5,833	6,052
rights of use		1,409	1,249
Non-current financial assets	2		
equity investments in subsidiaries		2,534,482	2,537,631
equity investments in associated companies		608,557	336,545
equity investments in other businesses		5,495	58,940
Other non-current financial assets		1,727,664	1,578,597
<b>Total non-current financial assets</b>		<b>4,876,198</b>	<b>4,511,713</b>
Deferred tax assets	3	4,013	5,900
<b>Total non-current assets</b>		<b>4,887,453</b>	<b>4,524,914</b>
<b>Current assets</b>			
Inventories		-	-
Trade receivables	4	11,009	3,532
Current tax assets	5	6,409	10,441
Other receivables	6	30,550	16,717
Other current financial assets	7	222,208	733,380
<b>Total assets</b>		<b>270,176</b>	<b>764,070</b>
Cash and cash equivalents	8	140,068	38,057
<b>Total current assets</b>		<b>410,244</b>	<b>802,127</b>
<b>Total assets</b>		<b>5,297,697</b>	<b>5,327,041</b>
<b>Shareholders' equity and liabilities</b>			
<b>Shareholders' equity</b>			
Share capital	9	65,972	66,360
Reserves and earnings		2,662,817	2,568,395
<b>Total Shareholders' equity</b>		<b>2,728,789</b>	<b>2,634,755</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Provisions for risks and charges	10	4,672	1,929
Employee benefits	11	667	764
Trade payables		-	-
Other payables		-	-
Bank debt	12	966,616	673,069
Hedging derivatives		-	-
Other financial liabilities	13	1,042,704	1,041,270
Deferred tax liabilities	14	-	2
<b>Total non-current liabilities</b>		<b>2,014,659</b>	<b>1,717,034</b>
<b>Current liabilities</b>			
Trade payables	15	5,439	11,486
Other payables	16	23,964	19,379
Bank debt	17	261,736	191,557
Hedging derivatives		-	-
Other financial liabilities	18	256,037	751,406
Current tax liabilities	19	7,073	1,424
<b>Total current liabilities</b>		<b>554,249</b>	<b>975,252</b>
<b>Total liabilities</b>		<b>2,568,908</b>	<b>2,692,286</b>
<b>Total Shareholders' equity and liabilities</b>		<b>5,297,697</b>	<b>5,327,041</b>





## Income Statement

(€ '000s)	Note	FY 2020	FY 2019
<b>Financial income and expenses</b>	20		
Income from equity investments:			
from subsidiaries		93,539	149,682
from associated companies		389	1,043
from other businesses		173	496
<b>Total income from equity investments</b>		<b>94,101</b>	<b>151,221</b>
Other financial income		85,201	89,881
Interest and other financial expenses		(66,638)	(68,350)
<b>Total financial income and expenses (A)</b>		<b>112,664</b>	<b>172,752</b>
<b>Value adjustments of financial assets</b>	21		
Revaluations		-	-
Write-downs		(4)	(71)
<b>Total value adjustments of financial assets (B)</b>		<b>(4)</b>	<b>(71)</b>
<b>Other operating income (C)</b>	22	<b>12,544</b>	<b>8,925</b>
<b>Other operating costs</b>	23		
payroll costs		(9,591)	(8,885)
costs for services		(15,550)	(13,639)
costs for raw materials		(18)	(18)
other costs		(7,097)	(4,655)
amortisation, depreciation and write-downs		(580)	(473)
other provisions for risks and charges		-	-
<b>Total other operating costs (D)</b>		<b>(32,836)</b>	<b>(27,670)</b>
<b>Profit (loss) before taxes (A+B+C+D)</b>		<b>92,368</b>	<b>153,936</b>
Taxes	24	68	13,835
<b>Profit (loss) for the year</b>		<b>92,436</b>	<b>167,771</b>

Note: in consideration of the industrial holding activity undertaken by ASTM S.p.A., the schedule included in Consob Communication No. 94001437 of 23 February 1994 for this type of Company was used. For these reasons, it differs from the one used for the ASTM Group.

## Statement of other comprehensive income

(€ '000s)	FY 2020	FY 2019
<b>Profit (loss) for the year (a)</b>	<b>92,436</b>	<b>167,771</b>
Actuarial profit (loss) on employee benefits	15	(77)
Profit (loss) allocated to "reserves for revaluation at fair value"	(1,427)	700
Capital gain from the sale of the equity investments pursuant to IFRS 9	14,667	-
Tax effect on profit (loss) that will not be subsequently reclassified in the Income Statement	-	-
<b>Profit (loss) that will not be subsequently reclassified in the Income Statement (b)</b>	<b>13,255</b>	<b>623</b>
<b>Comprehensive income (a) + (b)</b>	<b>105,691</b>	<b>168,394</b>



## Cash flow statement

(€ '000s)	FY 2020	FY 2019
<b>Cash and cash equivalents – opening balance</b>	<b>38,057</b>	<b>531</b>
Merger contribution	-	44,609
<b>Cash and cash equivalents – opening balance (a)</b>	<b>38,057</b>	<b>45,140</b>
<b>Business operations:</b>		
<b>Profit</b>	<b>92,436</b>	<b>167,771</b>
<b>Adjustments</b>		
Amortisation/depreciation and provisions	580	2,461
Financial expenses (income)	3,592	(2,583)
	<i>Operating Cash Flow (I)</i>	<i>96,608</i>
Net change in deferred tax credits and liabilities	1,879	(2,254)
Change in net working capital		
	<i>Trade receivables</i>	<i>(7,477)</i>
	<i>Current tax assets</i>	<i>4,032</i>
	<i>Other receivables</i>	<i>(8,053)</i>
	<i>Trade payables</i>	<i>(6,047)</i>
	<i>Other payables</i>	<i>3,672</i>
	<i>Current tax liabilities</i>	<i>5,649</i>
Other changes from operating activities	2,744	(2,355)
<i>Change in net working capital and other changes (II)</i>	<i>(3,601)</i>	<i>(44,838)</i>
<b>Cash generated (absorbed) by operating activities (I+II) (b)</b>	<b>93,007</b>	<b>122,811</b>
<b>Investment activity:</b>		
Investments in intangible assets	-	-
Investments in property, plant, machinery and other assets	(419)	(273)
Net (Investments)/Divestiture in equity investments	(207,227)	(308,382)
Net (Investments)/Divestiture in non-current financial assets	-	(20,913)
Net divestiture of property, plant, machinery and other assets	-	-
<b>Cash generated (absorbed) by investment activity (c)</b>	<b>(207,646)</b>	<b>(329,568)</b>
<b>Financial activity:</b>		
Change in bank debt	364,333	247,864
Issue/(Repayment) of Bonds	(500,000)	-
Change in other financial liabilities	(1,692)	(2,779)
Net (Investments)/Divestiture in current financial assets	365,667	41,425
Expenses related to capital increase	-	(7,342)
Purchase of Treasury Shares	(11,658)	(5,268)
Dividend distribution	-	(74,226)
<b>Cash generated (absorbed) by financial activity (d)</b>	<b>216,650</b>	<b>199,674</b>
<b>Cash and cash equivalents – closing balance (a+b+c+d)</b>	<b>140,068</b>	<b>38,057</b>

### Additional information:

Taxes paid during the period	16,929	85,981
Taxes collected during the period	-	159
Financial expenses paid during the period	62,817	57,875
Financial income collected during the period	81,451	80,706
Dividends collected	94,101	151,221

The Company's "Net financial position" as at 31 December 2020 is described in the related paragraph in the Management Report.



## Statement of changes in Shareholders' equity

€ '000s	Share capital	Share premium reserve	Revaluat. Reserves	Legal reserve	Reserve for purchase of Treasury Shares	Purchased Treasury Shares	Reserve for revaluat. at fair value	Capital reserves	Merger excess	Reserve for discounting employee benefits	Retained earnings (losses)	Profit (loss) for the year	Total
<b>1 January 2019</b>	<b>45,704</b>	<b>147,361</b>	<b>9,325</b>	<b>10,538</b>	<b>91,076</b>	<b>(87,281)</b>	<b>780</b>	<b>34,059</b>	<b>-</b>	<b>10</b>	<b>1,545,068</b>	<b>27,659</b>	<b>1,824,299</b>
Allocation of 2018 profits											66	(66)	-
2018 dividend distribution												(27,593)	(27,593)
2018 dividend distribution - SIAS incorporated											(46,633)		(46,633)
Purchase of Treasury Shares	(102)				5,268	(5,166)					(5,268)		(5,268)
ASTM shares issued in the share swap	20,758								1,107,236				1,127,994
Difference from share swap									(393,275)				(393,275)
Difference from cancellation									(7,122)				(7,122)
Merger accessory charges									(7,342)				(7,342)
Other changes							1				1,300		1,301
Total profit for the year							700			(77)		167,771	168,394
<b>31 December 2019</b>	<b>66,360</b>	<b>147,361</b>	<b>9,325</b>	<b>10,538</b>	<b>96,344</b>	<b>(92,447)</b>	<b>1,481</b>	<b>34,059</b>	<b>699,497</b>	<b>(67)</b>	<b>1,494,533</b>	<b>167,771</b>	<b>2,634,755</b>
<b>1 January 2020</b>	<b>66,360</b>	<b>147,361</b>	<b>9,325</b>	<b>10,538</b>	<b>96,344</b>	<b>(92,447)</b>	<b>1,481</b>	<b>34,059</b>	<b>699,497</b>	<b>(67)</b>	<b>1,494,533</b>	<b>167,771</b>	<b>2,634,755</b>
Allocation of 2019 profits				3,513							164,258	(167,771)	-
Creation of "Reserve for the purchase of Treasury Shares"													
Purchase of Treasury Shares	(388)				11,658	(11,270)					(11,658)		(11,658)
Other changes							(171)				172		1
Total profit for the year							(1,427)			15	14,667	92,436	105,691
<b>31 December 2020</b>	<b>65,972</b>	<b>147,361</b>	<b>9,325</b>	<b>14,051</b>	<b>108,002</b>	<b>(103,717)</b>	<b>(117)</b>	<b>34,059</b>	<b>699,497</b>	<b>(52)</b>	<b>1,661,972</b>	<b>92,436</b>	<b>2,728,789</b>



## Valuation criteria and explanatory notes



## General information

ASTM S.p.A. is a joint-stock company incorporated in Italy at the Turin Business Register. The Company's registered headquarters are at Corso Regina Margherita 165 - Turin. Pursuant to the Articles of Association, the duration of the Company is established to 31 December 2050.

ASTM S.p.A. operates in Italy as an industrial holding company and through its subsidiaries, mainly in the management of motorway networks under concession, in the planning and construction of major infrastructure works and in technology applied to transport mobility. The main activities of the Company and its subsidiaries are indicated in the descriptive section preceding the Management Report.

The Ordinary Shares are listed on the MTA [electronic stock market] operated by Borsa Italiana S.p.A. and are included in the FTSE Italia Mid Cap index.

The Parent Company Financial Statements are drawn up in Euros, which is the current currency in the economy in which the Company mainly operates.

Pursuant to Art. 5, paragraph 2 of Legislative Decree No. 38 of 28 February 2005 and in accordance with paragraph 46 of IAS 1, these Parent Company Financial Statements have been prepared in thousands of Euro.

The financial statements were reviewed and approved by the Board of Directors on 19 March 2021.

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Based on the provisions of Article 4, paragraph 1 of Italian Legislative Decree No. 38 of 28/2/2005, these Parent Company Financial Statements were prepared in accordance with the **main international accounting standards (IFRS)** issued by the International Accounting Standards Board (IASB) and approved by the European Commission. IFRS means all revised international accounting standards ("IAS") and all interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), formerly the Standing Interpretations Committee ("SIC"). Consequently, the comparative data referring to the previous period also comply with the cited accounting standards.

The Financial Statements comprise the Balance sheet, the Income statement, the Statement of comprehensive income, the Cash flow statement, the Statement of changes in Shareholders' equity and the attached Explanatory notes and the application of the provisions contained in IAS 1 "Presentation of Financial Statements", as well as the general cost method. The Balance sheet has been prepared by distinguishing between current and non-current assets and liabilities, while in the Income statement costs have been presented and classified based on their nature. The Cash flow statement has been prepared using the "indirect method".

The 2020 Parent Company Financial Statements have been prepared on a going concern basis since there is reasonable expectation that the Company will continue its business operations in the foreseeable future and, in any case, for a time period greater than 12 months.



## Valuation criteria and accounting standards

The valuation criteria applied in preparing the Parent Company Financial Statements at 31 December 2020 is the same as that used to prepare the Financial Statements as at 31 December 2019.

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### Intangible assets

"Intangible assets" are posted at cost. They are systematically amortised over the period in which the assets are expected to be used by the business.

When events arise that indicate a reduction in value of intangible assets, the difference between the book value and the associated recovery value is imputed to the income statement.

### Tangible assets

These assets are posted at purchase cost or production cost (including directly imputable auxiliary costs) and include the related directly imputable financial expenses needed to make the assets available for use.

Depreciation rates used to distribute systematically the value of tangible assets based on their useful life are as follows:

<u>Category</u>	<u>Rate</u>
Land	not depreciated
Non-industrial and industrial buildings	3%
Electromechanical and electronic machines	10%-20%
Furniture	12%

### Rights of use

On the basis of the provisions of IFRS 16, the lease contracts payable (which do not constitute the provision of services) are accounted for by recognising a financial liability in the Balance sheet, represented by the present value of future lease payments, against the posting of the right of use of the leased asset to the assets.

IFRS 16 introduces the "right of use" concept, which determines - independently of the contractual form - the obligation to post the right of use to the balance sheet assets with the corresponding payable at the present value of future lease payments as a contra-item in the liabilities.

The assets and liabilities are posted at the current value of the contractually due lease payments, taking account of any option for extension/resolution where there is reasonable certainty to exercise/not exercise it.

The portion of amortisation and depreciation of the right of use posted to the assets and the interest expense originating from the financial liabilities of the lease are recognised in the income statement at amortised cost.

The value of the right of use recorded under property, plant and equipment is systematically depreciated on the basis of the expiry dates of the lease contracts, also considering the probability of renewal of the contract if there is an enforceable renewal option.

For contracts expiring within 12 months (short-term leases) and the contracts for which the underlying assets are configured as low-value assets (i.e. the assets leased do not exceed €5 thousand when new), the introduction of IFRS 16 does not result in the recognition of the financial liabilities of the lease and the related right of use, but the recognition of the lease payments in the income statement, recognised under leases and rental expenses, on a straight-line basis over the term of the respective contracts.



### Equity investments in subsidiaries, jointly controlled entities and associated companies

Pursuant to paragraph 10 of IAS 27 – Consolidated and Parent Company Financial Statements, equity investments in subsidiaries, jointly controlled entities and associated companies are valued at cost. Where signs of impairment are highlighted by appropriate valuation tests, the book value is adjusted to the recoverable value. The original cost is restored in subsequent years if the reasons for the previous adjustments no longer exist.

### Financial assets

In accordance with IFRS 9, financial assets are classified in the following three categories:

- Financial assets measured at amortised cost (“AC”) using the effective interest method: these assets fall under a “hold to collect” business model and generate contractual cash flows of a principal and interest nature. This category includes financial assets other than derivatives such as loans and receivables with payments that are fixed or can be determined, and that are not listed in an active market. Discounting is omitted when the effect is insignificant. This category includes cash, trade receivables and loans granted.
- Financial assets measured at fair value with changes in fair value recognised in the statement of comprehensive income (“FVOCI”): these assets fall under a hold to collect and sell business model and generate contractual cash flows of a principal and interest nature. This category also includes minority interests, irrevocably designated as such under IFRS 9, other than equity instruments not held for trading and not a potential consideration arising from a business combination. For minority interests, contrary to what generally happens with financial assets at FVOCI, the gains and losses recognised in the statement of comprehensive income are not subsequently transferred to the income statement, although the cumulative profit or loss may be transferred to Shareholders’ equity; in addition, such minority interests are not subject to impairment accounting. The dividends arising from these are still recognised in the income statement, unless they clearly represent a recovery of part of the investment cost. The valuation at cost of a minority interest is permitted in the few cases in which the cost represents an adequate estimate of the fair value.
- Financial assets measured at fair value with changes in fair value recognised in profit and loss (“FVPL”): this category covers the remainder and includes all financial assets other than those measured at amortised cost and at fair value with changes in fair value recognised in the statement of comprehensive income (“FVOCI”). This category includes financial assets without an interest component, including investments in investment funds.

### Cash and cash equivalents

Cash includes cash on hand, including cheques, and bank demand deposits. Cash equivalents are represented by financial investments with a maturity of three months or less (from the date of purchase), readily convertible into cash and with an insignificant risk of change in value.

Cash and cash equivalents are recognised at nominal value or amortised cost, depending on their nature.

### Financial liabilities

Pursuant to IFRS 9, financial liabilities are divided into two categories: 1) financial liabilities measured at amortised cost using the effective interest rate upon expiry (“AC”); 2) financial liabilities measured at fair value with changes in fair value recognised in profit and loss (“FVPL”), which are in turn divided into the two sub-categories “held for trading” and “FVPL at inception”.

Financial liabilities include loans, bonds, lease liabilities, trade payables, other liabilities and financial derivatives. These instruments are recorded at fair value when opened, net of any costs that can be ascribed to them. Subsequently, the financial liabilities in question are measured at amortised cost using the effective interest method, with the exception of derivative financial instruments



(other than derivative financial instruments designated as effective hedging instruments) and any financial liabilities designated at FVPL, which are accounted for at fair value through profit or loss.

#### Provisions for risks and charges

Provisions for risks and charges concern costs and charges of known type and of certain and probable existence, the amount and date of occurrence of which was not known at the closing date of the accounting period. Provisions are recorded when: (i) a current, legal or implied obligation probably exists from a past event; (ii) it is probable that meeting the obligation will be burdensome; (iii) the amount of the obligation can be reliably estimated.

The provisions to reserves represent our best estimate of the amount needed to extinguish the obligation or to transfer it to third parties as at the closing date of the Financial Statements. When the financial impact of time is significant and the dates for paying off the obligations can be reliably estimated, the provisions are discounted.

The explanatory notes also explain any contingent liabilities represented by: (i) possible (but not probable) obligations from past events, the existence of which will be confirmed only upon the occurrence of one or more uncertain future events not completely under the control of the business; (ii) current obligations from past events, the total of which cannot be reliably estimated or the fulfilment of which is probably not costly.

#### *Employee benefits*

Employee benefits are identified in a defined benefit plan, measured with actuarial techniques using the Projected Unit Credit Method. It should be noted that from 1 January 2007 this liability refers exclusively to the portion of severance indemnities accrued up to 31 December 2006, which following the reform of the supplementary pension scheme (Legislative Decree no. 252 of 5 December 2005) continues to constitute an obligation for the company. Following the entry into force of the above reform by operation of Law 296 of 27 December 2006 (2007 Finance Act), as the liability refers to a benefit now fully accrued, has been recalculated without application of the pro-rata of the service provided and without considering the component relating to future salary increases in the actuarial calculation. The recognition of changes in actuarial profit/(loss) is recognised in other components of the Statement of Comprehensive Income. The cost of labour, as well as the interest expense relating to the "time value" component in actuarial calculations, continue to be recognised in the income statement. The portion of employee severance indemnities paid to supplementary pension funds and the INPS treasury fund is considered a defined-contribution fund because the company's obligation to the employee ceases with the payment of the accrued contributions to the pension funds.

#### Treasury Shares

Treasury Shares are posted at purchase cost, as a reduction in Shareholders' equity. The nominal value of the Treasury Shares held is deducted directly from Share capital. The value resulting from their transfer is posted via a contra-item in Shareholders' equity and without any impact on the Income statement.

#### Revenue

Revenue is the gross inflow of economic benefits during the period deriving from ordinary business activities.

Revenue is recognised at a specific point in time or over time, when the Company meets its performance obligations by transferring the goods and services to its customers; the process underlying the recognition of revenue follows the five steps required by IFRS 15: (i) identification of the contract with the customer; (ii) identification of the performance obligations in the contract; (iii) determination of the transaction price; (iv) allocation of the price to the various performance obligations and (v) recognition of revenue as each performance obligation is satisfied. In particular, revenues for services are recognised based on the accrued payment, calculated by reference to the stage of completion.





### Financial income

Interest income is calculated on the value of the related financial assets at the effective interest rate.

### Dividends

Dividends paid by investee companies are posted when the right to receive them is established, which corresponds to the date that the Shareholders' Meeting of the investee companies approves the distribution.

Any interim dividends are recorded when the distribution is approved by the Board of Directors of the investee company.

### Grants

Grants are recognised when there exists a reasonable certainty that they will be received and that all the conditions for their disbursement will be met. Capital grants are posted to the balance sheet as an adjustment entry to the book value of the asset to which they refer. Operating grants are imputed as income and systematically allocated to the cost related to them using the matching principle.

### Financial expenses

Financial expenses are recorded, on an accrual basis, in the accounting period in which they are incurred.

### Income taxes

Current and deferred taxes are posted to the income statement when they do not relate to transactions directly posted to Shareholders' equity.

Income taxes are posted based on an estimate of the taxable income for the period, in compliance with current regulations.

In accordance with IAS 12, "deferred tax liabilities" and "deferred tax credits" are calculated based on the temporal differences between the recognised value for tax purposes of an asset or a liability and its value in the Balance sheet, when it is probable that these differences will cancel themselves out in the foreseeable future. The amount of the "deferred tax liabilities" or "deferred tax credits" is determined based on tax rates that are expected to apply to the period in which the tax credit is realised or the tax liability is extinguished. The tax rates are those established in current fiscal legislation as at the reference date of the individual accounting entries.

Deferred tax assets are posted when their recovery is likely.

Deferred tax assets and deferred tax liabilities are offset when it is legally allowed.

The company, in its capacity as consolidating company, opted for the national tax consolidation pursuant to Articles 117/129 of the Income Tax Act. It determines a single taxable base for the group of companies adhering to the tax consolidation, benefiting from the possibility to offset taxable income with tax losses in a single declaration. Each company adhering to the tax consolidation wholly contributes its taxable income to the parent company by determining a payable to the consolidating company equal to the corporate income tax (IRES) to be paid. The companies that contribute tax losses can post a receivable from the consolidating company, equal to corporate income tax (IRES), for the part of loss effectively offset at Group level.

### Impairment test

The book values of the Company's assets are measured at each date of reference of the Financial Statements (or in the presence of impairment indicators) in order to determine whether there are indications of a reduction in value, in which case the recoverable value of the asset is estimated. Impairment is accounted for in the income statement when the book value of an asset or of a cash



generating unit exceeds the recoverable value.

The recoverable value of *non-financial assets* corresponds to the highest between their fair value net of disposal costs and their useful life. In order to establish their useful life, the estimated future cash flows are discounted at a rate that reflects the current market valuation of the money value and the risk related to that type of asset. If the assets do not generate incoming cash flows deemed as widely independent, the recoverable value of the cash generating unit to which the asset belongs is calculated.

The losses posted in the income statement are written back in case of changes in the valuation criteria used to determine the recoverable value. A value write-back is recorded in the income statement by aligning the book value of the assets to its recoverable value. The latter cannot exceed the value that would have been determined, net of amortisation and depreciation expense, if impairment had not been posted in the previous years. This write-back is not applicable to goodwill, since its write-down is never reversible.

It should be noted that the 2020 impairment test was carried out in accordance with the relevant IFRS international accounting standards and best practices in this area; the results of this test were subjected to an independent review by a company specialising in valuations and verifying the recoverability of assets (goodwill and equity investments).

As regards equity investments in motorway companies, in line with the provisions of IAS 36, the Company determines the “useful life” of each individual “Cash Generating Unit” (CGU) by discounting the future cash flows (Discounted Cash Flows - DCFs) deriving from the motorway activities. Each concession company constitutes an autonomous CGU, to which the financial plans of the individual managed stretches refer. The data contained in the financial plans attached to the current Standard Agreements or those being updated were used as the basis for calculation. The economic and financial plan (*Piano Economico Finanziario* - PEF) of each motorway concession highlights the results expected for the entire duration of the concession and, though some are prepared over an average time frame of longer than five financial years, constitute the representative document for the purposes of identifying the prospective cash flows. In addition, given that these are concessions with a pre-defined useful life, no calculation was made of the terminal value. At the end of the concession, if an indemnity was required by the company taking over for works undertaken and not depreciated (“takeover”), this value has been included in the operating flow at the end of the concession.

The data contained in the aforementioned plans have been adjusted where necessary to reflect the changes made following the date of preparation of those financial plans (traffic, tolls, completion of the investment programme, etc.). It should be noted that the financial plans of the motorway concessions used to estimate the operating cash flows were subject to verification by an independent consultant, with reference to the forecasts contained therein. It should also be noted that the traffic forecasts reflect the results of the traffic studies carried out by an independent company specialised in this sector.

The cash flows as determined above have been discounted at a *post-tax nominal WACC* rate.

The WACC was estimated using the Unconditional Adjusted approach, which envisages the use of a risk-free rate adjusted to neutralise the monetary policies implemented in recent years by the European Central Bank.

The main parameters are:

- **Risk-Free Rate Adjusted:** the risk-free rate was estimated at **2.32%** for concessions in Italy, obtained as the sum of: (i) the average of the returns observed in the 24 months preceding the Reporting Date on 10-year U.S. government securities, adjusted for long-term inflation in the United States (source: EIU) and supplemented by expected inflation in Italy, (ii) the differential observed between the U.S. and Italian credit default spreads on the Reporting Date over the previous 24 months (source: Bloomberg). For the Road Link company, the risk-free rate has been estimated at **0.60%**, determined on the basis of the average returns observed in the 24 months prior to the Reporting Date for UK government bonds with a ten-year maturity, the forecasts being expressed in local currency;



- **Unlevered beta:** element representative of the degree of non-diversifiable risk, estimated at **0.63** for concessions in Italy and **0.75** for the Road link company, based on the average value observed for a panel of listed companies in the sector. The beta extraction considered a period of three years prior to the Reporting Date and weekly observations (source: *Bloomberg*);
- **Market Risk Premium:** risk premium for the market, estimated at **5.50%** for Italy and **5.80%** for the UK market (source: *Consensus* and *Fernandez*);
- **Size Premium:** a **1%** risk premium was considered to factor in the Group's smaller size in terms of Revenues compared to the sample of listed companies included in the panel (source: revision by Deloitte with Bloomberg and Duff & Phelps data);
- **D/E Financial structure:** for the purposes of weighting the cost of debt and the cost of equity, a financial structure has been considered on the basis of the debt ratio (D/E);
- **Cost of debt:** estimated considering the average cost of debt of the Group, except for Tangenziale Esterna S.p.A. and SITAF S.p.A., for which the specific cost was considered.

The discounting rates (calculated in a specific way for each concession company in order to reflect its financial structure) vary between 5.24% and 6.78%.

In calculating the WACC for the motorway sector, compared with the previous year (when the risk-free rate was determined using the return on the benchmark 10-year BTP averaged over 12 months), the rate was obtained as the average of the returns observed in the 24 months prior to the Reporting Date in order to normalise the data from the monetary policies implemented by the Central Banks. A premium (size premium) was also considered in the 2020 financial year to factor in the Group's smaller size in terms of revenue compared to the sample of listed companies included in the panel.

In 2019, the discounting rates (calculated in a specific way for each concession company in order to reflect its financial structure) varied between 4.88% and 5.39%.

With reference to investments in Brazil held through the subsidiary IGLI S.p.A., it should be noted that the impairment test of this company was determined by considering the equity investment in the Brazilian company Primav Infraestrutura S.A. as an independent CGU and that the impairment test was determined as the sum of the value in use of the Brazilian concession companies indirectly controlled through the investee company Ecorodovias Infraestrutura e Logística S.A. The determination of the value in use was made taking into account the results of the valuations carried out - in accordance with the relevant IFRS international accounting standards and best practices - by a Brazilian company specialised in valuations and in verifying the recoverability of assets (goodwill and equity investments).

As regards the equity investments in companies operating in EPC (Engineering, Procurement and Construction) and technology sectors, their recoverable value was determined using the useful life method.

In order to determine the useful life of the individual CGUs (distinguishing by business segment and geographical area), the Discounted Cash Flows (DCF) method was used as an estimate of the future cash flows made on the basis of the PEFs prepared by the Companies, to which the calculation of the terminal value was added, in addition to the explicit period of discounting the flows. The cash flows as determined above have been discounted at a *post-tax nominal WACC* rate.

The WACC was estimated using the Unconditional Adjusted approach, which envisages the use of a risk-free rate adjusted to neutralise the monetary policies implemented in recent years by the European Central Bank.



The main parameters are:

• **Risk Free Rate Adjusted:**

- the risk - free rate was estimated at **2.32%** for companies operating in Italy, obtained as the sum of: (i) the average of the returns observed in the 24 months preceding the Reporting Date on 10-year U.S. government securities, adjusted for long-term inflation in the United States (source: EIU) and supplemented by expected inflation in Italy, (ii) the differential observed between the U.S. and Italian credit default spreads on the Reporting Date over the previous 24 months;
- for companies active in Brazil, Denmark and the USA, the risk-free rate was determined on the basis of the average of the returns observed in the 24 months prior to the Reporting Date on the country's government securities with a 10-year maturity (source: Bloomberg);

- **Unlevered beta:** element representative of the degree of non-diversifiable risk, estimated at **0.88** on the basis of the average value observed for a panel of listed companies in the sector. The beta extraction considered a period of three years prior to the Reporting Date and weekly observations (source: Bloomberg);

- **Market Risk Premium:** risk premium for the market in which the companies operate (source: *Consensus* and *Fernandez*);

- **Size Premium:** a **1.75%** risk premium was considered to factor in the Itinera Group's smaller size in terms of Revenues compared to the sample of listed companies included in the panel (source: revision by Deloitte with Bloomberg and Duff & Phelps data);

- **D/E financial structure:** for the purposes of weighting the cost of debt and the cost of equity, a financial structure in line with the sector to which the Itinera Group belongs and a full equity structure for the companies SINA, SINELEC and Euroimpianti were considered;

- **Cost of debt** estimated in consideration of the average cost of debt of the Itinera Group with the exception of the Brazilian company for which the specific rate in place at 31 December 2020 was taken into consideration.

- **Captive risk:** in order to intercept the higher risk of companies that operate mainly with the ASTM Group (captive), the WACC was increased by a premium equal to 2%.

The discounting rates (calculated in a specific way for each company in order to reflect its financial structure) vary between 6.85% and 12.58%.

Companies	ITINERA GROUP				SINA - EUROIMPIANTI	SINELEC
CGU / Country	Italy	USA	Denmark	Brazil	Italy	Italy
WACC	8.02%	7.20%	6.85%	12.58%	10.88%	10.88%

In calculating the WACC of the EPC and Technology sectors, compared to the previous year (when the risk-free rate was determined using the return on the 10-year Government Bond of the country in which the CGU operated - 12-month average), the rate was obtained as the average of the returns observed in the 24 months prior to the Reporting Date in order to normalise the data from the monetary policies implemented by the Central Banks.

In 2019, the discounting rates (calculated in a specific way for each concession company in order to reflect its financial structure) varied between 8.14% and 13.23%.

With regard to the CGUs for which the useful life was estimated, a sensitivity analysis of the results was also carried out by varying the discounting rates applied between +0.5%/-0.5%. Based on this analysis, the recoverable amount of equity investments in subsidiaries compared to the value posted to the Financial Statements would be in the range of +/- €70 million.

The impairment procedure was approved by the Board of Directors autonomously and in advance of the approval of the draft Financial Statements.



### Translation of foreign currency items

Transactions in different currencies other than the Euro are recorded at the exchange rate prevailing at the transaction date. Monetary assets and liabilities denominated in a currency other than the Euro are subsequently adjusted to the exchange rate at the reporting date with any exchange differences recognised through the income statement. Any non-monetary assets and liabilities denominated in foreign currencies and recorded at historical cost or at fair value are translated using the exchange rate at the time the transaction was first recognised.

The exchange rates applied during the period to translate the assets, liabilities and economic transactions are as follows:

Currency	2020		2019	
	Spot exchange rate as at 31 December	Average annual exchange rate	Spot exchange rate as at 31 December	Average annual exchange rate
EUR/GBP	0.8990	0.8897	0.8508	0.8777
EUR/USD	1.2271	1.1422	1.1234	1.1195
EUR/Danish Krone	7.4409	7.4542	7.4715	7.4661



## ESTIMATES AND VALUATIONS

The preparation of these Financial Statements and the related explanatory notes required estimates and assumptions that had an effect on the values of the assets and liabilities in the Financial Statements and on the information related to potential assets and liabilities as at the reporting date. Actual results achieved may differ from these estimates. Among other things, the valuation used the fair value to appraise financial assets and liabilities to perform the impairment test for the actuarial appraisals and to record the amortisation and depreciation, the write-downs of assets and the provisions for risks. The outcomes of assessments by independent experts were also used to calculate the estimates. The estimates and assumptions are reviewed periodically, and the effects of any changes are reflected in the income statement.

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The aforementioned valuation criteria were applied on a like-for-like and coherent basis in the preparation of these Financial Statements.

Any reclassifications of Parent Company Financial Statement items made previously in order to allow for comparison with the final values in the current period are not significant.

Pursuant to Art. 5, paragraph 2 of Italian Legislative Decree No. 38 of 28 February 2005 and in accordance with paragraph 46 of IAS 1, note that these Financial Statements have been prepared in thousands of Euro. For ASTM S.p.A., the Euro is the “operating currency” and coincides with the “presentation currency”.

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## New accounting standards and interpretation adopted by the EU and effective from 1 January 2020

- **Amendments to IAS 1 and IAS 8 - Definition of materiality.** The document introduced a change to the definition of “material” contained in IAS 1 and IAS 8. This amendment aims to make the definition of “material” more specific and introduced the concept of “obscured information” alongside the concepts of omitted or incorrect information already present in the two amended standards. The amendment clarifies that information is “obscured” if it has been described in such a way as to have an effect on primary readers of financial statements similar to that which would have occurred if such information had been omitted or incorrect.
- **Amendments to references to the “Conceptual Framework” in IFRSs,** which define key concepts for financial reporting. The document helps to guarantee the Standards are conceptually consistent and that similar transactions are treated in the same way, so as to provide useful information to investors, lenders and other creditors. The Conceptual Framework helps companies in developing accounting standards when none of the IFRS standards apply to a particular transaction and, more generally, help interested parties in understanding and interpreting the Standards.
- **On 26 September 2019, the IASB published an amendment titled “Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform” which amends IFRS 9 - Financial Instruments and IAS 39 - Financial Instruments: Recognition and Measurement, as well as IFRS 7 - Financial Instruments: Disclosures.** More specifically, the amendment modifies certain of the requirements established for application of hedge accounting, establishing temporary derogations for the same, in order to mitigate the impact deriving from uncertainties relative to the IBOR reform (still under way) for future cash flows in the period before they are achieved. The amendment also requires companies to provide additional information in financial reporting with regards to hedging relationships directly affected by the uncertainties generated by the reform, and to which the above derogations apply.



- **Amendments to IFRS 3 - Business combinations.** The document provides some clarifications regarding the definition of “business” for the purposes of applying IFRS 3 correctly. In particular, the amendment clarifies that while a business usually produces an “output”, the presence of an output is not strictly necessary in order to identify a business where there is a set of activities/processes and assets. However, in order to satisfy the definition of “business”, a set of activities/processes and assets must include, at a minimum, an input and a substantive process that together contribute significantly to the ability to create an output. To this end, the IASB replaced the term “ability to create outputs” with “ability to contribute to the creation of outputs” in order to clarify that a business can exist even without the presence of all the inputs and processes necessary to create outputs. The amendment also introduced an optional test (“concentration test”) that makes it possible to exclude the presence of a business if the price paid is substantially attributable to an individual asset or group of assets.
- On 28 May 2020, the IASB published an amendment titled “**Covid-19 Related Rent Concessions (Amendment to IFRS 16)**”, which was endorsed by the European Union on 9 October 2020. The document grants lessees the possibility of recognising reductions in rent associated with Covid-19 without having to evaluate, through contract analysis, whether the definition of a lease modification established under IFRS 16 is respected. Hence, lessees that make use of this possibility can recognise the effects of reductions in rent directly in the income statement, as of the date the reduction takes effect. This amendment, which is applicable to financial statements beginning on or after 1 June 2020, may be applied early by a company to financial statements beginning on or after 1 January 2020.

The above had no effect on the Parent Company Financial Statements of the Company.

**IFRS or IFRIC accounting standards, amendments and interpretations approved by the European Union, not yet compulsorily applicable and not adopted in advance by the Group as at 31 December 2020**

- On 28 May 2020, the IASB published an amendment titled “**Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)**”. The amendments allow for the temporary exemption from the application of IFRS 9 to be extended until 1 January 2023 for insurance companies. These amendments take effect as of 1 January 2021.
- On 27 August 2020, the IASB published, in light of the reform on interbank interest rates such as IBOR, the document “**Interest Rate Benchmark Reform-Phase 2**” which contains amendments to the following standards:
  - IFRS 9 *Financial Instruments*;
  - IAS 39 *Financial Instruments: Recognition and Measurement*;
  - IFRS 7 *Financial Instruments: Disclosures*;
  - IFRS 4 *Insurance Contracts*; and
  - IFRS 16 *Leases*.

The Company is currently evaluating the possible effects of the introduction of these changes on its Parent Company Financial Statements.



### New accounting standards . amendments and IFRS interpretations issued by the IASB and not adopted yet by the EU

At the reporting date of this document, the competent bodies of the European Union had not yet concluded the approval process required for the adoption of the amendments and principles described above.

- On 18 May 2017 the IASB issued **IFRS 17 - Insurance Contracts**. The new standard, applicable as of annual reporting periods beginning on or after 1 January 2023, governs the accounting treatment of insurance contracts issued and reinsurance contracts held.
- On 23 January 2020, the IASB published an amendment titled “**Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current**”. The document is intended to clarify how to classify short or long-term payables and other liabilities. The amendments take effect on 1 January 2023; however, earlier application is permitted.
- On 14 May 2020, the IASB published the following amendments that are effective for annual periods beginning on or after 1 January 2022:
  - **Amendments to IFRS 3 Business Combinations**: the amendments are intended to update the reference to the Conceptual Framework in its revised version in IFRS 3, without this leading to amendments to the provisions of IFRS 3.
  - **Amendments to IAS 16 Property, Plant and Equipment**: the amendments are intended to define that revenues from the sale of goods produced by an asset before it is ready for its intended use are charged to the income statement together with the related production costs, rather than deducted from the cost of the asset.
  - **Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets**: the amendment clarifies that in estimating whether a contract has associated charges, all costs directly attributable to the contract should be taken into account, including not only incremental costs (e.g. the cost of material directly involved in processing), but also all the costs the company cannot avoid given that the contract has been signed (e.g. the portion of payroll costs, depreciation of machinery used to fulfil the contract).
  - **Annual Improvements 2018-2020**: the amendments apply to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples for IFRS 16 Leases. All amendments take effect as of 1 January 2022.

The Company is currently evaluating the possible effects of the introduction of these changes on its Parent Company Financial Statements.





## Explanatory notes – Information on the balance sheet

### Note 1 – Tangible assets

#### 1.a Property, plant, machinery and other assets

This item breaks down as follows:

	2019		
	Land and buildings	Other assets	Total
<b>Cost:</b>			
as at 1 January 2019	9,788	870	10,658
Investments	-	86	86
Reclassifications	-	-	-
Increase from merger	-	20	20
Divestitures	-	-	-
<b>at 31 December 2019</b>	<b>9,788</b>	<b>976</b>	<b>10,764</b>
<b>Accumulated depreciation:</b>			
as at 1 January 2019	(3,598)	(866)	(4,464)
2019 amortisation and depreciation	(220)	(12)	(232)
Reclassifications/other changes	-	1	1
Increases from merger	-	(17)	(17)
<b>at 31 December 2019</b>	<b>(3,818)</b>	<b>(894)</b>	<b>(4,712)</b>
<b>Net book value:</b>			
as at 1 January 2019	6,190	4	6,194
<b>at 31 December 2019</b>	<b>5,970</b>	<b>82</b>	<b>6,052</b>

	2020		
	Land and buildings	Other assets	Total
<b>Cost:</b>			
as at 1 January 2020	9,788	976	10,764
Investments	-	24	24
Reclassifications/other changes	(3)	-	(3)
Divestitures	-	-	-
<b>at 31 December 2020</b>	<b>9,785</b>	<b>1,000</b>	<b>10,785</b>
<b>Accumulated depreciation:</b>			
as at 1 January 2020	(3,818)	(894)	(4,712)
2020 amortisation and depreciation	(221)	(19)	(240)
Reclassifications/other changes	1	(1)	-
<b>at 31 December 2020</b>	<b>(4,038)</b>	<b>(914)</b>	<b>(4,952)</b>
<b>Net book value:</b>			
as at 1 January 2020	5,970	82	6,052
<b>at 31 December 2020</b>	<b>5,747</b>	<b>86</b>	<b>5,833</b>



The item “*land and buildings*” is mainly attributable for €3.4 million to the property in Turin (Italy) used as the registered headquarters of the Company and for €€1.8 million to a building complex of architectural value (located in the municipality of Tortona, Italy).

The item “*other assets*” relates to furniture, electronic office machines, equipment and alarm systems.

### 1.b Rights of use

	2019		
	Rights of use - Property	Rights of use - Machinery	Total
<b>Cost:</b>			
as at 1 January 2019	-	-	-
Effect of first-time adoption	1,204	90	1,294
Investments	2	186	188
Reclassifications	-	-	-
Divestitures	-	-	-
<b>at 31 December 2019</b>	<b>1,206</b>	<b>276</b>	<b>1,482</b>
<b>Accumulated depreciation:</b>			
as at 1 January 2019	-	-	-
Effect of first-time adoption	-	-	-
2019 amortisation and depreciation	(154)	(78)	(232)
Reclassifications/other changes	-	(1)	(1)
<b>at 31 December 2019</b>	<b>(154)</b>	<b>(79)</b>	<b>(233)</b>
<b>Net book value:</b>			
as at 1 January 2019	-	-	-
<b>at 31 December 2019</b>	<b>1,052</b>	<b>197</b>	<b>1,249</b>

	2020		
	Rights of use - Property	Rights of use - Machinery	Total
<b>Cost:</b>			
as at 1 January 2020	1,206	276	1,482
Investments	882	148	1,030
Reclassifications	-	-	-
Divestitures	(583)	(52)	(635)
<b>at 31 December 2020</b>	<b>1,505</b>	<b>372</b>	<b>1,877</b>
<b>Accumulated depreciation:</b>			
as at 1 January 2020	(154)	(79)	(233)
2020 amortisation and depreciation	(226)	(114)	(340)
Reclassifications/other changes	59	46	105
<b>at 31 December 2020</b>	<b>(321)</b>	<b>(147)</b>	<b>(468)</b>
<b>Net book value:</b>			
as at 1 January 2020	1,052	197	1,249
<b>at 31 December 2020</b>	<b>1,184</b>	<b>225</b>	<b>1,409</b>

In accordance with IFRS 16, the item “rights of use” contains the lease contracts payable that do not constitute the provision of services.



## Note 2 – Non-current financial assets

### 2.a – Equity investments in subsidiaries

Changes to equity investments in subsidiaries during the period were as follows:

	31/12/2019	Changes during the period				31/12/2020
		Purchases/Increases	Sales/Decreases	Write-downs in the Income Statement	Reclassifications/other changes	
Equity investments:						
IGLI S.p.A.	441,767	-	-	-	-	441,767
Itinera S.p.A.	158,022	-	-	-	-	158,022
Sina S.p.A.	20,774	-	-	-	-	20,774
Itinera Infrastructure and Concessions Inc.	2,208	2,672	-	-	-	4,880
SAV S.p.A.	95,740	-	-	-	-	95,740
SALT p.A.	674,873	1	-	-	4	674,878
ATIVA S.p.A.	106,396	-	-	-	(8)	106,388
SATAP S.p.A.	1,006,982	-	-	-	-	1,006,982
SIAS Parking S.p.A. in liquidation	5,814	-	(5,814)	-	-	-
Sinelec S.p.A.	25,031	-	-	-	-	25,031
Sistemi e Servizi S.c.ar.l. <sup>(1)</sup>	24	-	-	(4)	-	20
Total subsidiaries	2,537,631	2,673	(5,814)	(4)	(4)	2,534,482

<sup>(1)</sup> Company "controlled" by virtue of the stakes held by the subsidiaries.

The item "purchases/increases" refers mainly to the payment as "equity contribution" to the subsidiary Itinera Infrastructure and Concessions Inc for a total amount of €2.7 million.

The item "sales/decreases" refers to the return, in January 2020, of the share capital and reserves of Sias Parking S.p.A. in liquidation to the sole shareholder ASTM S.p.A. following the distribution plan that took place upon approval of the final liquidation balance sheets. It should also be noted that in February 2020 the company Sias Parking S.p.A. in liquidation was removed from the register of companies.

The main figures relating to the subsidiary companies are shown below:

Investee Company	Registered office	Share capital	No. of Shares (Stakes)	Shareholders' equity	Profit/(loss)	Financial statement data as at	% of equity investment
IGLI S.p.A. <sup>(1)</sup>	20135 Milan - Viale Isonzo 14/1	37,130	37,130,000	470,084	(97,893)	31/12/2020	100.00%
ITINERA S.p.A. <sup>(1)</sup>	15057 Tortona (AL), Via Balustra 15	86,837	86,836,594	102,152	(90,822)	31/12/2020	66.12%
SINA S.p.A. <sup>(2)</sup>	20135 Milan - Viale Isonzo 14/1	10,141	4,056,250	76,334	9,771	31/12/2020	100.00%
Itinera Infrastructure and Concessions Inc <sup>(3)(4)</sup>	10965 Pearl River New York (USA) - 1 Bue Hill Plaza, 16th Floor	5,500	2,500	412	(3,322)	31/12/2020	100.00%
SAV S.p.A. <sup>(2)</sup>	11024 - Chatillon (AO) - Strada Barat 13	24,000	24,000,000	171,217	(901)	31/12/2020	65.09%
SALT p.A. <sup>(2)</sup>	55041 Lido di Camaiore (LU) - Via Don E. Tazzoli, 9	160,301	160,300,938	804,199	97,613	31/12/2020	95.23%
A.T.I.V.A. S.p.A. <sup>(2)</sup>	10156 Turin - Strada della Cebrosa, 86	44,931	6,418,750	98,612	12,559	31/12/2020	72.34%
SATAP S.p.A. <sup>(2)</sup>	10144 Turin - Via Bonzanigo, 22	158,400	158,400,000	953,755	35,489	31/12/2020	99.87%
SINELEC S.p.A. <sup>(2)</sup>	15057 Tortona (AL) - S.P.211 Lomellina 3/13 Loc. San Guglielmo	7,383	1,476,687	44,389	10,291	31/12/2020	86.79%
Sistemi e Servizi S.c.ar.l. <sup>(2)</sup>	15057 Tortona (AL) - S.P.211 Lomellina 3/13 Loc. San Guglielmo	100	100,000	72	(12)	31/12/2020	28.00%

(1) Parent Company Financial Statements prepared in accordance with international accounting standards.

(2) Parent Company Financial Statements prepared in accordance with national/OIC accounting standards.

(3) Data presented according to the IFRS accounting standards adopted by the Group through the preparation of a specific reporting package.

(4) The figures of Itinera Infrastructure and Concessions Inc are expressed in USD.



## 2.b – Equity investments in associated companies

Changes to equity investments in associated companies during the period were as follows:

	31/12/2019	Changes during the period			31/12/2020
		Purchases/Increases	Sales/Decreases	Reclassifications/other changes	
Equity investments:					
Edilrovaccio 2 S.r.l., in liquidation	-	-	-	-	-
Ativa Immobiliare S.p.A.	2,122	-	-	-	2,122
Road Link Holdings Ltd	6,257	-	-	-	6,257
SITAF S.p.A.	190,355	272,020	-	-	462,375
Tangenziale Esterna S.p.A.	108,844	-	-	(7)	108,837
Tangenziali Esterne di Milano S.p.A.	28,967	-	-	(1)	28,966
Total	336,545	272.020	-	(8)	608,557

The item "purchases" refers to the purchase of 2,437,637 ordinary shares equal to 19.347% of the share capital of SITAF S.p.A. For the reasons extensively discussed in the explanatory notes under "Changes in the scope of consolidation" in the Consolidated Financial Statements, at present ASTM holds - directly and through its subsidiaries - 8,469,482 ordinary shares of SITAF, equal to 67.22% of the share capital, which guarantee it the majority of the share capital and voting rights of SITAF S.p.A.. However, pursuant to IFRS 10 these voting rights are not substantial and therefore do not guarantee ASTM control of SITAF S.p.A. and, consequently, the subsidiary SITAF S.p.A. at 31 December 2020 is classified as an associate.

As at 31 December 2020, 105,710,757 shares of the investee company Tangenziale Esterna S.p.A. were pledged in favour of the lending banks as part of a project financing transaction.

The main figures relating to the aforementioned equity investments are shown below:

Company	Registered office	Share capital	No. of Shares (Stakes)	Shareholders' equity	Profit/(loss)	Financial statement data as at	% of equity investment
Edilrovaccio 2 S.r.l. in liquidation <sup>(1)</sup>	10143 Turin - Via Michele Schina, 5	46	45,900	(585)	(25)	31/12/2019	20.00%
Ativa Immobiliare S.p.A. <sup>(1)</sup>	10156 Turin - Strada della Cebrosa, 86	1,100	6,418,750	2,096	49	31/12/2019	49.99% <sup>(3)</sup>
Road Link Holdings Ltd <sup>(2)</sup>	Northumberland NE43 7TN UK	1	1,000	1	4,750	31/03/2020	20.00%
SITAF S.p.A. <sup>(1)</sup>	10059 Susa (TO) - Fraz. San Giuliano, 2	65,016	12,600,000	393,226	32,835	31/12/2019	66.07%
Tangenziale Esterna S.p.A. <sup>(1)</sup>	20124 Milan - Via F. Filzi, 25	464,945	464,945,000	281,672	(15,001)	31/12/2020	22.74%
Tangenziali Esterne di Milano S.p.A. <sup>(1)</sup>	20124 Milan - Via F. Filzi, 25	220,345	293,792,811	230,989	(494)	31/12/2020	12.95%

<sup>(1)</sup> Parent Company Financial Statements prepared in accordance with national/OIC accounting standards.

<sup>(2)</sup> The data relating to Road Link are shown in thousands of GBP.

<sup>(3)</sup> Net of Treasury Shares held by the company ATIVA Immobiliare S.p.A.

## 2.c - Equity investments in other businesses

The changes made during the period to "equity investments in other businesses" are shown below:

	31/12/2019			Changes during the year			31/12/2020		
	Original value	Adj. to Fair Value	Total	Purchases/Increases	Sales/decreases	Adj. to Fair Value	Original value	Adj. to Fair Value	Total
Assicurazioni Generali S.p.A.	5,037	1,310	6,347	-	-	(1,427)	5,037	(117)	4,920
<b>Total Level 1</b>	<b>5,037</b>	<b>1,310</b>	<b>6,347</b>	<b>-</b>	<b>-</b>	<b>(1,427)</b>	<b>5,037</b>	<b>(117)</b>	<b>4,920</b>
Interporto di Rivalta Scrivia S.p.A.	575	-	575	-	-	-	575	-	575
Milano – Serravalle Milano	51,844	174	52,018	-	(51,844)	(174)	-	-	-
Tangenziali S.p.A.									
<b>Total Level 3</b>	<b>52,419</b>	<b>174</b>	<b>52,593</b>	<b>-</b>	<b>(51,844)</b>	<b>(174)</b>	<b>575</b>	<b>-</b>	<b>575</b>
<b>Total</b>	<b>57,456</b>	<b>1,484</b>	<b>58,940</b>	<b>-</b>	<b>(51,844)</b>	<b>(1,601)</b>	<b>5,612</b>	<b>(117)</b>	<b>5,495</b>

### Fair value measurement hierarchy

**Level 1:** fair value calculated on the basis of the security listing on active markets.

**Level 2:** (not present) fair value determined based on different inputs other than the listing price described for Level 1, which can be directly (price) or indirectly (price derivatives) observed on the market

**Level 3:** fair value, not based on observable market data, determined based on the price reflected in recent appraisals or transactions, cost.



The changes made during the period are attributable to:

- the sale of the entire equity investment held in Milano Serravalle - Milano Tangenziali S.p.A. for a total amount of €67.4 million, thus achieving a capital gain<sup>1</sup> of €15.4 million;
- the adjustment of the equity investments at fair value (based on the market listings) with contra-item "Shareholders' equity" for €1.4 thousand.

As shown by the above table, as at 31 December 2020 the value of "other equity investments" included an amount equal to €0.1 million pertaining to their negative adjustment to fair value (positive for €1.5 million as at 31 December 2019).

The main figures relating to equity investments in other businesses are shown below:

Investee Company	Registered office	Share capital	No. of Shares (Stakes)	Shareholder s' equity	Profit/(loss)	Financial statement data as at	% of equity investment
Assicurazioni Generali S.p.A.	Trieste – Piazza Duca degli Abruzzi 2	1,569,773	1,569,773,403	15,078,904	1,514,628	31/12/2019	0.02%
Interporto Rivalta Scrivia S.p.A. <sup>(1)</sup>	Rivalta Scrivia (AL) - Strada Savonesa 12/16	11,848	22,785,000	83,780	822	31/12/2019	4.34%

<sup>(1)</sup> Parent Company Financial Statements prepared in accordance with national/OIC accounting standards.

Information about the performance of the subsidiaries, associated companies and the main income and financial data of those companies is shown in the Management Report and in the Explanatory Notes to the Consolidated Financial Statements.

## 2.d – Other non-current financial assets

This item, equal to €1,727,664 thousand (€1,578,597 thousand as at 31 December 2019) is formed as follows:

	31 December 2020	31 December 2019
Loans	1,712,098	1,563,417
Other financial assets	15,566	15,180
<b>Total</b>	<b>1,727,664</b>	<b>1,578,597</b>

The item "loans" - equal to a total of €1,712,098 thousand (€1,563,417 thousand as at 31 December 2019) - includes the financial receivables that ASTM S.p.A. is owed, by several subsidiaries and associated companies following the transfer to them—through specific intercompany loan agreements—of the cash from the funding collected by ASTM S.p.A. through (i) the issue of bonds relative to the EMTN programme and (ii) the subscription of short and medium- and long-term loan agreements (Note 12).

Changes during the period were as follows:

	31 December 2019	Disbursements/Increases	Reclassification	Transfers to current portion	Interest/Other changes	31 December 2020
SALT p.A.	149,652	150,000	-	-	(265)	299,387
SATAP S.p.A.	806,529	-	-	(35,000)	685	772,214
SAV S.p.A.	39,907	-	-	-	21	39,928
Autostrada dei Fiori S.p.A.	189,559	-	-	-	101	189,660
Tangenziale Esterna S.p.A.	103,786	-	-	-	7,424	111,210
Autostrada Asti-Cuneo S.p.A.	49,966	50,000	-	(50,000)	(121)	49,845
IGLI S.p.A.	71,500	-	-	-	-	71,500
Società di Progetto Autovia Padana S.p.A.	152,412	26,000	-	-	(164)	178,248
Edilrovaccio S.r.l. in liquidation	106	-	-	-	-	106
<b>Total loans</b>	<b>1,563,417</b>	<b>226,000</b>	<b>-</b>	<b>(85,000)</b>	<b>7,681</b>	<b>1,712,098</b>

In particular:

<sup>1</sup> This capital gain complies with the provisions of IFRS 9 and is recognised in the Shareholders' equity, in the "retained earnings", net of costs incurred for the sale.



- Receivables from SALT p.A.: refer (i) to the loan disbursed in 2014 for €149.7 million as part of the "2014-2024 bond"; this loan will expire on 11 February 2024, at the same time as said bond and (ii) for €149.7 million to the loan disbursed in 2020 as part of the loan agreement entered into between ASTM S.p.A. and Banca Intesa.
- Receivables due from SATAP S.p.A.: these refer (i) for €548 million to the loan, disbursed in 2018, relative to the "2018-2028 bond". This loan will mature on 8 February 2028, at the same time as said bond; (ii) for €119.8 million to the loan, disbursed in 2014, relative to the "2014-2024 bond". This loan will mature on 11 February 2024, at the same time as said bond and (iii) for €104.4 million to loans disbursed relative to BEI, Mediobanca, Unicredit and UBI funding; the latter are reimbursed according to an amortisation plan with continual six-monthly instalments between 15 June 2015 and 15 December 2024.
- Receivable due from SAV p.A.: this refers solely to the loan, disbursed in 2014, relative to the "2014-2024 bond". This loan will mature on 11 February 2024, at the same time as said bond.
- Receivable due from Autostrada dei Fiori S.p.A.: this refers solely to the loan, disbursed in 2014, relative to the "2014-2024 bond". This loan will mature on 11 February 2024, at the same time as said bond.
- Receivable due from Tangenziale Esterna S.p.A.: this refers to the interest-bearing loan granted to Tangenziale Esterna S.p.A., inclusive of interest accrued as at 31 December 2020 (for a total of €41 million). The change during the year is attributable exclusively to the interest accrued during the period and to the effect of the application of the amortised cost (€7.4 million).
- Receivables from Autostrada Asti Cuneo S.p.A.: this refers to a loan disbursed during the year for a total of €50 million, based on a loan agreement entered into between ASTM S.p.A. and Autostrada Asti Cuneo S.p.A. Caixa Bank S.A.
- Receivable due from IGLI S.p.A.: this refers to the loan equal to €71.5 million disbursed during previous financial years.
- Receivables due from Società di Progetto Autovia Padana S.p.A.: this refers to the loan equal to €178.2 million, of which €26 million disbursed during the 2020 financial year.
- Receivables due from Edilrovaccio S.r.l. in liquidation: this refers to the loan for €0.1 million disbursed during previous financial years.

The financial receivables for principal from SALT p.A., SATAP S.p.A., SAV S.p.A., Autostrada dei Fiori S.p.A., Società di Progetto Autovia Padana S.p.A. and Autostrada Asti Cuneo S.p.A., in addition to the related interest, were pledged in favour of the respective lending parties that provided the funding to ASTM S.p.A.

The above-mentioned loans are interest-bearing, on the basis of the contractual conditions agreed by the parties, with the exception of those disbursed to the subsidiary IGLI S.p.A. and to the associated company Edilrovaccio S.r.l. in liquidation.

The item "*other financial assets*" amounted to €15.6 million as at 31 December 2020 (€15.2 million as at 31 December 2019) and includes (i) the asset recognised in light of the purchase of shares in Tangenziale Esterna S.p.A. (€3.6 million) from Itinera S.p.A. with a payable recognised for the same amount as a contra-entry and (ii) the Pharus Sicav investment fund, subscribed in previous years as a cash investment (€12 million). The change in the period refers exclusively to the fair value adjustment at 31 December 2020 of the investment fund Pharus Sicav (€0.4 million).

### Note 3 – Deferred tax assets

This item totalled €4,013 thousand (€5,900 thousand as at 31 December 2019). For the breakdown and changes to this item, please refer to Note 24 – Income taxes.



## Note 4 – Trade receivables

This item, equal to €11,009 thousand (€3,532 thousand as at 31 December 2019), mainly relates to recharges of costs for consulting services to Itinera S.p.A. (€3.3 million), to Società Autostrada Ligure Toscana p.A. (€2.4 million), to SATAP S.p.A. (€1.9 million), to Autostrada dei Fiori S.p.A. (€1.3 million), to IGLI S.p.A. (€0.4 million), to Asti Cuneo (€0.3 million) and to Sinelec S.p.A. (€0.2 million).

## Note 5 – Current tax assets

This item, equal to €6,409 thousand (€10,441 thousand as at 31 December 2019) relates (i) for €3.7 million to the corporate income tax (IRES) receivable (relating to the request for reimbursement presented by the acquiree SIAS S.p.A. as consolidating company pursuant to Art. 2, paragraph 1-*quater* of Decree Law No. 201 of 6 December 2011), (ii) for €2.5 million to the receivable from the tax authorities for VAT accrued under the Group VAT procedure and (iii) for €0.2 million to the IRAP credit for the year.

## Note 6 – Other receivables

This item can be broken down as follows:

	31 December 2020	31 December 2019
receivables from parent companies	1,556	1,512
receivables from subsidiaries	19,531	12,965
receivables from subsidiaries of the parent company	30	47
from others	9,433	2,193
<b>Total</b>	<b>30,550</b>	<b>16,717</b>

*"Receivables from parent companies"*, equal to €1.5 million, essentially refer to the receivable due from the parent company Aurelia S.r.l. arising from the tax consolidation procedure by that parent company (€1.5 million as at 31 December 2019); the procedure was interrupted by the Company in September 2018, with effect as of 1 January 2018.

*"Receivables from subsidiaries"* refer to receivables from subsidiaries within the scope of the "tax consolidation" (€17.5 million) and to receivables from subsidiaries, mainly for assessments for seconded personnel (€2 million).

The change in the item "receivables from others" equal to €7.3 million as at 31 December 2020 compared to the same period last year is attributable for (i) €5.8 million to the residual receivable to be collected on the sale of the equity investment of Milano Serravalle - Milano Tangenziali S.p.A. (receivable collected in January 2021), (ii) for €1.9 million to the increase in prepaid expenses and (iii) for €0.4 million to the decrease in other receivables.



## Note 7 – Other current financial assets

This item totalled €222,208 thousand (€733,380 thousand as at 31 December 2019); the changes occurred in the year are detailed below:

	31 December 2019	Disbursements/Increases	Reimbursements	Transfers to current portion	Interest/Other changes	31 December 2020
SALT p.A.	458,943	-	(450,000)	-	(3,941)	5,002
SATAP S.p.A.	108,830	-	(85,000)	35,000	(417)	58,413
SAV S.p.A.	7,991	-	(6,667)	-	8	1,332
Autostrada dei Fiori S.p.A.	6,326	-	-	-	2	6,328
Autostrada Asti-Cuneo S.p.A.	150,506	100,000	(150,000)	50,000	(221)	150,285
Società di Progetto Autovia Padana S.p.A.	282	-	-	-	64	346
ATIVA Immobiliare S.p.A.	502	-	-	-	-	502
<b>Total loans</b>	<b>733,380</b>	<b>100,000</b>	<b>(691,667)</b>	<b>85,000</b>	<b>(4,505)</b>	<b>222,208</b>

The above-mentioned loans are interest-bearing, on the basis of the contractual conditions agreed by the parties.

## Note 8 – Cash and cash equivalents

These consist of:

	31 December 2020	31 December 2019
Bank and postal deposits	140,063	38,052
Cash and cash equivalents on hand	5	5
<b>Total</b>	<b>140,068</b>	<b>38,057</b>

For details of the changes, please see the cash flow statement.





## Note 9 – Shareholders' equity

### 9.1 – Share capital

As at 31 December 2020, the share capital consisted of 140,514,895 Ordinary Shares with no nominal value, for a total value of €70,257 thousand, entirely subscribed and paid in.

The Share capital includes an amount of €11.8 million consisting of revaluation reserves pursuant to Italian Law 72/83. In case of distribution, these reserves will constitute income for the Company, pursuant to current tax regulations.

Pursuant to IAS 1 and IAS 32, the nominal value of Treasury Shares is posted as an adjustment to the Share capital. The balance as at 31 December 2020 is provided in the table below:

	No. of shares	Nominal value (€)	% of the Share capital	Average unit value (€)	Total countervalue (€ '000s)
<b>31 December 2019</b>	<b>7,794,028</b>	<b>3,897,014</b>	<b>5.547%</b>	<b>12.36</b>	<b>96,344</b>
Purchases	777,012	388,506	0.553%	15.00	11,658
<b>31 December 2020</b>	<b>8,571,040</b>	<b>4,285,520</b>	<b>6.100%</b>	<b>12.60</b>	<b>108,002</b>

With regard to the above-mentioned aspects, the share capital as at 31 December 2020 is as follows (€ '000s):

Share capital	<b>70,257</b>
Treasury Shares held	(4,285)
<b>"Adjusted" Share capital</b>	<b>65,972</b>

### 9.2 – Reserves and earnings

#### 9.2.1 – Share premium reserve

This item totalled €147,361 thousand and was unchanged from 31 December 2019.

#### 9.2.2 – Revaluation reserves

This item totalled €9,325 thousand (€9,325 thousand as at 31 December 2019).

In the event of distribution, the revaluation reserves will constitute income for the Company and the Shareholders.

#### 9.2.3 – Legal reserve

The legal reserve amounted to €14,051 thousand (€10,538 thousand at 31 December 2019), increased during the year by €3,513 thousand, following the allocation of 2019 profits. At 31 December 2020, it had reached one-fifth of the Share capital required by Article 2430 of the Italian Civil Code.

#### 9.2.4 – Merger excess

This totalled €699,497 thousand (€699,497 thousand as at 31 December 2019) and includes the effects resulting from the merger by incorporation of SIAS S.p.A. into ASTM S.p.A. that took place during the previous financial year. This item includes, for €5,434 thousand, the revaluation reserve present in the Shareholders' equity of the acquiree SIAS and reconstituted pursuant to Art. 172, paragraph 5 of the Consolidated Law on Income Tax (TUIR). The revaluation reserve, in the event of distribution, will constitute income for the Company and the Shareholders.



#### 9.2.5 – Reserve for the purchase of Treasury Shares

This “unavailable” reserve was created to purchase Treasury Shares, in execution of Shareholders’ Meetings resolutions. It totalled €108,002 thousand (€96,344 thousand as at 31 December 2019). This reserve was constituted by reclassifying the item “Retained earnings”. The change during the year refers to the purchase of additional Treasury Shares.

#### 9.2.6 – Purchased Treasury Shares

This item represents the contra-item paid to purchase Treasury Shares. As illustrated in the “Valuation criteria”, this amount, totalling €103,717 thousand, adjusts the Shareholders’ equity reserves (net of the nominal value of Treasury Shares, amounting to €4,285 thousand, which is deducted directly from the “share capital”).

#### 9.2.7 – Reserve for revaluation at fair value

This item was established and moved as a direct contra-entry to the fair value measurement of the financial assets classed as “Equity investments in other businesses”. As at 31 December 2020 the reserve was negative for €0.1 million (positive for €1,481 thousand as at 31 December 2019). For the changes to this item, refer above to Note 2.c. “Equity investments in other businesses”.

#### 9.2.8 – Capital reserves

This item totalled €34,059 thousand and was unchanged from 31 December 2019.

#### 9.2.9 - Reserve for discounting employee benefits

This item includes the actuarial profit and loss relating to employee benefits. As at 31 December 2020, this item showed a negative balance equal to €52,000 (negative balance of €67,000 as at 31 December 2019).

#### 9.2.10 – Retained earnings

As at 31 December 2020, this item amounted to €1,661,972 thousand (€1,494,533 thousand as at 31 December 2019). The change for the year - an increase of €167.4 million - is the result of (i) the allocation of the profit for the 2019 year, net of the portion allocated to the legal reserve, (+164.3), (ii) the capital gain, realised following the sale of the equity investments held in Milano Serravalle - Milano Tangenziali S.p.A. (+€14.8 million) classified, in accordance with IFRS 9, under this item and (iii) the purchase of Treasury Shares and the consequent reclassification to the “Reserve for purchase of Treasury Shares” (-€11.7 million).

#### 9.3 – Profit (loss) for the year

This item refers to Profit/loss for the period equal to €92,436 thousand (€167,771 thousand in 2019).



The table below highlights the analysis of the “nature, possibility of use and distribution of Shareholders’ equity items” as at 31 December 2020, in addition to their possible drawdown in the last three years.

Nature and description of Shareholders’ equity items	31/12/2020	Possibility of use	Quota available	Drawdowns in the last three years
Share capital	65,972	(1)		
Share premium reserve	147,361	A, B, C	147,361	
Revaluation reserves	9,325	A, B, C (2)	9,325	
Capital reserves	34,059	A, B, C	34,059	
Legal reserve	14,051	B		
Reserve for the purchase of Treasury Shares	4,285	(3)		
Merger excess	699,497	A, B, C (4)	699,497	
Retained earnings (losses)	1,661,972	A, B, C	1,661,972 (2)	
Reserve for revaluation at fair value and discounting effect of Employee Benefits	- 169			
<b>Total quota available</b>			<b>2,552,214</b>	
Quota that cannot be distributed			-	
<b>Residual quota that can be distributed</b>			<b>2,552,214</b>	

KEY:

- A: for share capital increase  
 B: to cover losses  
 C: for distribution to shareholders

(1) Net of the nominal value of Treasury Shares in portfolio (equal to €4,285 thousand).

(2) In the case of distribution to shareholders, these reserves are subject to a tax charge in compliance with the individual reference law. Any distribution will also be subordinate to compliance with the provisions of Art. 2445, paragraphs 2 and 3 of the Italian Civil Code.

(3) This is the residual amount of the reserve, consequent to the purchase of Treasury Shares (since the nominal value of the Treasury Shares in portfolio decreased the share capital).

(4) The amount of the merger excess includes for €5.4 million the amount of the revaluation reserve posted to the financial statements of SIAS S.p.A. merged by incorporation into ASTM in 2019.

## Note 10 – Provisions for risks and charges

The item "other provisions" amounting to €4,672 thousand (€1,929 thousand at 31 December 2019) includes the presumed amounts of premiums, including grants, relating to the "managerial incentive scheme".

## Note 11 – Employee benefits

As at 31 December 2020, this item totalled €667 thousand (€764 thousand as at 31 December 2019). Changes during the period were as follows:

<b>1 January 2020</b>	<b>764</b>
Period contributions (*)	43
Indemnities advanced/liquidated during the period	(22)
Transfers and other changes	(118)
<b>31 December 2020</b>	<b>667</b>

(\*) inclusive of the actuarial gains posted to the statement of comprehensive income equal to €15,000



The tables below show the economic/financial and demographic assumptions respectively used for the actuarial appraisal of these liabilities.

#### Economic/financial assumptions

Annual discount rate	0.53% <sup>(1)</sup>
Annual inflation rate	0.80%
Annual rate of increase in severance pay	2.10%
Annual rate of salary increases	From 1.00% to 2.50%

#### Demographic assumptions

Mortality	RG 48 tables
Disability	INPS tables by age and gender
Retirement age	100% of requirements met
% of frequency of advances	1%
Revenues	3.00%

<sup>(1)</sup> In line with the requirements of the Order of Actuaries, the discounting process used the annual rate deriving from the *iBoxx Euro Corporate Bond index with "A" rating* as per the previous financial year, since it is considered most representative of the reality in which the Company operates. If the Company had used the *iBoxx Euro Corporate Bond index with "AA" rating*, the payable for the "employee benefits" would be greater than around €13,000, with an effect on the Shareholders' equity equal to around €10,000 net of the related tax effect.

## Note 12 – Bank debt (non-current)

As at 31 December 2020, this item totalled €966,616 thousand (€673,069 thousand as at 31 December 2019). The changes compared to the previous financial year are shown below:

	31/12/2019	Changes				31/12/2020
		Disbursements	Reimbursements	Transfers to current portion	Net accruals and deferrals	
Bank debt (non-current)	673,069	456,000	-	(161,843)	(610)	966,616

The tables below show medium-term bank debt as at 31 December 2020 and as at 31 December 2019, indicating the related balance due (current and non-current portion) and summarising the principal conditions applied to each liability.

Lending bank	Holding/Intercompany Loan <sup>(1)</sup>	Maturity	Initial amount	Interest rate	Balance as at 31 December 2020	Within 1 year	1 to 5 years	Beyond 5 years
Pool Unicredit, BNL, Caixa, Credit Agricole, BBVA, BPM	ASTM	30/06/2024	234,099	Variable	234,099	53,843	180,256	-
BPM	ASTM	14/11/2024	100,000	Variable	100,000	-	100,000	-
Pool Unicredit, Credit Agricole, BNL, BPM	ASTM	09/10/2025	230,000	Variable	230,000	23,000	207,000	-
BPM	Asti Cuneo	30/04/2021	30,000	Variable	30,000	30,000	-	-
BPM	Asti Cuneo	30/04/2021	20,000	Variable	20,000	20,000	-	-
UBI	Asti Cuneo	14/05/2021	50,000	Variable	50,000	50,000	-	-
BNL	Asti Cuneo	03/11/2021	50,000	Variable	50,000	50,000	-	-
CAIXA	Asti Cuneo	02/05/2022	50,000	Variable	50,000	-	50,000	-
Unicredit Intesa Cariparma pool	Autovia Padana	15/12/2033	180,000	Variable/IRS	180,000	-	21,960	158,040
Mediobanca, UniCredit and UBI (BEI funding)	SATAP	15/12/2024	24,500	Variable	14,000	3,500	10,500	-
Mediobanca, UniCredit and UBI	SATAP	15/12/2024	143,500	Variable/IRS	82,000	20,500	61,500	-
BEI	SATAP	15/12/2024	77,000	Variable	44,000	11,000	33,000	-
Banca Intesa	SALT	06/03/2023	150,000	Variable	150,000	-	150,000	-
<b>Total</b>					<b>1,234,099</b>	<b>261,843</b>	<b>814,216</b>	<b>158,040</b>
<b>Net accruals and deferrals</b>					<b>(5,747)</b>	<b>(107)</b>	<b>(4,723)</b>	<b>(917)</b>
<b>Total</b>					<b>1,228,352</b>	<b>261,736</b>	<b>809,493</b>	<b>157,123</b>
<b>Total bank debt (non-current)</b>							<b>966,616</b>	

<sup>(1)</sup> Company to which the cash from the subscription of the bank loan was transferred—through specific intercompany loan agreements.

Almost all the medium- and long-term loan contracts in place as at 31 December 2020 require compliance with certain economic and financial parameters (covenants) that are normal for loans of this type. These parameters, up to 31 December 2020, were met.



Lending bank	Holding/Intercompany Loan <sup>(1)</sup>	Maturity	Initial amount	Interest rate	Balance as at 31 December 2019	Within 1 year	1 to 5 years	Beyond 5 years
Pool Unicredit, BNL, Caixa, Credit Agricole, BBVA, BPM	ASTM	30/06/2024	234,099	Variable	234,099	-	234,099	-
BPM	ASTM	14/11/2024	100,000	Variable	100,000	-	100,000	-
CAIXA	Asti Cuneo	01/11/2020	50,000	Variable	50,000	50,000	-	-
BPM	Asti Cuneo	30/04/2021	30,000	Variable	30,000	-	30,000	-
BPM	Asti Cuneo	30/04/2021	20,000	Variable	20,000	-	20,000	-
BNL	Asti Cuneo	16/06/2020	50,000	Variable	50,000	50,000	-	-
UBI	Asti Cuneo	30/06/2020	50,000	Variable	50,000	50,000	-	-
Unicredit Intesa Cariparma pool	Autovia Padana	15/12/2033	154,000	Variable/IRS	154,000	-	8,624	145,376
Mediobanca, UniCredit and UBI (BEI funding)	SATAP	15/12/2024	24,500	Variable	17,500	3,500	14,000	-
Mediobanca, UniCredit and UBI	SATAP	15/12/2024	143,500	Variable/IRS	102,500	20,500	82,000	-
BEI	SATAP	15/12/2024	77,000	Variable	55,000	11,000	44,000	-
BEI	SAV	15/12/2020	25,000	IRS	4167	4167	-	-
Mediobanca, UniCredit and UBI (BEI funding)	SAV	15/12/2020	15,000	IRS	2500	2500	-	-
<b>Total</b>					<b>819,766</b>	<b>191,667</b>	<b>532,723</b>	<b>145,376</b>
<b>Net accruals and deferrals</b>					<b>(5,140)</b>	<b>(110)</b>	<b>(3,520)</b>	<b>(1,510)</b>
<b>Total</b>					<b>814,626</b>	<b>191,557</b>	<b>529,203</b>	<b>143,866</b>
<b>Total bank debt (non-current)</b>							<b>673,069</b>	

<sup>(1)</sup> Company to which the cash from the subscription of the bank loan was transferred—through specific intercompany loan agreements.

## Note 13 – Other financial liabilities (non-current)

This item, equal to €1,042,704 thousand (€1,041,270 thousand as at 31 December 2019) is formed as follows:

	31 December 2020	31 December 2019
2014-2024 bond	498,182	497,638
2018-2028 bond	543,447	542,590
Other financial liabilities	1,075	1,042
<b>Total</b>	<b>1,042,704</b>	<b>1,041,270</b>

The item “2014-2024 bond” refers to the senior secured bond of €500 million issued in February 2014. The bonds issued have a minimum unit of €100 thousand and were placed at an issue price (“below par”) of €99.466 only with qualified investors. These bonds are governed by English law and traded at the Irish Stock Exchange.

In compliance with IFRS, this item was posted net of the cost incurred for the issue/listing and of the issue discounts.

The bonds have the following principal features:

- duration: 10 years;
- coupon: 3.375% per year, gross;
- redemption: bonds will be redeemed upon maturity (13 February 2024) in a lump sum at par value.

The item “2018-2028 bond” refers to the senior secured bond of €550 million issued in February 2018. The bonds issued have a minimum unit of €100 thousand and were placed at an issue price (“below par”) of €98.844 only with qualified investors. These bonds are governed by English law and traded at the Irish Stock Exchange.

In compliance with IFRS, this item was posted net of the cost incurred for the issue/listing and of the issue discounts.



The bonds have the following principal features:

- duration: 10 years;
- coupon: 1.625% per year, gross;
- redemption: bonds will be redeemed upon maturity (8 February 2028) in a lump sum at par value.

The item *"other financial liabilities"* can be attributed to the non-current portion of payables relative to leasing contracts recognised in compliance with IFRS 16.

## Note 14 – Deferred tax liabilities

This item amounts to zero (€2 thousand at 31 December 2019).

## Note 15 – Trade payables (current)

Trade payables totalled €5,439 thousand (€11,486 thousand as at 31 December 2019).

## Note 16 – Other payables (current)

This item, equal to €23,964 thousand as at 31 December 2019 (€19,379 thousand as at 31 December 2019) is formed as follows:

	31 December 2020	31 December 2019
Payables to subsidiaries	21,232	13,754
Payables to subsidiaries of the parent company	258	-
Payables to welfare organisations	430	643
Other payables	2,044	4,982
<b>Total</b>	<b>23,964</b>	<b>19,379</b>

The item *"payables to subsidiaries"* was mainly due for (i) €13.5 million to the payable in relation to the tax consolidation, (ii) €3.6 million to the payable to Itinera for the purchase of additional shares of Tangenziale Esterna S.p.A. and (iii) €2.3 million to the payable to SATAP S.p.A., mainly due to the Group VAT procedure.

The item *"other payables"* mainly includes the payables due to shareholders for dividends to be paid (€0.3 million) and payables to employees (€1.5 million).

## Note 17 – Bank debt (current)

As at 31 December 2020, this item totalled €261,736 thousand (€191,557 thousand as at 31 December 2019). The changes compared to the previous financial year are shown below:

	31/12/2019	Changes				31/12/2020
		Disbursements	Reimbursements	Transfers from non-current portion	Net accruals and deferrals	
Bank debt for loans	191,557	100,000	(192,226)	161,843	562	261,736
<b>Total</b>	<b>191,557</b>	<b>100,000</b>	<b>(192,226)</b>	<b>161,843</b>	<b>562</b>	<b>261,736</b>



## Note 18 – Other financial liabilities (current)

As at 31 December 2020, this item totalled €256,037 thousand (€751,406 thousand as at 31 December 2019). The breakdown and changes during the financial year are shown below:

	31 December 2019	Reimbursements	Interest, amortised cost and other changes	31 December 2020
Payables for intercompany loan	224,907	-	7,757	232,664
2010-2020 bond	503,349	(522,500)	19,151	-
2014-2024 bond	14,887	(16,875)	16,880	14,892
2018-2028 bond	8,007	(8,938)	8,941	8,010
Other payables	256	-	215	471
<b>Total</b>	<b>751,406</b>	<b>(548,313)</b>	<b>52,944</b>	<b>256,037</b>

The change in the item "other financial liabilities" is mainly due to the repayment, on 26 October 2020, of the "2010-2020 bond".

The item "payables for intercompany loan" refers to (i) the interest-bearing loan granted on 6 April 2017 by the subsidiary Autostrada dei Fiori S.p.A. for an amount equal to €50 million, maturing on 31 December 2020 and renewed for one year and (ii) the interest-bearing loan granted on 24 February 2016 by the subsidiary SATAP S.p.A. for an amount equal to €160 million and maturing on 15 December 2020 and renewed for one year. Total interest has accrued on the loans disbursed by the subsidiaries SATAP S.p.A. and Autostrada dei Fiori S.p.A. equal to €22.7 million.

The items "2014-2024 bond" and "2018-2028 bond" refer to the payable to the bondholders for the interest accrued as at 31 December 2020.

The item "other payables" mainly includes the short-term quota of the payables due for leases pursuant to IFRS 16.

## Note 19 – Current tax liabilities

Current tax liabilities amounted to €7,073 thousand (€1,424 thousand as at 31 December 2019) and refer for (i) €6 million to the IRES liability accrued in the context of the tax consolidation and for (ii) €1.1 million to the IRPEF liability as substitute tax.



## Explanatory Notes – Information on the income statement

### Note 20 – Financial income and expenses

#### 20.1 – Financial income

This item breaks down as follows:

	2020	2019
<b>Income from equity investments:</b>		
- income from subsidiaries	93,539	149,682
- income from associated companies	389	1,043
- income from other businesses	173	496
<b>Total</b>	<b>94,101</b>	<b>151,221</b>

The item "*income from subsidiaries*" was due to the collection of reserves distributed during the year, by SATAP S.p.A. (€50.6 million), SALT p.A. (€24.5 million), Sinelec S.p.A. (€8.3 million), SINA S.p.A. (€5.5 million) and ATIVA S.p.A. (€4.6 million).

"*Income from associated companies*" refers to the dividends paid, over the year, by the associated company Road Link Holdings Ltd.

"*Income from other businesses*" refers to the dividends paid, over the year, by the company Assicurazioni Generali S.p.A. (€0.2 million).

#### 20.2 – Other financial income

	2020	2019
<b>Interest income and other financial income</b>		
- from credit institutions	8	9
- from intercompany loans	83,992	87,766
- from financial assets and other	1,201	2,106
<b>Total</b>	<b>85,201</b>	<b>89,881</b>

The item income "*from credit institutions*" refers to the interest accrued, during the year, on the current accounts.

The item income "*from intercompany loans*" relates to the interest pertaining to the year accrued on the intercompany loans disbursed to the subsidiaries and associated companies. Income from intercompany loans is offset by financial expenses, attributable to the financial funding raised by the Company through the issue of bonds and the opening of loans.

The item income "*from financial assets and other*" mainly includes the fair value adjustment of the Pharus Sicav investment fund (€+0.4 million).





### 20.3 – Interest and other financial expenses

This item breaks down as follows:

	2020	2019
<b>Interest expense to credit institutions</b>		
- on loans	10,048	8,358
- on current account overdrafts	-	30
<b>Miscellaneous interest expense:</b>		
- from financial discounting	8	12
- from intercompany loans	7,757	7,676
- from 2010-2020 bond	19,151	23,396
- from 2014-2024 bond	17,424	17,400
- from 2018-2028 bond	9,798	9,780
- from rights of use contracts	36	46
<b>Other financial expenses:</b>		
- other financial expenses	2,416	1,652
<b>Total</b>	<b>66,638</b>	<b>68,350</b>

Interest expense “*on loans*” refers to the interest from the year accrued on the short-, medium- and long-term loans taken out by the Company.

Interest expense “*from intercompany loans*” refers mainly to the interest accrued on the loans obtained by the subsidiary SATAP S.p.A. (€5.9 million) and by the subsidiary Autostrada dei Fiori S.p.A. (€1.9 million).

Interest expense on the “*2010-2020 bond*” represents the expenses from the year related to the bond issued in October 2010 and redeemed in October 2020.

Interest expense on the “*2014-2024 bond*” represents the expenses from the year related to the bond issued in February 2014.

Interest expense on the “*2018-2028 bond*” represents the expenses from the year related to the bond issued in February 2018.

“*Other financial expenses*” are attributable to expenses and other bank fees.

### Note 21 – Value adjustments of financial assets

As at 31 December 2020, the item “*write-downs*” totalled €4 thousand (€71 thousand in 2019). This refers to the write-down made to the value of the equity investment in Sistema e Servizi S.c.ar.l. to align it with the pro-rata share of Shareholders’ equity.



## Note 22 – Other operating income

This income breaks down as follows:

	2020	2019
Revenues from sales and services	5,680	5,480
Lease income	706	706
Re-debiting of costs and other income	6,158	2,739
<b>Total</b>	<b>12,544</b>	<b>8,925</b>

The item "*revenues from sales and services*" refers to management consulting services provided to subsidiaries.

The item "*re-debiting of costs and other income*" refers mainly to the re-debits made to subsidiaries and associated companies for seconded personnel and other services provided by the parent company ASTM.

## Note 23 – Other operating costs

### 23.1 Payroll costs

This item can be broken down as follows:

	2020	2019
Salaries and wages	5,979	5,737
Social security contributions	1,579	1,522
Allocations to payroll provisions	596	459
Other costs	1,437	1,167
<b>Total</b>	<b>9,591</b>	<b>8,885</b>

The change in the year, amounting to €0.6 million, is mainly due to a different composition of personnel.

The following tables show the punctual composition and average employee staffing broken down by category:

### Punctual composition of staff

	2020	2019
Executives	21	19
Middle managers	8	11
Office workers	8	9
<b>Total</b>	<b>37</b>	<b>39</b>

### Average composition of staff

	2020	2019
Executives	20	18
Middle managers	8	10
Office workers	9	8
<b>Total</b>	<b>37</b>	<b>37</b>



### 23.2. Costs for services

This expense item breaks down as follows:

	2020	2019
Consulting	8,094	5,355
Compensation and reimbursements for Directors and Statutory Auditors	3,030	6,116
Other payroll costs	127	257
IT services	475	33
Other costs for services	3,824	1,878
<b>Total</b>	<b>15,550</b>	<b>13,639</b>

The change in the item "*Consulting*" was mainly due to the costs incurred for the participation in tenders. These costs were re-debited to the subsidiaries and have a contra-entry in the revenue item "re-debiting of costs and other income".

In 2019, the item "*Compensation and reimbursements for Directors and Statutory Auditors*" also included the costs related to the Corporate Bodies of the company SIAS S.p.A., merged into ASTM S.p.A. in the previous year, following the extraordinary merger transaction.

### 23.3 Costs for raw materials

This item, equal to €18,000 (€18,000 in 2019), essentially refers to the costs for the purchase of low-value equipment and miscellaneous materials.

### 23.4 Other costs

This expense item breaks down as follows:

	2020	2019
Leases and rental expenses	91	113
Other operating expenses	7,006	4,542
<b>Total</b>	<b>7,097</b>	<b>4,655</b>

The change in "other expenses not included in operating expenses" of €3 million is mainly due to the disbursement made to the Piedmont Region to support the health emergency resulting from Covid 19 (+€3 million).

### 23.5 Depreciation and amortisation

This item breaks down as follows:

	2020	2019
<b>Intangible assets:</b>		
- Other intangible assets	-	9
<b>Tangible assets:</b>		
- Buildings	221	220
- Other assets	19	12
- Rights of use	340	232
<b>Total amortisation and depreciation</b>	<b>580</b>	<b>473</b>



## Note 24 – Taxes

This item can be broken down as follows:

	2020	2019
<b>Current taxes:</b>		
- Corporate income tax (IRES)	-	2,502
- Regional production tax (IRAP)	432	581
<b>Total</b>	<b>432</b>	<b>3,083</b>
<b>Taxes (prepaid)/deferred:</b>		
- Corporate income tax (IRES)	1,908	(57)
- Regional production tax (IRAP)	(21)	12
<b>Total</b>	<b>1,887</b>	<b>(45)</b>
<b>Taxes related to prior years</b>	<b>-</b>	<b>(16,452)</b>
<b>Income from tax consolidation</b>	<b>(2,387)</b>	<b>(421)</b>
<b>Total</b>	<b>(68)</b>	<b>(13,835)</b>

Current taxes are solely attributable to IRAP for the year, as the IRES taxable base was reduced to zero following the use of tax losses and "ACE" (so-called *Aiuto alla Crescita Economica* (economic growth aid)) surpluses from previous years.

The negative balance of deferred tax assets is essentially due to the reversal of such assets in relation to the use of the aforementioned tax losses and ACE surpluses.

Income from tax consolidation mainly refers to the transfer of the ACE deduction for the year to the Group taxation, in which ASTM S.p.A. participates as consolidator.

Reconciliation between "effective" and "theoretical" rates (Corporate income tax (IRES)):

	2020		2019	
<b>Period income before taxes</b>	<b>92,368</b>		<b>153,936</b>	
<b>Effective income taxes (from financial statements)</b>	<b>1,908</b>	<b>2.07%</b>	<b>2,445</b>	<b>1.59%</b>
<b>Lower taxes (compared to the theoretical rate):</b>				
- partially tax-exempt dividends	21,455	23.23%	34,478	22.40%
- other	77	0.08%	321	0.21%
<b>Higher taxes (compared to the theoretical rate):</b>				
- non-deductible write-downs	-	0.00%	-	0.00%
- effect of tax rate change	-	0.00%	-	0.00%
- non-deductible expenses	(1,272)	-1.38%	(299)	-0.19%
<b>Theoretical income taxes</b>	<b>22,168</b>	<b>24.00%</b>	<b>36,945</b>	<b>24.00%</b>

\* \* \*

The following tables illustrate, for the year in question and for the 2019 financial year, the amount of income and deferred tax expenses (posted to the Income statement) and deferred tax assets and liabilities (posted to the Balance sheet).

	2020	2019
<b>Deferred tax income related to: (*)</b>		
- taxes on tax loss	-	-
- prepaid tax allocation	(1,375)	(1,095)
<b>Total (A)</b>	<b>(1,375)</b>	<b>(1,095)</b>
<b>Deferred tax expenses related to: (*)</b>		
- reversal of deferred tax assets on the tax loss of the previous year	2,026	178
- reversal of other deferred tax assets	1,236	872
<b>Total (B)</b>	<b>3,262</b>	<b>1,050</b>
<b>Taxes (prepaid)/deferred (B) – (A)</b>	<b>1,887</b>	<b>(45)</b>

(\*) Deferred tax income and expenses are accounted for based on tax rates in effect at the time their "reversal" is expected.



	31 December 2020	31 December 2019
<b>Deferred tax credits related to: (*)</b>		
- costs deductible for cash and other changes	4,013	3,874
- taxes on tax loss	-	2,026
<b>Total</b>	<b>4,013</b>	<b>5,900</b>
<b>Deferred tax liabilities related to: (*)</b>		
- valuation of financial assets at fair value	-	(2)
<b>Total</b>	<b>-</b>	<b>(2)</b>

(\*) Deferred tax credits and liabilities are accounted for based on tax rates in effect at the time that their "repayment" is expected.

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## Note 25 – Significant non-recurring events and transactions

Without prejudice to the effects deriving from the Covid-19 pandemic, outlined in the Management Report, 2020 was not affected by significant non-recurring events and transactions, as defined in Consob Communication DEM/6064293<sup>1</sup>.

## Note 26 – Atypical and/or unusual transactions

Pursuant to Consob Communication No. DEM/6064296 of 28 July 2006, in 2020 the Company did not carry out any atypical and/or unusual transactions, as defined in the Communication, according to which an atypical and/or unusual transaction is one for which the significance/materiality, nature of the counterparty, subject matter of the transaction, transfer pricing mechanism used and timing of the event (e.g. close to year end) could raise doubts about: the accuracy/completeness of information in the financial statements, conflict of interest, asset protection and the protection of minority interests.

<sup>1</sup> Significant non-recurring transactions are transactions or events that are not frequently repeated as part of normal business activities.



## Other information

Information is shown below with regard to (i) the commitments undertaken by the Company, (ii) fair value measurement, (iii) financial risk management, (iv) fees paid to the Independent Auditors, (v) related-party transactions, (vi) Ecorodovias Infraestructura e Logística S.A. – IGLI S.p.A., (vii) information regarding the company that drafts the consolidated financial statements and (viii) public disbursement transparency disclosure. As regards information on the Company, on "**Significant subsequent events**", on the "**Business outlook**" and on the "**Proposal for destination of profits**", please refer to the "Management Report".

### (i) Commitments undertaken by the Company

In this regard, please note the following:

#### Operating guarantees

- The performance guarantee issued by ASTM S.p.A in favour of the Danish client *The Danish Road Directorate* on behalf of the subsidiary Itinera S.p.A. for works for the construction of the Storstrøm Bridge for a total amount of DKK 172 million; as at 31 December 2020, based on the progress of work, the commitment amounted to DKK 111.8 million (equal to €15 million converted at the exchange rate of 7.4409 as at 31 December 2020). This guarantee, issued for the good execution of the works, is reduced according to the progress of the works, subject to achievement of the milestones defined within the contract.
- ASTM S.p.A., in its capacity as ultimate parent company, and its subsidiary Itinera S.p.A. have both assumed an obligation to indemnify and have jointly acted as guarantors for the US insurance companies supporting Halmar International LLC in the issue of commercial bonds (bid bonds, performance bonds, etc.), in relation to the latter's operating performance and have respectively signed specific "Indemnity Agreements"; in the case of ASTM limited to a portion of USD 500 million (€407.5 million) used as at 31 December 2020 for USD 318 million (€259 million at the exchange rate of 1.2271 at 31 December 2020).
- Itinera Infraestructura and Concessions Inc. issued a Standby letter of credit for €5 million as bid bond in favour of the client Maryland Transportation Department, as part of the tender procedure called by the same client for the modernisation, construction of new additional toll traffic lanes and subsequent management for 50 years of the so-called Capital Beltway, a motorway system connecting to the city of Washington and ASTM stepped in as guarantor. In February 2021 following the tender process the Standby letter was returned as the tender was awarded to a third party.

#### Other commitments and guarantees

Following the agreements for investments in the Sistema Tangenziale Esterna, ASTM issued to the benefit of Tangenziale Esterna S.p.A., in the form of autonomous first demand performance bonds, €24.6 million to guarantee their commitments pursuant to the Equity Contribution Agreement, including the increase in equity reserve guarantees.

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#### *Commitments undertaken with the Revenue Office regarding payment of Group VAT*

The company provided guarantees to the Revenue Office—for a total amount of €49.5 million—related to the excess credit recognised as a result of the Group's VAT payment in the prior year with regard to Società di Progetto Autovia Padana S.p.A.

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On 3 December 2004, an “additional agreement” was signed between ANAS, ASTM S.p.A. and SATAP S.p.A. according to which – following the transfer to SATAP of the agreement for the “Turin-Milan” stretch – over time ASTM S.p.A. would maintain shareholding control of SATAP S.p.A. and would assume a guarantee towards ANAS S.p.A. equal to €75.1 million, which corresponds to the value of the assets in the ASTM cash funds that are not included in the business segment being allocated, exceeding 10% of the Shareholders’ equity of ASTM as stated in the Financial Statements as at 31 December 2004”.

## (ii) Assessing the fair value: additional information

Concerning the valuation of the fair value of financial instruments in compliance with IFRS 7, we specify the following:

### Assets

- non-current financial assets - receivables: the value posted to the Financial Statements represents their fair value
- cash and cash equivalents: the value posted to the Financial Statements represents their fair value
- equity investments in other businesses: the value posted to the Financial Statements represents their fair value

### Liabilities

- variable rate loans: the value posted to the Financial Statements represents their fair value
- trade payables: the value posted to the Financial Statements represents their fair value

\* \* \*

The “2014-2024 bond”, issued on 6 February 2014, is posted to the Financial Statements at nominal value net of issue charges. As this involves a listed financial instrument, shown below is a comparison between its market value and the corresponding values posted to the Financial Statements:

2014-2024 bond (€ million)	31 December 2020	31 December 2019
• value posted to the Financial Statements	513 <sup>(1)</sup>	513
• official market listing	544	551

<sup>(1)</sup> Payable: €498 million + interest: €15 million

The “2018-2028 bond”, issued on 8 February 2018, is posted to the Financial Statements at nominal value net of issue charges. As this involves a listed financial instrument, shown below is a comparison between its market value and the corresponding values posted to the Financial Statements:

2018-2028 bond (€ million)	31 December 2020	31 December 2019
• value posted to the Financial Statements	551 <sup>(1)</sup>	551
• official market listing	571	551

<sup>(1)</sup> Payable: € 543 million + interest: € 8 million



### (iii) **Financial risk management**

In compliance with IFRS 7, we specify that in the normal conduct of its business operations, ASTM S.p.A. is potentially exposed to the following financial risks:

- “market risk” mainly from exposure to interest rate fluctuations;
- “credit risk” deriving from the exposure to potential losses arising from the failure of the counterparty to meet its obligations;
- “liquidity risk” from a lack of financial resources suitable for business operations and repayment of liabilities assumed in the past.

The risks cited above are broken down in detail below:

#### *Market risk*

With regard to the risks connected with the *fluctuation of interest rates*, the strategy of ASTM S.p.A. is aimed at containing this risk, mainly through carefully monitoring the dynamics related to interest rates.

With reference to exposure to interest rates, the financial indebtedness of ASTM S.p.A. as at 31 December 2020 is expressed for 55% at fixed rate, and for a quota equal to 45% at variable rate.

Taking into account the portion of fixed rate borrowings and the fact that the majority of any changes to the interest rates of the variable rate loans would be conversely reflected on the existing loan agreements with the subsidiaries, the “sensitivity analysis” related to the change in interest rates is not significant.

#### *Counterparty creditworthiness risk for hedging agreements/foreign exchange risk*

ASTM pursues its strategy of limiting the risks connected with the fluctuation of interest and exchange rates by signing hedging agreements exclusively with counterparties (including international counterparties) of high credit standing and with recognised specific skills.

#### *Credit risk*

Credit risk is the Company’s exposure to potential losses arising from the failure of the counterparty to meet its obligations.

This risk can derive both from factors of a strictly technical-commercial or administrative-legal nature and from factors of a typically financial nature, i.e. the “credit standing” of the counterparty.

The Company manages credit risk using essentially subsidiary counterparties with high credit standing and does not have significant concentrations of credit risk.

Individual write-downs are instead made for credit positions which are individually significant and show objective status of partial or complete uncollectibility. The amount of the write-downs takes account of an estimate of the recoverable cash flows and the related collection date, future expenses and costs for recovery and the value of guarantees and deposits received from customers.

#### *Liquidity risk*

The “liquidity risk” is the risk that financial resources available may be insufficient to cover maturing obligations. ASTM S.p.A. believes that the flow of dividends deriving from investees, alongside the diversification of the financing sources and the cash funds of the credit lines, guarantee that the scheduled financial requirements will be satisfied. The reimbursement of loans is also guaranteed by the flows deriving from the subsidiaries and associated companies in receipt of the intercompany loans.

The table below show the breakdown of financial liabilities in place as at 31 December 2020 by maturity date. The amounts shown below also include interest payments (we clarify that the interest on variable-rate loans is calculated based on the last available rate as at the reference date, keeping it constant to maturity).





Lending bank	Total financial flows (**)		Maturity (*)					
	Capital	Interest	Within 1 year		2 to 5 years		Beyond 5 years	
			Capital	Interest	Capital	Interest	Capital	Interest
Pool Unicredit, BNL, Caixa, Credit Agricole, BBVA, BPM	234,099	2,158	53,843	894	180,256	1,264	-	-
BPM	100,000	1,868	-	604	100,000	1,264	-	-
Pool Unicredit, Crédit Agricole, BNL, BPM	230,000	10,339	23,000	2,975	207,000	7,364	-	-
BPM	30,000	60	30,000	60	-	-	-	-
BPM	20,000	40	20,000	40	-	-	-	-
UBI	50,000	84	50,000	84	-	-	-	-
BNL	50,000	272	50,000	272	-	-	-	-
CAIXA	50,000	291	-	196	50,000	95	-	-
Unicredit Intesa Cariparma pool	180,000	28,763	-	2,784	21,960	11,355	158,040	14,624
Mediobanca, UniCredit and UBI (BEI funding)	14,000	429	3,500	181	10,500	248	-	-
Mediobanca, UniCredit and UBI	82,000	1,402	20,500	566	61,500	836	-	-
BEI	44,000	1,475	11,000	605	33,000	870	-	-
Banca Intesa	150,000	-	-	-	150,000	-	-	-
	<b>1,234,099</b>	<b>47,181</b>	<b>261,843</b>	<b>9,261</b>	<b>814,216</b>	<b>23,296</b>	<b>158,040</b>	<b>14,624</b>
2014–2024 bond	500,000	67,500	-	16,875	500,000	50,625	-	-
2018–2028 bond	550,000	71,504	-	8,938	-	35,750	550,000	26,816
	<b>1,050,000</b>	<b>139,004</b>	<b>-</b>	<b>25,813</b>	<b>500,000</b>	<b>86,375</b>	<b>550,000</b>	<b>26,816</b>
Payables for IFRS 16 Leases loans	1,427	88	352	32	1,027	55	48	1
	<b>2,285,526</b>	<b>186,273</b>	<b>262,195</b>	<b>35,106</b>	<b>1,315,243</b>	<b>109,726</b>	<b>708,088</b>	<b>41,441</b>

The **credit lines** of ASTM S.p.A. can essentially be broken down as follows:

1. Bonds issued as part of the EMTN Programme;
2. Short-, medium- and long-term loans.
3. Uncommitted credit lines referring to current account overdraft/receivables conversion facilities to support working capital needs;
4. Committed credit lines to cover the operating needs of the company.

With reference to the bonds issued as part of the EMTN Programme, reference should be made to the description in *Note 13 – Other financial liabilities (non-current)* and *Note 18 – Other current financial liabilities*.

The “short-, medium- and long-term loans” of companies had all been disbursed as at the reporting date, except for:

- a loan granted by UniCredit S.p.A., Intesa SanPaolo S.p.A. and Credit Agricole S.p.A.;
- a loan granted by Cassa Depositi e Prestiti S.p.A.;
- a loan granted by Caixa Bank S.A.;
- a loan granted by Unicredit S.p.A. and Ubi Banca S.p.A.;
- a loan granted by UniCredit S.p.A.

The following table shows the company's "Short-, medium- and long-term committed loans", with separate indication of (i) amount of drawdowns (book value) and (ii) the amount available, still to be disbursed at 31 December 2020.

Lending bank	Loan amount	Amount of Drawdowns	Amount available
CAIXA	50,000	50,000	-
BEI Intermediato	14,000	14,000	-
BEI	44,000	44,000	-
Pool UniCredit, Mediobanca, UBI	82,000	82,000	-
BNL	50,000	50,000	-
UBI	50,000	50,000	-
BPM	50,000	50,000	-
Pool UniCredit, Intesa, Credit Agricole	270,000	180,000	90,000
BPM	100,000	100,000	-
Banca Intesa	150,000	150,000	-
Pool UniCredit, BNL, Caixa, Credit Agricole, BBVA, BPM	234,099	234,099	-
Pool UniCredit, Crédit Agricole, BNL, BPM	230,000	230,000	-
CDP	350,000	-	350,000
Caixa (RCF)	50,000	-	50,000
Pool Unicredit (RCF)	200,000	-	200,000
FinancingPool UniCredit, Crédit Agricole, BNL, BPM	370,000	-	370,000
<b>Total</b>	<b>2,294,099</b>	<b>1,234,099</b>	<b>1,060,000</b>



The following table provides details of total uncommitted credit lines, mainly consisting of revocable overdraft facilities - with an indication of (i) the amount used (book value) and (ii) the amount available as at 31 December 2020:

Uncommitted lines	Assigned	Amount of Drawdowns	Amount available
UniCredit	40,000	-	40,000
Intesa	45,000	-	45,000
<b>Total</b>	<b>85,000</b>	<b>-</b>	<b>85,000</b>

#### (iv) Fees paid to the Independent Auditors

In accordance with Art. 149-*duodecies* of CONSOB Resolution No. 11971/99 (Issuers Regulation), the following fees relating to the period were paid to PricewaterhouseCoopers S.p.A. (auditor of ASTM S.p.A.) and to the companies belonging to the “network” of independent auditors for services provided to ASTM S.p.A. and to its subsidiaries.

Type of services	Company parent	Company subsidiaries
<b>Auditing services</b>		
Auditing of the Parent Company Financial Statements including verification of the accounts	20	505
Auditing of the Consolidated Financial Statements	15	98
Limited audit of Interim Report as at 30 June	8	110
<b>Verifications services for issuing a certification</b>		
<b>Other services</b>		
Agreed auditing procedures of quarterly accounts as at 31 March and 30 September	1	8
Agreed audit procedures	19 <sup>(1)</sup>	66 <sup>(2)</sup>
<b>Total</b>	<b>63</b>	<b>787</b>

(1) The fees pertaining to the Parent Company's agreed audit procedures include the charges for the agreed audit procedures (Comfort letter) for the documentation required to prepare the EMTN Programme and other assets.

(2) Agreed audit procedures "on the capital strength ratios" of concession companies, other agreed procedures and other activities.



## (v) Related-party transactions

The main transactions of the Company with related parties, identified according to criteria set out in the related-party transactions procedure, in compliance with Article 2391-bis of the Italian Civil Code/IAS 24 and the Regulation adopted by Consob with resolution No. 17221 of 12 March 2010 as amended, are described below. This procedure, which is published in the "Procedures and documents" section available on the website [www.astm.it](http://www.astm.it), sets out the rules governing the approval, management and public disclosure of related-party transactions carried out by ASTM, in order to guarantee the transparency and procedural and substantive fairness of transactions.

The table below shows the commercial and financial income statement figures arising from related-party transactions.

### BALANCE SHEET:

(amounts in thousands of EUR)	31-dic-20	Parent companies	Subsidiaries of parent companies	Subsidiaries	Jointly controlled and associated companies	Other related parties (1)	TOTAL RELATED PARTIES	% IMPACT ON FINANCIAL STATEMENT ITEMS
<b>Assets</b>								
<b>Non-current assets</b>								
Intangible assets								
Tangible assets								
property, plant, machinery and other assets	5,833						-	0%
rights of use	1,409		1,087				1,087	77.1%
Non-current financial assets								
equity investments in subsidiaries	2,534,482						-	0%
equity investments in associated companies	608,557						-	0%
equity investments in other businesses	5,495						-	0%
Other non-current financial assets	1,727,664			1,600,782	111,316		1,712,098	99.1%
<b>Total non-current financial assets</b>	<b>4,876,198</b>							
Deferred tax assets	4,013	-	-	-	-	-	-	0%
<b>Total non-current assets</b>	<b>4,887,453</b>							
<b>Current assets</b>								
Inventories	-						-	0.0%
Trade receivables	11,009	180	1	10,764	56		11,001	99.9%
Current tax assets	6,409						-	0.0%
Other receivables	30,550	1,556	30	19,531	271	-	21,388	70.0%
Other current financial assets	222,208	-	-	221,706	502	-	222,208	100.0%
<b>Total current assets</b>	<b>270,176</b>							
Cash and cash equivalents	140,068	-	-	-	-	-	-	0%
<b>Total current assets</b>	<b>410,244</b>							
<b>Total assets</b>	<b>5,297,697</b>							
<b>Shareholders' equity and liabilities</b>								
Shareholders' equity								
share capital	65,972						-	0%
reserves and earnings	2,662,817						-	0%
<b>Total shareholders' equity</b>	<b>2,728,789</b>							
<b>Liabilities</b>								
<b>Non-current Liabilities</b>								
Provisions for risks and charges	4,672					917	917	19.6%
Provisions for employee benefits	667						-	0.0%
Trade payables	-						-	0.0%
Other payables	-						-	0.0%
Bank debt	966,616						-	0.0%
Hedging derivatives	-						-	0.0%
Other financial liabilities	1,042,704	-	903	-	-	-	903	0.1%
Deferred tax liabilities	-						-	0.0%
<b>Total non-current liabilities</b>	<b>2,014,659</b>							
<b>Current liabilities</b>								
Trade payables	5,439	2	18	519	-	-	539	9.9%
Other payables	23,964	-	258	21,232	-	262	21,752	90.8%
Bank debt	261,736						-	0.0%
Hedging derivatives	-						-	0.0%
Other financial liabilities	256,037	-	206	232,664	-	-	232,870	91.0%
Current tax liabilities	7,073						-	0.0%
<b>Total current liabilities</b>	<b>554,249</b>							
<b>Total liabilities</b>	<b>2,568,908</b>							
<b>Total shareholders' equity and liabilities</b>	<b>5,297,697</b>							

(1) Amounts include relations with Directors, Auditors and other key management personnel of the Company.



In particular, the main relationships with subsidiaries, associated companies, parent companies and with companies subject to control of the latter concern:

- recording the right of use of property, relating to companies subject to the control of the parent company for EUR 1.1 million (from Argo Finanziaria S.p.A. for EUR 0.4 million and Appia S.r.l. for EUR 0.7 million);
- other non-current financial assets from related parties for EUR 1,712 million of which receivables from subsidiaries for EUR 1,601 million (in particular from SATAP S.p.A. for EUR 772 million, from Società Autostrada Ligure Toscana p.A. for EUR 299 million, from Autostrada dei Fiori S.p.A. for EUR 190 million, from Società di Progetto Autovia Padana S.p.A. for EUR 178 million, from Igli S.p.A. for EUR 72 million, from Autostrada Asti-Cuneo S.p.A. for EUR 50 million and from SAV S.p.A. for EUR 40 million) and from associated companies for EUR 111.3 million, in particular from Tangenziale Esterna S.p.A. for EUR 111.2 million;
- trade receivables for EUR 10.8 million from subsidiaries mainly related to re-charges of costs for consulting services to Itinera S.p.A. (EUR 3.3 million), Società Autostrada Ligure Toscana p.A. (EUR 2.4 million), SATAP S.p.A. (EUR 1.9 million) and Autostrada dei Fiori S.p.A. (EUR 1.3 million);
- other receivables due from the parent company Aurelia S.r.l. for EUR 1.5 million related to the tax consolidation, an agreement which was interrupted by the parent company in September 2018, with effect as of 1 January 2018;
- other current receivables from subsidiaries for a total of EUR 19.5 million, of which EUR 17.5 million deriving from the tax consolidation (in particular from SATAP S.p.A. EUR 7.6 million, from Società Autostrada Ligure Toscana p.A. EUR 4.8 million, from Autostrada dei Fiori S.p.A. EUR 4.1 million and from Società di Progetto Autovia Padana S.p.A. EUR 0.9 million);
- current financial receivables from related parties totalling EUR 222.2 million, of which EUR 221.7 million from subsidiaries (in particular from Autostrada Asti-Cuneo S.p.A. for EUR 150.3 million, from SATAP S.p.A. EUR 58.4 million, from Autostrada dei Fiori S.p.A. for EUR 6.3 million, from Società Autostrada Ligure Toscana p.A. for EUR 5 million and from SAV S.p.A. for EUR 1.3 million);
- other financial liabilities attributable to the effects deriving from the application of the IFRS 16 standard relating to the existing leasing contracts with the companies subject to the control of the parent companies for an overall EUR 1.1 million (EUR 0.9 million long term and EUR 0.2 million short term);
- other payables due to subsidiaries for a total of EUR 21.2 million, of which EUR 13.5 million referring to the tax consolidation (mainly to Itinera S.p.A. for EUR 6.8 million, to Igli S.p.A. EUR 2.1 million, to Società Autostrada Ligure Toscana p.A. for EUR 1.5 million and to SATAP S.p.A. for EUR 1 million), EUR 3.6 million to Itinera S.p.A. for the commitment to purchase shares of Tangenziale Esterna S.p.A. and EUR 2.2 million to SATAP S.p.A. for the Group VAT procedure;
- financial liabilities due to subsidiaries for EUR 232.7 million in particular to SATAP S.p.A. for EUR 177.5 million and Autostrada dei Fiori S.p.A. for EUR 55.1 million.



## INCOME STATEMENT

(amounts in thousands of EUR)	FY 2020	Parent companies	Subsidiaries of parent companies	Subsidiaries	Jointly controlled and associated companies	Other related parties (1)	TOTAL RELATED PARTIES	% IMPACT ON FINANCIAL STATEMENT ITEMS
<b>Financial income and expenses</b>								
Income from equity investments:								
from subsidiaries	93,539	-	-	93,539	-	-	93,539	100.0%
from associated companies	389	-	-	-	389	-	389	100.0%
from other businesses	173	-	-	-	-	-	-	0.0%
Total income from equity investments	94,101							
Other financial income	85,201	-	-	77,379	7,429	-	84,808	99.5%
Interest and other financial expenses	(66,638)	-	(31)	(7,757)	-	-	(7,788)	11.7%
<b>Total financial income and expenses (A)</b>	<b>112,664</b>							
<b>Value adjustments of non-current financial assets</b>								
Write-downs	(4)	-	-	(4)	-	-	(4)	100.0%
<b>Total value adjustments of financial assets (B)</b>	<b>(4)</b>							
<b>Other operating income (C)</b>	<b>12,544</b>	82	8	11,520	299	-	11,909	94.9%
<b>Other operating costs</b>								
payroll costs	(9,591)	-	-	-	-	(1,607)	(1,607)	16.8%
costs for services	(15,550)	-	(167)	(535)	-	(2,635)	(3,337)	21.5%
costs for raw materials	(18)	-	-	-	-	-	-	0.0%
other costs	(7,097)	(1)	(6)	(8)	-	(3)	(18)	0.3%
amortisation, depreciation and write-downs	(580)	-	(206)	-	-	-	(206)	35.5%
<b>Total other operating costs (D)</b>	<b>(32,836)</b>							
<b>Profit (loss) before taxes (A+B+C+D)</b>	<b>92,368</b>							
Taxes	68							
<b>Profit (loss) for the year</b>	<b>92,436</b>							

(1) Amounts inclusive of the relationships and fees related to the Directors, Auditors and other key management personnel of the Company.

In particular, the main relationships with subsidiaries, associated companies, parent companies and with companies subject to control of the latter concern:

- dividends and reserves distributed by subsidiaries for EUR 93.5 million, by SATAP S.p.A. for EUR 50.6 million, by Società Autostrada Ligure Toscana p.A. for EUR 24.5 million, by Sinelec S.p.A. for EUR 8.3 million, by SINA S.p.A. for EUR 5.5 million and by ATIVA S.p.A. for EUR 4.6 million and dividends paid by associated companies for EUR 0.4 million related to Road Link Holdings Ltd;
- other financial income for interest income and other financial income of EUR 84.8 million, of which EUR 77.4 million from subsidiaries (in particular from SATAP S.p.A. for EUR 33.3 million, from Società Autostrada Ligure Toscana p.A. EUR 25.6 million, from Società di Progetto Autovia Padana S.p.A. EUR 7.5 million, Autostrada dei Fiori S.p.A. EUR 7.2 million, from Asti Cuneo S.p.A. EUR 2.1 million and from SAV S.p.A. EUR 1.7 million) and of which EUR 7.4 million from associated companies, mainly due to the position in relation to Tangenziale Esterna S.p.A.;
- interest and other financial expenses for EUR 7.8 million for interest expense prevalently due to SATAP S.p.A. (for EUR 5.9 million) and Autostrada dei Fiori S.p.A. (for EUR 1.9 million);
- other operating income from associated companies for EUR 11.9 million in particular for EUR 5.7 million for managerial consulting services for subsidiaries prevalently from SATAP S.p.A. (EUR 1.5 million), from Società Autostrada Ligure Toscana p.A. (EUR 1.1 million), from Autostrada dei Fiori S.p.A. (EUR 0.9 million), from SAV S.p.A. (EUR 0.5 million), from Società di Progetto Autovia Padana S.p.A. (EUR 0.5 million) and from SAV S.p.A. (EUR 0.5 million) and revenues for the provision of services and other revenues for approximately EUR 6.2 million prevalently from the subsidiaries Società Autostrada Ligure Toscana p.A. (EUR 1.8 million), SATAP S.p.A. (EUR 1.3 million), Itinera S.p.A. (EUR 1.2 million) and Autostrada dei Fiori S.p.A. (EUR 0.5 million).



In addition, it should be noted that costs for services include expenses incurred by ASTM S.p.A. related to insurance premiums brokered by P.C.A. S.p.A. for an amount of EUR 0.4 million.

Finally, it should be noted that the subsidiaries SINA S.p.A. and ATIVA S.p.A., as at 31 December 2020, held 2,149,408 and 21,500 shares respectively in the parent company ASTM S.p.A.

Pursuant to Art. 2391-bis of the Civil Code, note that – on the basis of the general principles indicated by CONSOB as well as corporate governance laws – related party transactions (carried out directly, or through subsidiaries) are carried out on the basis of rules which ensure transparency, as well as substantial and procedural correctness.

#### **(vi) Ecorodovias Infraestrutura e Logística S.A. – IGLI S.p.A.**

With reference to investments in the motorway sector in Brazil, as at 31 December 2020, ASTM holds (through the subsidiary IGLI S.p.A.) 49.21% of Ecorodovias Infraestrutura e Logística S.A. (“EcoRodovias”). In the Parent Company Financial Statements of ASTM S.p.A. the equity investment in IGLI S.p.A. is accounted at cost.

#### **(a) Ecovia – Ecocataratas | State of Paraná**

##### **Leniency agreement with the MPF-PR and other significant events**

Following the police investigation No. 5002963-9.2015.404.7013 conducted by the Federal Prosecutor’s Office of the State of Parana (“MPF-PR”), which merged into the criminal proceeding No. 5003165-06.2019.4.04.7000 before the 23rd Federal Court of Curitiba concerning unlawful conduct committed prior to ASTM’s entry into the share capital of the Brazilian investee by certain former managers and executives of EcoRodovias and its subsidiaries Ecovia Caminho do Mar (“Ecovia”) and Rodovia das Cataratas - Ecocataratas (“Ecocataratas”), on 12 August 2019, the Brazilian investee, Ecovia and Ecocataratas signed a leniency agreement (“*acordo de leniência*”) with the MPF-PR, the terms of which have already been described in ASTM’s 2018 and 2019 Financial Statements (to which reference should be made for details).

In relation to the same, with the publication of the results for the year ended 31 December 2020, Ecorodovias informed the market that the obligations deriving from the leniency agreement had been strictly complied with and that it is about to start carrying out the works that the Brazilian investee and its two subsidiaries had undertaken to carry out; however, in relation to certain works, execution has not yet started solely because the issue of environmental licences is pending. The tariff reduction negotiated with MPF-PR has also been implemented for the full period required and, as a result, tariffs will now revert to contract values. In addition, on 13 January 2021, in a judgment rendered within Case No. 5072227-36.2019.4.04.7000, the 1st Federal Court of Curitiba ratified the leniency agreement; the Brazilian investees, Ecovia and Ecocataratas are therefore only waiting for the terms for a possible appeal to expire in order to be able to consider it *res iudicata*.

Following the signing of the leniency agreement with the MPF-PR, on 31 October 2019, EcoRodovias received a notification from the office of the Comptroller General of the State of Parana (“GCE-PR”) informing it of the commencement of administrative proceedings against it aimed at establishing the liability of the Brazilian investee for unlawful acts committed against the public administration; equal notifications were then received by Ecovia on 1 November 2019 and by Ecocataratas on 4 November 2019. As already reported in ASTM’s 2019 Financial Statements, following these notifications, (i) EcoRodovias and its subsidiaries filed their preliminary defenses; (ii) the MPF-PR received a letter from the GCE-PR requesting it to share the annexes of the leniency agreement; (iii) the MPF-PR, in response to this letter, argued that it was impossible to use the information contained in the leniency agreement to impose sanctions - or in any case other penalties that could have a collateral effect on the companies’ employees - to an extent



greater than that already identified in the agreement itself, and therefore requested the State of Parana to confirm in its entirety the terms and conditions of the leniency agreement. With the publication of the results for the year ended 31 December 2020, EcoRodovias reported that, in relation to this proceeding, the companies were informed about the decision of the Accountability Process Committee which, in summary, decided to (i) request the Comptroller General to extend the deadlines for the conclusion of the proceeding; (ii) close the evidence gathering phase so as to be able to formally formulate the charges against the companies involved; (iii) bring legal proceedings against the companies so as to learn about the technical analysis prepared on the defenses. On 22 June 2020, a motion was filed to object to the closing of the evidence collection phase without the GCE-PR specifying what unlawful conduct was attributable to the companies, let alone indicating the amount of the government's alleged losses. Ecorodovias and its subsidiaries reiterate that the allegations currently made by the GCE-PR are general and based on facts admitted by other concession companies and, for this reason, they will continue to defend themselves in the administrative proceedings.

As already reported in ASTM's 2019 Financial Statements, although the administrative proceedings just described are ongoing, EcoRodovias and its subsidiary Ecorodovias Concessões e Serviços S.A. ("ECS") informed the market on 7 January 2020 (i) that they had become aware of the publication of GCE Resolution No. 67/19, issued by the GCE-PR, by which the temporary suspension of the rights of Ecovia and Ecocataratas to participate in new tenders and to enter into contracts with the public administrations of the State of Parana was ordered; and that (ii) Ecovia and Ecocataratas therefore filed a preliminary injunction to counter GCE Resolution No. 67/19, in view of the impossibility of applying sanctions without the prior conduct of an administrative process that guaranteed the full rights of defense and cross-examination. In relation to this decision of the GCE-PR, with the publication of the results for the year ended 31 December 2020, EcoRodovias announced that the preliminary injunction of Ecovia and Ecocataratas was rejected by the competent judge on the basis that (i) the arguments in support of GCE Resolution No. 67/19 are not imprecise and generic, (ii) the companies involved - in signing the leniency agreement with the MPF-PR - have acknowledged that they have committed illegal acts and (iii) the allegations are based on a criminal investigation conducted by the MPF-PR during which evidence of criminally relevant conduct was collected, thus considering the prerequisites for the GCE-PR's decision to be present. Also with the publication of the results for the year ended 31 December 2020, the Brazilian investee informed the market that, on the one hand, Ecovia and Ecocataratas will appeal the judge's decision and, on the other hand, on 11 December 2020, GCE Resolution No. 78/20 was published in the Official Diary of the State of Parana, by which GCE Resolution No. 67/19 revoked, imposing a temporary suspension of the rights of Ecovia and Ecocataratas to enter into contracts with the State of Paraná.

Still in the Financial Statements for the year ended 31 December 2020, and again in relation to developments following the signing of the leniency agreement with the MPF-PR, EcoRodovias disclosed that in August 2020 an ordinary action - this is, specifically, No. 5040685-63.2020.4.04.7000 before the Federal Court of Curitiba - was brought by Ecovia and Ecocataratas in order to challenge the methodology used by the Department of Parana Highway ("DER-PR") in the adoption of "tax assessment notices", based on Resolution No. 003/2019, in order to regulate concession agreements Nos. 076/07 and 073/97. Given the urgent nature of the request by Ecovia and Ecocataratas, a preliminary injunction was obtained against the DER-PR preventing the imposition of any sanction on the concession companies as a result of the tax assessment notices issued, on the basis that there is no doubt in relation to the unreasonable change in the inspection criteria that does not allow the concession companies to take the time necessary to deal with any non-compliance. The preliminary injunction also provides that concession companies may postpone the deposit of penalties already imposed by the authority until after the injunction is issued and that such deposit may be replaced by an insurance guarantee. The DER-PR filed a precautionary appeal against the injunction favourable to the licensee companies; that request was denied. The DER-PR and the State of Parana have therefore filed appeals and the concession companies are currently waiting to be cited to respond to the grounds of appeal.

Also in relation to the scope of contractual regulation of Ecovia and Ecocataratas, in September 2020 two additional actions were initiated - specifically, Ecovia's is No. 5044213-08.2020.4.04.7000 and Ecocataratas' is No. 5044220-97.2020.4.04.7000 and are both



pending before the Federal Court of Curitiba - for the purpose of rebalancing the toll losses resulting from the suspension of collection in relation to the suspended axles, in view of the fact that Brazilian Law No. 13103/2015 (so-called Truckers Law) was amended in May 2018 for the purpose of establishing new toll exemptions. Article 17 of the Act now exempts "cargo vehicles that run empty [...] by tolling on axles that remain suspended," expressly providing that this measure "covers federal, state, district, and municipal roads." Ecovia and Ecocataratas initiated the two actions in view of the fact that this is a supervening and unforeseeable change with direct and immediate effects on the concession agreements granted to them.

Again in relation to the same factual context, in the financial statements for the year ended 31 December 2020, EcoRodovias also disclosed that on 10 November 2020, the Regulatory Agency for Public Delegated Infrastructure Services of Paraná ("AGEPAR") published two decisions in two administrative proceedings, one concerning Ecovia and the other Ecocataratas. In these measures, AGEPAR stated that the current toll values were exceeded and decided (i) to suspend future adjustments; (ii) to cancel the latest contractual amendments; (ii) that it is necessary for the DER-PR to conduct studies aimed at reducing tolls; and (iv) to inform other state authorities and supervisory bodies. Thus, AGEPAR intends to prevent the toll adjustment scheduled for December 2020 and in any event wants to drastically reduce rates to a minimum. Ecovia and Ecocataratas brought proceedings against AGEPAR, alleging (i) the existence of violations in the administrative procedure; (ii) lack of respect for due process of law; (iii) disregard for opponents and failure to comply with the duty to assess administrative decisions; (iv) AGEPAR's lack of jurisdiction to annul contractual rules and the existence of legal obstacles to questioning acts that have already been perfected; (v) the existence of *res iudicata* in several actions that already exist between the parties; (vi) the prescription of the action; (vii) the prohibition of contradictory conduct; (viii) errors in the assessment of the merits of the matter, since the revision envisaged by AGEPAR is based on unreasonable assumptions, which do not take into account the Internal Rate of Return, the contractual provisions and the legal and constitutional provisions related to the intangibility of the economic-financial equation. In the opinion of the concession companies, the Authority's reasoning is also vitiated by serious technical and accounting flaws, which have already been pointed out in various opinions but have not been taken into account by AGEPAR.

Specifically, in the lawsuit filed by Ecocataratas against AGEPAR (and the State of Paraná) - specifically, process No. 5057801-82.2020.4.04.7000 pending before the Federal Court of Curitiba - the concession company was granted an emergency stay of the decision and of all actions that may result from it. In summary, all effects of the decision taken by internal reviews are suspended, including those relating to the need to calculate a new toll base, the request for suspension of toll adjustments and the request for suspension of contractual adjustments. The decision was taken by the competent judge on the basis of the argument that AGEPAR does not have the competence to revise the Internal Rate of Return, because (i) it did not sign the contractual amendments it intends to cancel; (ii) it did not point out any error when it was consulted; (iii) the effects of the additional conditions are substantial and go beyond the setting of the Internal Rate of Return, thus falling outside the scope of its competence; (iv) there is no legal basis to change the contractual structure, the authority having only the task of checking whether the toll adjustment or revision is due; (v) even if it had jurisdiction, AGEPAR should have observed the principle of adversarial proceedings and ensured the defence and should have informed the concession granting authority of its decision.

In the case brought by Ecovia against AGEPAR (and the State of Paraná) - namely process No 5057980-16.2020.4.04.7000 pending before the Federal Court of Curitiba - the concession company obtained a suspension of part of the authority's decision by internal review. Specifically, Ecovia was able to prevent the reduction of the current tolls of the motorways under concession - on the basis of the same legal arguments that supported Ecocataratas' obtaining the injunction - but not the suspension of the annual toll adjustment since the increase in these amounts will produce effects that will directly burden motorway users and increase any toll "surplus".





### Civil action by the State of Paraná

In the same press release published on 12 August 2019 in which the Brazilian investee informed the market and its shareholders of the signing of the leniency agreement with the MPF-PR, EcoRodovias reported that it had learned of the existence of a civil action initiated on 11 July 2019 by the State of Paraná – through the *Procuradoria General do Estado* (“PGE”) – and the State Department of Highways of Paraná against Ecorodovias, Ecovia, ECS, Primav Infraestrutura S.A., Primav Construções e Comércio S.A., C.R. Almeida S/A Engenharia e Construções, Participare – Administração e Participações LTDA and the *Associação Brasileira de Concessionárias de Rodovias*.

As already reported in ASTM’s 2019 Financial Statements (to which reference is made for full details), in this civil action the State of Paraná contests a series of illegal acts allegedly committed before the entry of ASTM into the share capital of EcoRodovias, largely overlapping with those of the leniency agreement signed by EcoRodovias with the MPF-PR, and formulates the following requests: (a) nullity of (i) the process of assigning the concessions that took place in 1997; (ii) concession agreement No. 076/97 of Ecovia; and (iii) all amendments to the same made thereafter; (b) review of the contracts due to an excessive expense that motorway users had to bear, through the payment of damages; (c) reimbursement of the damages deriving from the failure to comply with the contractual obligations; (d) joint and several conviction of the companies summoned to court deriving from the failure to comply with the contractual obligations; and (e) payment of non-material damage.

Specifically, the state authorities identified the total sums of BRL 4,945,904,000.00<sup>1</sup> – as an estimate of the material damages allegedly caused by the illegal conduct, which, according to the line of reasoning of the plaintiff authorities, would correspond to the total revenues made by Ecovia throughout the entire concession – and of BRL 500,000,000.00<sup>2</sup> – as non-material damage – that the companies summoned to court would be required to pay jointly and severally where the Federal Court of Curitiba ruled the accusations made by the State of Paraná as proven. Injunctive measures were also requested against all companies summoned in order to guarantee the future payment of the sums.

In relation to these emergency precautionary requests, Ecorodovias disclosed with the publication of its results for the year ended 31 December 2020 that the MPF-PR intervened in the civil proceedings by filing a memorandum in which it argued that, although the leniency agreement signed with Ecorodovias could not extinguish the civil lawsuit, in any case the information and evidence emerging from the same could not be used against the Brazilian investee and its subsidiaries and that the leniency agreement must prevent unnecessary repressive actions by other authorities. As a result, the MPF-PR opposed the precautionary application against the companies involved and emphasised the need to possibly subtract the value of the leniency agreement in the event that they were unsuccessful in court in the future. Also as a result of this, the judge hearing the case rejected the state authorities’ request for injunctive measures, endorsing the arguments of Ecovia (and the other companies involved) and the MPF-PR. In particular, the judge denied the injunctive requests on the basis that the leniency agreement signed by EcoRodovias, its subsidiaries and the MPF-PR, together with the collaborative approach adopted by the concession companies, must be taken into account. The State of Paraná has lodged an appeal against this decision and Ecovia (together with the other companies involved) will now have to present its defence.

As already reported in ASTM’s 2019 Financial Statements, it should be noted that when assessing the details of the disputes and the best defensive strategy to take, EcoRodovias appointed two different leading Brazilian law firms to formulate preliminary opinions in relation to the accusations: both opinions received by the Brazilian investee company showed various inconsistencies and clear gaps in the claims of the state authorities and, in particular, one opinion argued that the risk for the companies to pay a part equal to BRL

<sup>1</sup> EUR 776 million at the exchange rate on 31 December 2020: 6.3735 EUR/BRL

<sup>2</sup> EUR 78.4 million at the exchange rate on 31 December 2020: 6.3735 EUR/BRL



4,736,699,580.003<sup>1</sup> of the total of the aforementioned possible material damage and for all non-material damage requested by the state authorities was “remote”. The same lawyers then argued that the risk of payment of the remainder of the non-material damage was “possible”.

#### (b) Ecovias | State of São Paulo

As already detailed in ASTM’s 2019 Financial Statements, on 6 April 2020, EcoRodovias published a Material Fact, informing the market and its shareholders that, on the same date, EcoRodovias, its indirect subsidiary EcoRodovias Concessões e Serviços S.A. (“ECS”) and its subsidiary Concessionária Ecovias Dos Imigrantes S.A. (“Ecovias”) had signed a civil Non-Prosecution Agreement (“*acordo de não persecução cível*”, or, more simply “NPA”) with the 3rd Prosecution Office of Public and Social Assets of the State of São Paulo (“MPSP”), against the consensual termination of the investigations PJPP-CAP No. 1.071/2014, 295/2018 and 489/2018.

With the publication of its financial results for the half year ended on 30 June 2020, EcoRodovias emphasised that, based on the terms of the NPA, Ecovias takes on responsibility for a total amount of R\$ 638,000,000.00<sup>2</sup>, divided up based on the agreements between the MP-SP, the *Secretaria de Estado de Logística e Transportes de São Paulo* and Ecovias, of which R\$ 38,000,000.00<sup>3</sup> is to be paid by EcoRodovias. The NPA also includes provisioning for a total amount of R\$ 12,000,000.00<sup>4</sup> deriving from other commitments, which will again be paid by EcoRodovias. The amounts in the NPA relative to additional work to be included in the Ecovias concession contract will be recognised in accordance with the international accounting standards.

In order to allow for the continuation of the activities of Ecovias and support the public’s interest, pursuant to the NPA, the MP-SP has undertaken to suspend all civil, administrative or criminal proceedings and investigations – including proceedings pursuant to the Administrative Improbability Act – involving Ecovias and the other EcoRodovias Group companies, in order to avoid imposing further sanctions on those companies in relation to the same illegal events based on the NPA and other information received from the MP-SP.

At present, the NPA has been submitted for approval by the Superior Council of the Public Prosecution Service of the State of São Paulo (“CS-MP”). Once this approval is obtained from CS-MP, the agreement will also be submitted for approval to the Lower Treasury Court of the Capital of the State of São Paulo.

For more information, please refer to ASTM’s Financial Statements for the year ended 31 December 2019.

#### (c) Eco 101 | State of Espírito Santo

As mentioned in ASTM’s 2019 Financial Statements, with the Material Fact of 12 April 2019 EcoRodovias had informed the market in relation to the criminal investigations currently involving its subsidiary Eco101 Concessionaire de Rodovias S.A. (“Eco101”) in the State of Espírito Santo. In particular, the investigations conducted by the Brazilian federal police with the support of the Federal Court of Auditors focus on potential irregularities of the technical reports sent by Eco101 in relation to the motorway stretches within its remit.

With the communication to the market on 12 April 2019, EcoRodovias already reported that (i) it had promptly offered its collaboration with the authorities by sending all requested information and (ii) it had immediately launched its own internal audit to verify the facts under investigation.

In the financial statements for the year ended 31 December 2019, the Brazilian investee company then informed the market and its shareholders of the decision to launch an internal investigation in relation to the events under investigation and that said work would

<sup>1</sup> EUR 743.2 million at the exchange rate as at 31 December 2020: 6.3735 EUR/BRL

<sup>2</sup> EUR 100.1 million at the exchange rate as at 31 December 2020: 6.3735 EUR/BRL

<sup>3</sup> EUR 6 million at the exchange rate on 31 December 2020: 6.3735 EUR/BRL

<sup>4</sup> EUR 1.9 million at the exchange rate as at 31 December 2020: 6.3735 EUR/BRL



be carried out with the assistance of independent external consultants. In particular, their forensic report, prepared by the external professionals appointed, highlighted that (i) no documents were found in support of the investigation assumption that the employees of the *Agência Nacional de Transportes Terrestres* ("ANTT") had known about the stated amendments that Eco101 had allegedly made to the technical reports sent by Eco 101 to the ANTT; (ii) no documents had been found that confirmed the stated illegal relationships between Eco101 and ANTT representatives; and (iii) no proof had been found in relation to the supposed use of those technical reports to obtain loans from the Brazilian Development Bank ("BNDES").

Lastly, in the financial statements for the year ended 31 December 2020, EcoRodovias disclosed that it had analysed and assessed, with the support of leading Brazilian legal and financial advisors, the situation and that, even in the scenario in which the alleged irregularities in the technical reports were proven, the best estimate of the liability in relation to applicable penalties relating to toll discounts was R\$ 72,614,000<sup>1</sup>.

In view of the fact that the federal police investigation is still ongoing and it is not possible to make plausible estimates as to its conclusion, the Brazilian investee is considering negotiating with the competent prosecutor's office (and other competent authorities) so as to be able to close the case definitively.

### **(vii) Information on the company which prepares the consolidated financial statements**

Note that, based on that established in point 22-quinquies of Article 2427 of the Italian Civil Code, the consolidated financial statements for the larger grouping of companies to which the company belongs as a subsidiary is that of Aurelia S.r.l., with registered offices in Tortona (AL). A copy of the Consolidated Financial Statements is available at the Chamber of Commerce of Alessandria.

In compliance with the legal provisions in force, the Company has prepared the Consolidated Financial Statements, which should be referred to for the equity, economic and financial valuation of the Group.

### **(viii) Public Disbursement Transparency Disclosure**

Pursuant to Article 1, paragraphs 125-129 of Italian Law No. 124/2017, as amended by the "Security" Decree Law No. 113/2018 and the "Simplification" Decree Law No. 135/2018, no "subsidies, grants, paid positions and economic advantages of any nature" were provided to the Company in 2020 by public administrations or by a series of entities similar<sup>2</sup> to the same with which the Company has economic relationships.

However, it should be noted that as a result of the non-refundable contributions granted by the Italian Revenues Agency following the Covid 19 epidemiological emergency, the company received EUR 6,792 as a "tax credit for sanitation of premises" which has not yet been offset during the 2020 financial year.

### **Information on management and coordination of the Company**

The company Nuova Argo Finanziaria S.p.A. provides management and coordination of the Company, pursuant to Article 2497 of the Italian Civil Code.

<sup>1</sup> EUR 11.4 million at the exchange rate on 31 December 2020: 6.3735 EUR/BRL

<sup>2</sup> The parties identified as a source of the payments that require disclosure are:

- public administrations and parties under Article 2-bis of Italian Legislative Decree No. 33 of 14 March 2013;
- subsidiaries, de facto or de jure, directly or indirectly, of public administrations, including companies with shares listed in regulated markets and their investee companies;
- state-controlled companies, including those that issue shares listed in regulated markets and their investee companies.



Pursuant to article 2497-*bis*, paragraph 4 of the Italian Civil Code, a table is shown below that summarises the essential data deduced from the latest approved Parent Company Financial Statements of Nuova Argo Finanziaria S.p.A. (single shareholder) (as at 31 December 2019).

To fully and completely understand the equity and financial position of Nuova Argo Finanziaria S.p.A. (single shareholder) as at 31 December 2019, as well as the economic results achieved by the company in the year ending on that date, please see the financial statements which, accompanied by the Independent Auditors' Report, is available in the forms and with the methods established under the law.

With regard to the additional information required under articles 2497-*bis*, paragraph 5 and 2497-*ter* of the Italian Civil Code, see that outlined in the above section "Information about related-party transactions".



**Financial statements<sup>(\*)</sup> as at 31 December 2019 of Nuova Argo Finanziaria S.p.A., parent company which provides “Management and Coordination”**

**BALANCE SHEET**

**ASSETS**

<i>Amounts in EUR</i>		<b>31/12/2019</b>
A	Subscribed capital unpaid	-
B	Fixed assets	365,583,823
C	Current assets	4,033,223
D	Accruals and deferrals	54,031
<b>TOTAL ASSETS</b>		<b>369,671,077</b>

**LIABILITIES**

<i>Amounts in EUR</i>		<b>31/12/2019</b>
A	Shareholders' equity	
	Share capital	30,000,000
	Reserves	294,477,950
	Profit (loss) for the year	16,058,418
B	Provisions for risks and charges	256,806
C	Employee benefits	-
D	Payables	28,877,903
E	Accruals and Deferrals	-
<b>TOTAL LIABILITIES</b>		<b>369,671,077</b>

**INCOME STATEMENT**

<i>Amounts in EUR</i>		<b>2019</b>
A	Value of production	20
B	Production cost	(2,708,818)
C	Financial income and expenses	18,147,900
D	Value adjustments of financial assets	-
	Income taxes for the year	619,316
<b>Profit (loss) for the year</b>		<b>16,058,418</b>

<sup>(\*)</sup> Financial statements prepared in accordance with national/OIC accounting standards.



## Certification of the Annual Financial Statements pursuant to Article 154-bis Legislative Decree 58/98



## Certification of the Parent Company Financial Statements pursuant to Art. 154-bis of Italian Legislative Decree no. 58/98

- The undersigned Umberto Tosoni as Chief Executive Officer and Alberto Gargioni as Manager in charge of drawing up the corporate accounting documentation of ASTM S.p.A., taking into account the provisions of Art. 154-bis, paragraphs 3 and 4 of Italian Legislative Decree No. 58 of 24 February 1998, hereby certify:
  - the adequacy with regard to the characteristics of the business and
  - the actual implementation,of the administrative and accounting procedures for preparing the Parent Company Financial Statements for 2020.
  
- Furthermore, it is attested that:
  - the Parent Company Financial Statements as at 31 December 2020
    - a) are prepared in compliance with the international accounting standards approved by the European Community pursuant to EC Regulation No. 1606/2002 of the European Parliament and the Council dated 19 July 2002;
    - b) correspond to the books and accounting entries;
    - c) provide a true and correct representation of the equity, economic and financial position of ASTM S.p.A.;
  - the Management Report contains a reliable analysis of management performance and results of the Company together with a description of the main risks and uncertainties to which it is exposed.

Tortona, 19 March 2021

Chief Executive Officer

*Umberto Tosoni*

The Manager in charge of drawing up  
the corporate accounting documentation

*Alberto Gargioni*



## Report of the Board of Statutory Auditors



**BOARD OF STATUTORY AUDITORS' REPORT**  
**FOR THE SHAREHOLDERS' MEETING OF ASTM S.P.A.**  
**REGARDING THE 2020 PARENT COMPANY FINANCIAL STATEMENTS**  
*pursuant to art. 153 of Italian Legislative Decree no. 58/1998 and art. 2429 of the Italian Civil Code*

Dear Shareholders,

the Board of Statutory Auditors of ASTM S.p.A. (the “**Company**” and jointly with its subsidiaries, the “**Group**”), pursuant to art. 153 of Italian Legislative Decree no. 58/1998, Consolidated Law on Finance (the “**TUF**”) and art. 2429, paragraph 2 of the Italian Civil Code, must report to the Shareholders' Meeting on the results of the Fiscal Year ended as at 31 December 2020 (“**Fiscal Year**”) and the activities carried out in fulfilment of its duties, and make observations and proposals regarding the Parent Company financial statements, their approval and matters within the scope of its responsibility.

Firstly, the Board of Statutory Auditors notes that it was appointed by the Shareholders' Meeting on 25 May 2020, and that following the resignation of Chairman Paola Camagni on 22/12/2020, Andrea Bonelli took over as acting statutory auditor and Chairman of the Board of Statutory Auditors on the same day.

In the execution of its supervisory and control activities, the Board of Statutory Auditors acknowledges:

a) that it supervised compliance with the law and the Articles of Association and observance of the principles of proper management, in accordance with reference legislation, also taking into account the Rules of Conduct issued by the National Council of Chartered Accountants and Accounting Experts;

b) that it attended the meetings of the Board of Directors, the Appointments and Remuneration Committee, the Audit and Risk Committee and the Sustainability Committee, and that it received periodic information from Directors regarding general management performance and its outlook, with a particular focus on the impact on the Company deriving from the Covid-19 pandemic, as well as the major economic, financial and asset transactions resolved and executed in the Fiscal Year, undertaken by the Company or by the Group companies, including in compliance with art. 150, paragraph

1 of Italian Legislative Decree no. 58 of 24 February 1998 (TUF). This information is adequately represented in the Management Report, to which reference should be made.

The Board of Statutory Auditors can reasonably ensure that the transactions resolved and executed comply with the laws and the Articles of Association and are not manifestly imprudent, risky, in potential conflict of interest, in contrast with the resolutions passed by the Shareholders' Meeting or such that compromise the integrity of the Company's assets. The resolutions adopted by the Board of Directors are carried out by management and by the structure with criteria of maximum compliance;

c) that it has not identified any atypical and/or unusual transactions carried out with Group companies, with third parties or with related parties, nor has it received indications regarding such from the Board of Directors, from the independent auditors PriceWaterhouseCoopers S.p.A. ("**PWC**") or from the Director responsible for the internal audit and risk management system. In the Management Report, the Board of Directors provided adequate explanation of the effects of the ordinary economic, financial and asset transactions executed with subsidiaries under normal market conditions. Furthermore, the Board of Statutory Auditors, also in the light of the results of the activities carried out and of the participation in the Audit and Risk Committee acting as the Related Parties Committee, believes that the related-party transactions (including intercompany transactions) are adequately monitored. To that end, the Board of Statutory Auditors notes that the Company has procedures for related-party transactions in accordance with the provisions of Consob Regulation no.17221 of 12 March 2010 and Consob Communication of 24 September 2010, in addition to specific regulations present in the Group Code of Ethics in order to avoid or manage transactions in which there are conflicts of interest or situations of personal interest of Directors. Pursuant to art. 4 of the aforesaid Regulation, the Board of Statutory Auditors verified the compliance of the procedures adopted with the principles of that Regulation, in addition to their observance;

d) that it acquired knowledge on and supervised the adequacy of the Company's organisational structure, including regarding the measures adopted by the management body to address the Covid-19 emergency, for the aspects within the scope of its responsibility, the observance of the principles of proper management, through collection of information from the managers of the competent Company departments

and meetings with representatives from PWC, including for the purpose of exchanging relevant data and information, which did not revealed any critical situations. Meetings held with the Boards of Statutory Auditors of the Italian subsidiaries did not revealed any critical aspects either;

e) that it supervised and verified, within the scope of its responsibility, and in consideration of the impact deriving from the Covid-19 emergency:

- the adequacy of the internal audit and risk management system;
- the adequacy of the administrative and accounting system, as well as the reliability of the latter to represent correctly the operating events;
- the adequacy of the systems and processes that govern the production, reporting, measurement and representation of results and non-financial disclosure pursuant to Italian Legislative Decree no. 254 of 30 December 2016, in order to allow for a correct representation of the non-financial issues referred to by said decree;

by means of:

- i. periodic exchange of information with the Chief Executive Officer and the Manager in charge of drawing up the corporate accounting documentation in accordance with the provisions contained in art. 154-*bis* of the TUF;
- ii. supervision over planning and the internal audit context, the corporate risk assessment system, in addition to monitoring activities;
- iii. examination of the reports prepared by the *Internal Audit* department, including information regarding the outcome of any corrective actions undertaken following audit activities;
- iv. acquisition of information from the managers of Company departments;
- v. meetings and exchanges of information with the control bodies of the Italian subsidiaries pursuant to paragraphs 1 and 2 of art. 151 of the TUF, during which the Board of Statutory Auditors acquired information regarding the administration and control systems and the general performance of Company activities;
- vi. in-depth review of the activities performed and analysis of the results of work by PWC;
- vii. participation in Board Committee proceedings.

The activities carried out did not reveal any anomalies that might be considered

indicators of inadequacies in the internal audit system or in the administration and control system;

**f)** that it held meetings with representatives from PwC, for the purpose of exchanging relevant data and information and staying informed about the main risks to which the Company is exposed and the checks put in place, in addition to verification of the regularity of the accounts and proper reporting of management events in the accounting entries. The interviews held did not reveal any relevant findings;

**g)** that it supervised the implementation methods of the *Corporate Governance Code* for listed companies, adopted by the Company, under the terms illustrated in the Report on Corporate Governance and Ownership Structure approved by the Board of Directors on this date. Among other things, the Board of Statutory Auditors verified the correct application of the assessment criteria and procedures adopted by the Board of Directors to assess the independence of its members. The Board of Statutory Auditors also verified compliance with the criteria of independence and professionalism of its own members, pursuant to the relevant legislation;

**h)** that it inspected and obtained information about the organisational and procedural activities put in place pursuant to Italian Legislative Decree no. 231 of 8 June 2001 regarding the administrative liability of Entities. The Supervisory Board established by the Company reported on the activities performed during the Fiscal Year and did not notify the Board of Statutory Auditors of any significant events;

**i)** that it ascertained that the information flows provided by the non-EU subsidiaries are adequate for conducting audits of the annual and interim accounts as provided by art. 15 of the Markets Regulation adopted with Consob resolution no. 20249 of 28 December 2017;

**j)** that it monitored the implementation of organisational measures associated with changes in the business;

**k)** that it attended induction sessions aimed at developing in-depth knowledge of the Company's business sectors and strategies, in addition to the reference legislation, in line

with the recommendations of the *Corporate Governance Code*.

As the Internal Control and Audit Committee, pursuant to article 19 of Italian Legislative Decree no. 39 of 27 January 2010, as amended by Italian Legislative Decree no. 135 of 17 July 2016 in implementation of Directive 2014/56/EU, the Board of Statutory Auditors, during the Fiscal Year:

- a) monitored the financial disclosure process, which was found to be adequate in terms of its integrity;
- b) checked the effectiveness of the Company's internal control and risk management systems, in addition to the internal audit system, with reference to financial disclosure, guaranteeing their independence;
- c) monitored the audit of the annual financial statements;
- d) verified and monitored the independence of PWC in compliance with the provisions of the law, including with reference to the provision of services other than auditing, in line with art. 5 of Regulation (EU) no. 537/2014.

As regards relations with the independent auditor PWC, the Board of Statutory Auditors, as the Internal Control and Audit Committee, reports that:

- a) the independent auditor issued, on this date, pursuant to art. 14 of Italian Legislative Decree no. 39 of 27 January 2010 and art. 10 of Regulation (EU) no. 537/2014, the audit reports on the annual and consolidated financial statements ended as at 31 December 2020, with no issues. With reference to opinions and certifications, the Independent Auditor in its Audit Reports:
  - i. issued an opinion which stated that the annual and consolidated financial statements of ASTM S.p.A. provide a true and correct representation of the equity and financial situation of the Company and of the Group as at 31 December 2020, the economic result and the cash flows for the Fiscal Year ended at that date in compliance with the International Financial Reporting Standards adopted by the European Union, in addition to the measures issued in implementation of art. 9 of Italian Legislative Decree no. 38 of 28 February 2005;

ii. issued an opinion on compliance, which stated that the Management Report accompanying the annual financial statements and the consolidated financial statements as at 31 December 2020 and a number of specific items of information contained in the “Report on Corporate Governance and Ownership Structure”, as indicated in art. 123-bis, paragraph 4 of the TUF, for which the directors of the Company are responsible, are prepared in compliance with the law;

iii. declared, with reference to any significant errors in the Management Reports, on the basis of the knowledge and understanding acquired of the Company and the related context during the audit activities, that there is nothing to report;

b) PWC also issued, on this date, the additional report intended for the Board of Statutory Auditors acting as the Internal Control and Audit Committee set out by article 11 of the aforementioned Regulation (EU), a report which will be sent to the Board of Directors as required by the legislation in force.

c) PWC also issued, on this date, the report on the consolidated non-financial disclosure prepared pursuant to art. 3, paragraph 10 of Italian Legislative Decree no. 254 of 30 December 2016 and art. 5 of Consob Regulation no. 20267 of 18 January 2018, with which it certifies that no elements were brought to its attention that led it to believe that the ASTM Group’s non-financial disclosure for the Fiscal Year ended as at 31 December 2020 was not prepared, in all significant aspects, in compliance with the requirements of articles 3 and 4 of the aforementioned decree.

d) lastly, PWC issued, on this date, the declaration relating to independence, as required by art. 6 of the Regulation (EU), which did not reveal any situations that could compromise its independence. Finally, the Board of Statutory Auditors acknowledged the Transparency Report prepared by PWC and published on its website pursuant to art. 18 of Italian Legislative Decree no. 39/2010.

e) PWC and the companies belonging to its network, in addition to the tasks envisaged by legislation for listed companies, received additional assignments for services other than auditing, the fees for which are shown in the explanatory notes

to the financial statements as required by art. 149-*duodecies* of the Issuers' Regulation. The services permitted other than auditing were approved in advance by the Board of Statutory Auditors, which assessed their suitability and opportunity with reference to the criteria set out by Regulation EU 537/2014.

Having acknowledged the declaration on independence issued by PWC and the transparency report produced by the same, in addition to the tasks assigned to PWC and the companies in its network, the Board of Statutory Auditors does not believe that there are any critical aspects regarding the independence of PriceWaterhouseCoopers S.p.A.

During the Fiscal Year, the Board of Statutory Auditors met 27 times and also attended the meetings of the Board of Directors, the Appointments and Remuneration Committee, the Sustainability Committee and the Audit and Risk Committee, and met with the Board of Statutory Auditors of the subsidiaries.

During the Fiscal Year, the Board of Statutory Auditors issued opinions pursuant to art. 2389, paragraph 3 of the Italian Civil Code and art. 2386, paragraph 1 of the Italian Civil Code.

Regarding the exchange of information with the Supervisory Board pursuant to Italian Legislative Decree no. 231/2001, the Supervisory Board periodically informed the Board of Statutory Auditors on the monitoring activities carried out on the Organisational Model adopted by the Company pursuant to Italian Legislative Decree no. 231/2001.

Taking account of the information acquired, the Board of Statutory Auditors believes that the activities were carried out in accordance with the principles of proper management and that the organisational structure, the system of internal controls and the administrative and accounting system are as a whole adequate for the nature and size of the Company.

The Board of Statutory Auditors is not aware of any events or facts that should be reported to the Shareholders' Meeting. During the activities performed and on the basis of the information obtained, no omissions, censurable events, irregularities or circumstances requiring notification to the Supervisory Authority or mention in this report were identified.

The Board of Directors promptly submitted the Financial Statements and the Management Report to the Board of Statutory Auditors. Taking account of the guidelines issued by the ESMA for disclosure to the markets in the current situation associated with the Covid-19 health emergency subject to the Consob Attention Notice no. 1/21 of 16/02/2021,

the Board of Statutory Auditors verified that the directors provided adequate information in the Management Report, to which reference should be made, regarding the actions undertaken and to undertake in order to address the short- and medium-term uncertainties resulting from Covid-19. As far as falls within its competence, the Board of Statutory Auditors reports that: the schedules adopted comply with the law; the accounting standards adopted, described in the notes, are adequate in relation to the activities and transactions carried out by the Company; the procedure adopted (impairment test) to identify any impairment of assets in the financial statements was approved by the Board of Directors autonomously and in advance of the approval of the financial report, and the financial statements are consistent with the events and information of which the Board of Statutory Auditors is aware following its participation in the meetings of Company bodies and supervisory activities carried out.

The Board of Statutory Auditors notes that on 20 February 2021, pursuant to and for the purposes of art. 102, paragraph 1 of the TUF and art. 37 of the Issuers' Regulation, the Company was subject to a voluntary tender offer submitted by the parent company NAF2 S.p.A., details of which can be found in the Management Report in the section related to significant subsequent events.

With regard to the above, taking account of the outcome of the specific tasks performed by PWC in terms of auditing the accounts and verifying the reliability of the annual financial statements, in addition to the supervisory activities performed, the Board of Statutory Auditors has no proposals to make pursuant to art. 153, paragraph 2 of Italian Legislative Decree no. 58/98, expresses its favourable opinion regarding the approval of the annual financial statements as at 31 December 2020 of ASTM S.p.A. and has no objections regarding the proposal made by the Board of Directors on the destination of profits.

In view of the above and taking account of the results stated by PWC in its report on the Consolidated Financial Statements, the Board of Statutory Auditors has no observations to make with regard to the Consolidated Financial Statements of the ASTM Group as at 31 December 2020.

This report is unanimously approved by the members of the Board of Statutory Auditors, connected by videoconference following the government provisions related to Covid-19 containment measures. The Board of Statutory Auditors authorises the Chairperson to sign this report and send it from his certified e-mail (PEC) to the Company's certified e-mail (PEC).



Turin, 26 March 2021

For the Board of Statutory Auditors

The Chairman

Andrea Bonelli



## Independent Auditors' Report



## ***Independent auditor's report***

*in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010 and article 10 of Regulation (EU) No. 537/2014*

To the Shareholders of  
ASTM SpA

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### ***Report on the Audit of the Financial Statements***

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#### ***Opinion***

We have audited the financial statements of ASTM SpA (the "Company"), which comprise the balance sheet as of 31 December 2020, the income statement, the other comprehensive income, the cash flow statement, the statement of changes in shareholders' equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2020, and of the result of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05.

#### ***Basis for Opinion***

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of this report. We are independent of the Company pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### ***Key Audit Matters***

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the 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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#### ***PricewaterhouseCoopers SpA***

Sede legale: **Milano** 20145 Piazza Tre Torri 2 Tel. 02 77851 Fax 02 7785240 Capitale Sociale Euro 6.890.000,00 i.v. C.F. e P.IVA e Reg. Imprese Milano Monza Brianza Lodi 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 071 2132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 080 5640211 - **Bergamo** 24121 Largo Belotti 5 Tel. 035 229691 - **Bologna** 40126 Via Angelo Finelli 8 Tel. 051 6186211 - **Brescia** 25121 Viale Duca d'Aosta 28 Tel. 030 3697501 - **Catania** 95129 Corso Italia 302 Tel. 095 7532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 055 2482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 010 29041 - **Napoli** 80121 Via dei Mille 16 Tel. 081 36181 - **Padova** 35138 Via Vicenza 4 Tel. 049 873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091 349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521 275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 085 4545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06 570251 - **Torino** 10122 Corso Palestro 10 Tel. 011 556771 - **Trento** 38122 Viale della Costituzione 33 Tel. 0461 237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422 696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 040 3480781 - **Udine** 33100 Via Poscolle 43 Tel. 0432 25789 - **Varese** 21100 Via Albuzzi 43 Tel. 0332 285039 - **Verona** 37135 Via Francia 21/C Tel. 045 8263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444 393311

## Key Audit Matters

## Auditing procedures performed in response to key audit matters

### Evaluation of the recoverability of the value of investments in subsidiaries and associates

*“Valuation criteria and accounting standards” paragraph “Impairment test” and note 2 “Non-current financial assets”*

At 31 December 2020, the Company holds, among “non-current financial assets”, the following investments:

- subsidiaries: Euro 2,534.5 million;
- associates: Euro 608.6 million;

The total value of these investments represents approximately 59% of the total assets of the financial statements as of 31 December 2020.

According to the accounting standards, investments in subsidiaries and associates are valued at cost; in case of impairment losses, these are recognized in the income statement.

In accordance with the accounting standards and with the impairment procedure approved by the Board of Directors on 8 March 2021 (the “Procedure”), at the balance sheet date, the investments in subsidiaries and associates have been tested for impairment.

We considered the valuation of the investments in subsidiaries and associates as a key audit matter, taking into account the significance of the values and the high degree of judgment necessary for the determination of the main assumptions used in the determination of the recoverable amount.

We have obtained the valuation models and documentation used by management to identify any impairment loss in accordance with the Procedure and, also through the support of experts belonging to the PwC network, we have carried out the following main auditing procedures:

- analysis of the Procedure and verification of the consistency of its contents with the provisions of IAS 36, as well as of its consistent application;
- analysis of the results of the audits performed by the component auditors;
- verification of the mathematical accuracy of the models;
- evaluation, also through discussions with management, of the reasonableness of the main assumptions underlying the determination of the data included in the models, with particular reference to operating revenues and costs, discount rates, traffic data, tariffs, investments, used to determine the value in use;
- reasonableness assessment of the main assumptions used in the event that the recoverable amount was determined according to the fair value less cost of disposal;
- comparison between the carrying amounts and the recoverable amount;
- verification of sensitivity analysis.

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Finally, our procedures included the analysis of the explanatory notes to the financial statements to verify the accuracy and completeness of the disclosure.

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### ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05 and, in the terms prescribed by law, for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Management is responsible for assessing the Company's ability to continue as a going concern and, in preparing the financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the financial statements, management uses the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Statutory Auditors ("Collegio Sindacale") is responsible for overseeing, in the terms prescribed by law, the Company's financial reporting process.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or 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 International Standards on Auditing (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 the financial statements.

As part of an audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised our professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained 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;

- We obtained 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;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- We concluded on the appropriateness of management's 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 auditor's report to the related disclosures in the 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- We evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with those charged with governance, identified at an appropriate level as 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 identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report.

#### ***Additional Disclosures required by Article 10 of Regulation (EU) No 537/2014***

On 28 April 2017, the Shareholders' meeting of ASTM SpA engaged us to perform the statutory audit of the Company's separate and consolidated financial statements for the years ending 31 December 2017 to 31 December 2025.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) No. 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to those charged with governance, in their capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.



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## ***Report on Compliance with other Laws and Regulations***

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### ***Opinion in accordance with Article 14, paragraph 2, letter e), of Legislative Decree No. 39/10 and Article 123-bis, paragraph 4, of Legislative Decree No. 58/98***

Management of ASTM SpA is responsible for preparing a report on operations and a report on the corporate governance and ownership structure of the Company as of 31 December 2020, including their consistency with the relevant financial statements and their compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98, with the financial statements of ASTM SpA as of 31 December 2020 and on their compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure mentioned above are consistent with the financial statements of ASTM SpA as of 31 December 2020 and are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Turin, 26 March 2021

PricewaterhouseCoopers SpA

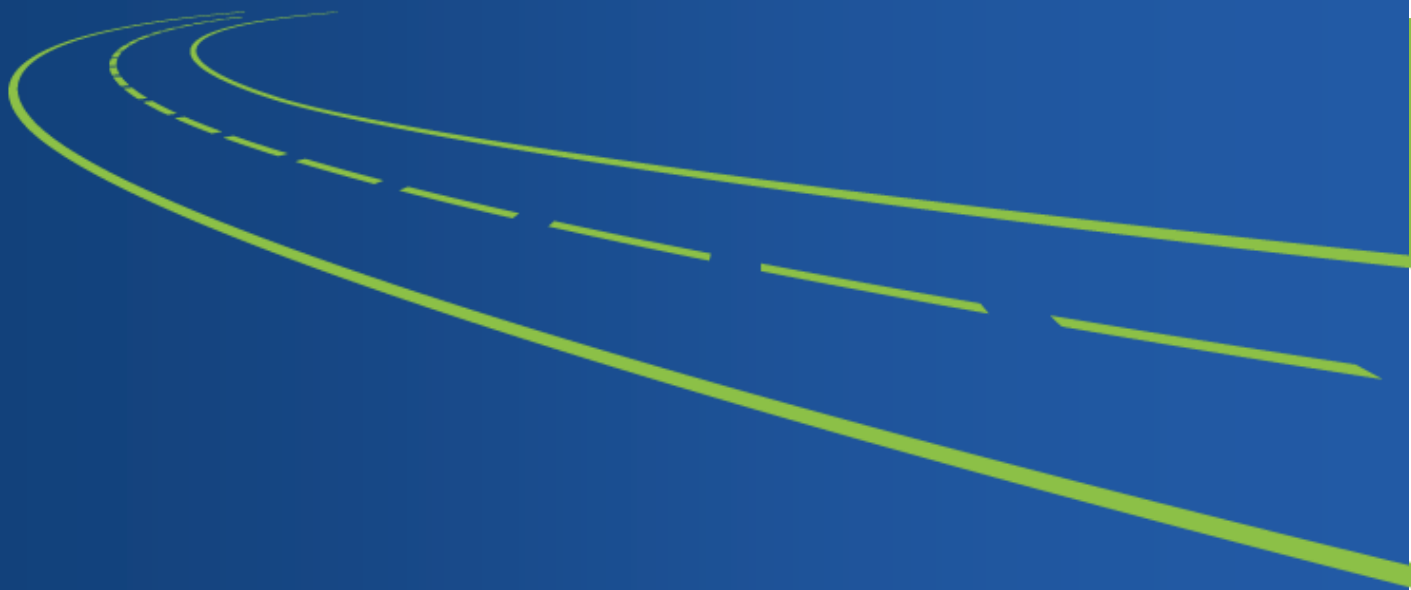
*Signed by*

Piero De Lorenzi  
(Partner)

*This report has been translated into English from the Italian original solely for the convenience of international readers*



# 4. Consolidated Financial Statements







## Consolidated Financial Statements



## Consolidated Balance Sheet

(€ '000s)	Note	31 December 2020	31 December 2019
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	1		
goodwill		87,233	121,492
other intangible assets		21,864	21,518
concessions – non-compensated revertible assets		2,880,589	2,810,379
<b>Total intangible assets</b>		<b>2,989,686</b>	<b>2,953,389</b>
Tangible assets	2		
property, plant, machinery and other assets		146,686	142,889
rights of use		69,666	62,769
<b>Total tangible assets</b>		<b>216,352</b>	<b>205,658</b>
Non-current financial assets	3		
equity accounted investments		974,003	887,135
other equity investments		42,773	114,820
other non-current financial assets		352,262	947,956
<b>Total non-current financial assets</b>		<b>1,369,038</b>	<b>1,949,911</b>
Deferred tax assets	4	212,101	175,436
<b>Total non-current assets</b>		<b>4,787,177</b>	<b>5,284,394</b>
<b>Current assets</b>			
Inventories and contract assets	5	361,796	286,096
Trade receivables	6	262,896	284,840
Current tax assets	7	36,566	30,459
Other receivables	8	108,003	125,555
Current financial assets	9	978,690	389,275
<b>Total</b>		<b>1,747,951</b>	<b>1,116,225</b>
Cash and cash equivalents	10	879,003	1,197,537
<b>Total current assets</b>		<b>2,626,954</b>	<b>2,313,762</b>
<b>Total assets</b>		<b>7,414,131</b>	<b>7,598,156</b>
<b>Shareholders' equity and liabilities</b>			
<b>Shareholders' equity</b>			
Equity attributable to the Group	11		
share capital		64,886	65,274
reserves and earnings		2,499,080	2,537,587
<b>Equity attributable to the Group</b>		<b>2,563,966</b>	<b>2,602,861</b>
Equity attributable to minorities		369,359	357,016
<b>Total Shareholders' equity</b>		<b>2,933,325</b>	<b>2,959,877</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Provisions for risks and charges	12	396,116	374,452
Employee benefits	13	42,323	43,980
Trade payables	14	40	-
Other payables and contract liabilities	15	188,177	205,823
Bank debt	16	1,015,355	952,502
Hedging derivatives	17	17,065	20,729
Other financial liabilities	18	1,087,462	1,084,980
Deferred tax liabilities	19	4,762	50,553
<b>Total non-current liabilities</b>		<b>2,751,300</b>	<b>2,733,019</b>
<b>Current liabilities</b>			
Trade payables	20	582,047	447,864
Other payables and contract liabilities	21	365,697	345,213
Bank debt	22	656,052	494,655
Hedging derivatives	23	8,318	-
Other financial liabilities	24	76,466	571,062
Current tax liabilities	25	40,926	46,466
<b>Total current liabilities</b>		<b>1,729,506</b>	<b>1,905,260</b>
<b>Total liabilities</b>		<b>4,480,806</b>	<b>4,638,279</b>
<b>Total Shareholders' equity and liabilities</b>		<b>7,414,131</b>	<b>7,598,156</b>



## Consolidated income statement

(€ '000s)	Note	FY 2020	FY 2019
<b>Revenue</b>	26		
motorway sector - operating activities	26.1	1,045,600	1,241,062
motorway sector - planning and construction activities IFRIC 12	26.2	392,213	265,278
EPC sector	26.3	951,545	813,349
EPC sector - planning and construction activities IFRIC 12	26.4	9,306	17,751
technology sector	26.5	16,387	23,154
other	26.6	67,270	84,349
<b>Total Revenues</b>		<b>2,482,321</b>	<b>2,444,943</b>
Payroll costs	27	(442,099)	(386,272)
Costs for services	28	(1,107,866)	(895,736)
Costs for raw materials	29	(231,830)	(210,862)
Other costs	30	(154,016)	(160,745)
Capitalised costs on fixed assets	31	1,274	1,071
Amortisation, depreciation and write-downs	32	(227,179)	(325,177)
Adjustment of the provision for restoration/replacement of non-compensated revertible assets	33	2,951	13,528
Other provisions for risks and charges	34	(30,208)	(92,052)
Financial income:	35		
from unconsolidated investments		807	1,771
other		17,923	37,174
Financial expenses:	36		
interest expense		(66,286)	(75,560)
other		(20,858)	(3,606)
Profit (loss) of companies accounted for with the equity method	37	(56,288)	(90,504)
<b>Profit (loss) before taxes</b>		<b>168,646</b>	<b>257,973</b>
Taxes	38		
Current taxes		(80,254)	(121,641)
Deferred taxes		55,330	33,560
<b>Profit (loss) for the year</b>		<b>143,722</b>	<b>169,892</b>
• Profit attributable to Minorities		34,885	93,613
• <b>Profit (Loss) for the year attributable to the Group</b>		<b>108,837</b>	<b>76,279</b>
<b>Earnings per share</b>			
Earnings (euro per share)	39	0.824	0.835

## Consolidated statement of other comprehensive income

(€ '000s)	FY 2020	FY 2019
<b>Profit (loss) for the period (a)</b>	<b>143,722</b>	<b>169,892</b>
Actuarial profit (loss) on employee benefits	(77)	(1,628)
Actuarial profit (loss) on employee benefits – companies accounted for by the equity method	2	41
Profit (loss) allocated to "reserves for revaluation at fair value"	(6,151)	5,551
Capital gains from the sale of equity investments pursuant to IFRS 9	18,839	-
Tax effect on profit (loss) that will not be subsequently reclassified in the Income Statement	187	80
<b>Profit (loss) that will not be subsequently reclassified in the Income Statement (b)</b>	<b>12,800</b>	<b>4,044</b>
Profit (loss) allocated to "cash flow hedge reserve" (interest rate swaps)	(4,721)	15,017
Profit (loss) allocated to "exchange rate difference reserve"	(14,322)	1,089
Share of other profit/(loss) of companies accounted for by the equity method (exchange rate difference reserve and interest rate swap)	(131,273)	(7,727)
Tax effect on profit (loss) that will be subsequently reclassified in the Income Statement when certain conditions are met	751	(3,525)
<b>Profit (loss) that will be subsequently reclassified in the Income Statement when certain conditions are met (c)</b>	<b>(149,565)</b>	<b>4,854</b>
<b>Comprehensive income (a) + (b) + (c)</b>	<b>6,957</b>	<b>178,790</b>
• share attributable to minorities	30,235	98,089
• <b>share attributable to Shareholders</b>	<b>(23,278)</b>	<b>80,701</b>



## Consolidated cash flow statement

(€ '000s)	Note	2020	2019
<b>Cash and cash equivalents – opening balance</b>		<b>1,197,537</b>	<b>1,087,633</b>
Change in the scope of consolidation	40	7,669	65,574
<b>Cash and cash equivalents, adjusted – opening balance (a)</b>		<b>1,205,206</b>	<b>1,153,207</b>
<b>Profit (loss)</b>		<b>143,722</b>	<b>169,892</b>
<b>Adjustments</b>			
Amortisation, depreciation and write-downs		227,179	325,178
Adjustment to the provision for restoration/replacement of non-compensated revertible assets		(2,951)	(13,528)
Adjustment to the provision for employee benefits		2,014	1,666
Provisions for risks		30,208	92,052
(Profit) loss of companies accounted for by the equity method (net of dividends collected)		57,125	86,711
Other non-cash (income)/expenses		(69,972)	(32,532)
Capitalisation of financial expenses		(16,425)	(15,164)
<b>Operating Cash Flow (I)</b>		<b>370,900</b>	<b>614,275</b>
Net change in deferred tax credits and liabilities		17,450	(35,989)
Change in net working capital			
<i>Inventories and contract assets</i>		<i>(58,103)</i>	<i>(50,857)</i>
<i>Trade receivables</i>		<i>35,104</i>	<i>(37,138)</i>
<i>Current tax assets</i>		<i>(5,661)</i>	<i>5,821</i>
<i>Other receivables</i>		<i>25,744</i>	<i>66,410</i>
<i>Trade payables</i>		<i>115,010</i>	<i>75,781</i>
<i>Other payables and contract liabilities</i>		<i>5,967</i>	<i>(18,518)</i>
<i>Current tax liabilities</i>		<i>(13,824)</i>	<i>26,352</i>
Other changes from operating activities		(15,640)	(14,131)
<b>Change in net working capital and other changes (II)</b>		<b>106,047</b>	<b>17,731</b>
<b>Cash generated (absorbed) by operating activities (I+II) (b)</b>		<b>476,947</b>	<b>632,006</b>
Investments in revertible assets		(410,001)	(301,930)
Divestiture of revertible assets		-	-
Grants related to revertible assets		6,204	18,640
<b>Net investments in revertible assets (III)</b>		<b>(403,797)</b>	<b>(283,290)</b>
Net investments in property, plant, machinery and other assets		(19,460)	(31,630)
Net investments in intangible assets		(2,543)	(3,474)
Net divestiture of property, plant, machinery and other assets		4,563	1,228
Net divestiture of intangible assets		338	1,751
<b>Net investments in intangible and tangible assets (IV)</b>		<b>(17,102)</b>	<b>(32,125)</b>
<i>Purchase of Sitaf shares</i>		<i>(272,020)</i>	<i>-</i>
<i>Sale of Milano Serravalle shares</i>		<i>78,308</i>	<i>-</i>
<i>Loans purchased TE</i>		<i>-</i>	<i>(11,277)</i>
<i>Shares purchased TE/TEM</i>		<i>-</i>	<i>(22,779)</i>
(Investments)/Divestiture in non-current financial assets - equity investments		2,437	(88,375)
(Investments)/Divestiture in non-current financial assets		1,594	(3,416)
<b>Net investments in non-current financial assets (V)</b>		<b>(189,681)</b>	<b>(125,847)</b>
<b>Cash generated (absorbed) by investment activity (III+IV+V) (c)</b>		<b>(610,580)</b>	<b>(441,262)</b>
Net change in bank debt		223,378	214,556
Issue/(Repayment) of bonds		(500,000)	-
Change in financial assets		131,426	(59,874)
(Investments)/Divestiture of capitalisation insurance policies		32,683	34,708
(Investments)/Divestiture in other financial assets		7,246	(8,927)
Change in other financial liabilities (including Central Guaranty Fund)		(52,953)	(13,689)
Changes in shareholder's equity attributable to minorities		-	804
(Purchase)/sale of Treasury Shares		(11,658)	(5,268)
Public tender offer on SIAS shares		-	(199,732)
Changes in equity attributable to Shareholders		-	(13,124)
Dividends (and interim dividends) distributed by the Parent Company		-	(27,593)
Dividends (and interim dividends) distributed by Subsidiaries to minority interests		(22,692)	(68,275)
<b>Cash generated (absorbed) by financial activity (d)</b>		<b>(192,570)</b>	<b>(146,414)</b>
<b>Cash and cash equivalents – closing balance (a+b+c+d)</b>		<b>879,003</b>	<b>1,197,537</b>

### Additional information:

• Taxes paid during the period	77,430	93,560
• Financial expenses paid during the period	69,783	81,662

The Group's "net financial position" is described in the related paragraph in the Management Report.



## Statement of changes in Shareholders' equity

(€ '000s)	Share capital	Share premium reserve	Revaluat. Reserves	Legal reserve	Reserve for the purchase of Treasury Shares	Purchased Treasury Shares	Reserve for revaluation at fair value	Cash flow hedge reserve	Exchange rate difference reserve	Reserve for discounting employee benefits	Retained earnings (losses)	Profit (loss) for the year	Total Equity attributable to owners of the Group	Equity attributable to minorities	Total Shareholders' equity
<b>1 January 2019</b>	<b>45,704</b>	<b>147,361</b>	<b>9,325</b>	<b>10,538</b>	<b>91,076</b>	<b>(87,281)</b>	<b>(1,295)</b>	<b>10,493</b>	<b>(49,019)</b>	<b>(1,267)</b>	<b>1,604,622</b>	<b>145,499</b>	<b>1,925,755</b>	<b>1,151,140</b>	<b>3,076,895</b>
Allocation of 2018 profits											117,906	(117,906)	-		-
Distribution of 2018 final dividend												(27,593)	(27,593)	(68,275)	(95,868)
Public tender offer and purchase of SIAS shares											(87,884)		(87,884)	(116,639)	(204,523)
ASTM shares issued in exchange for SIAS shares	19,683										713,588		733,271	(733,271)	-
Merger accessory charges											(7,342)		(7,342)		(7,342)
Purchase/sale of Treasury Shares	(102)				5,268	(5,166)					(5,268)		(5,268)		(5,268)
Change in the scope of consolidation	(11)										(99)		(110)	20,871	20,761
Acquisition of minorities and other changes							2,568				(11,237)		(8,669)	5,101	(3,568)
Comprehensive income							3,624	7,160	(5,503)	(859)		76,279	80,701	98,089	178,790
<b>31 December 2019</b>	<b>65,274</b>	<b>147,361</b>	<b>9,325</b>	<b>10,538</b>	<b>96,344</b>	<b>(92,447)</b>	<b>4,897</b>	<b>17,653</b>	<b>(54,522)</b>	<b>(2,126)</b>	<b>2,324,286</b>	<b>76,279</b>	<b>2,602,861</b>	<b>357,016</b>	<b>2,959,877</b>
<b>1 January 2020</b>	<b>65,274</b>	<b>147,361</b>	<b>9,325</b>	<b>10,538</b>	<b>96,344</b>	<b>(92,447)</b>	<b>4,897</b>	<b>17,653</b>	<b>(54,522)</b>	<b>(2,126)</b>	<b>2,324,286</b>	<b>76,279</b>	<b>2,602,861</b>	<b>357,016</b>	<b>2,959,877</b>
Allocation of 2019 profits				3,513							72,766	(76,279)	-		-
Dividend distribution													-	(22,692)	(22,692)
Purchase/sale of Treasury Shares	(388)				11,658	(11,270)					(11,658)		(11,658)		(11,658)
Change in the scope of consolidation									(24)		(661)		(685)	1,263	578
Acquisition of minorities and other changes											(3,274)		(3,274)	3,537	263
Comprehensive income							(5,824)	(5,162)	(138,680)	(25)	17,576	108,837	(23,278)	30,235	6,957
<b>31 December 2020</b>	<b>64,886</b>	<b>147,361</b>	<b>9,325</b>	<b>14,051</b>	<b>108,002</b>	<b>(103,717)</b>	<b>(927)</b>	<b>12,491</b>	<b>(193,226)</b>	<b>(2,151)</b>	<b>2,399,035</b>	<b>108,837</b>	<b>2,563,966</b>	<b>369,359</b>	<b>2,933,325</b>



## Principles of consolidation, valuation criteria and explanatory notes



## General information

ASTM S.p.A. is a joint-stock company incorporated in Italy at the Turin Business Register. The Company's registered office is at Corso Regina Margherita 165 - Turin. Pursuant to the Articles of Association, the duration of the Company will expire on 31 December 2050.

ASTM S.p.A. operates in Italy as an industrial holding company and through its subsidiaries, mainly in the management of motorway networks under concession, in the planning and construction of major infrastructure works and in technology applied to transport mobility. The main activities of the Company and its subsidiaries are indicated in the descriptive section preceding the Management Report.

The ordinary shares are listed on the MTA [electronic stock market] operated by Borsa Italiana S.p.A. and are included in the FTSE Italia Mid Cap index.

The Consolidated Financial Statements are drawn up in Euro, which is the current currency in the economy in which the Group mainly operates.

Pursuant to art. 5, paragraph 2 of Legislative Decree no. 38 of 28 February 2005 and in accordance with paragraph 46 of IAS 1, these Consolidated Financial Statements have been prepared in thousands of euro.

The Consolidated Financial Statements of the ASTM Group were favourably examined and approved by the Board of Directors of ASTM S.p.A. on 19 March 2021.

### Preparation criteria and contents of the Consolidated Financial Statements

The 2020 annual Consolidated Financial Statements have been prepared on a going concern basis since there is reasonable expectation that the ASTM Group will continue its business operations in the foreseeable future and in any case for a time period greater than 12 months.

Based on the provisions of art. 3, paragraph 1 of Legislative Decree no. 38 of 28/2/2005, these Consolidated Financial Statements were prepared in accordance with the main **international accounting standards (IFRS)** issued by the International Accounting Standards Board (IASB) and approved by the European Commission. IFRS means all revised international accounting standards ("IAS") and all interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), formerly the Standing Interpretations Committee ("SIC"). Consequently, the comparative data referring to the previous period also comply with the cited accounting standards.

The Consolidated Financial Statements comprise the Balance sheet, the income statement, the statement of comprehensive income, the cash flow statement, the statement of changes in Shareholders' equity and these explanatory notes and apply the provisions contained in IAS 1 "Presentation of Financial Statements". The balance sheet has been prepared by distinguishing between current and non-current assets and liabilities, while in the income statement costs have been presented and classified based on their nature. The cash flow statement has been prepared using the "indirect method".



## Principles and scope of consolidation

### Principles of consolidation

This Consolidated Financial Statements include, in addition to the financial statements of the Parent Company, ASTM S.p.A., the reporting package prepared by each of the subsidiaries as of the reporting date, in compliance with the IFRS adopted by the Group. Control occurs when a parent company has the power to direct the relevant activities of the company and is exposed to the variability of its results. The financial statements of subsidiaries are included in the Consolidated Financial Statements starting from the date upon which control is assumed until the moment control ceases to exist.

Joint arrangements can be classified as (i) "interests in joint ventures" if the Group holds the rights to net assets under the arrangement, e.g. for a company with its own legal status, or (ii) "jointly controlled entities" if the Group holds the right to assets and obligations on liabilities underlying the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. The classification of ASTM Group agreements is based on analysis of the contractual rights and obligations. In particular, based on current agreements, the ASTM Group holds rights to net assets of the agreement classified as "interests in joint ventures" (accounted for using the "equity method") or in "joint operations" (recognising the quota of rights and obligations of the holder in the annual financial statements).

Companies over which "significant influence" is exercised are assessed according to the "equity method". Significant influence is the power to participate in the financial and operating decisions of the investee but is not control or joint control of those policies. Significant influence is presumed when the Group holds at least 20% of the voting rights.

In the paragraph "Scope of consolidation" below, consolidated equity investments and the changes to them are shown in detail.

\* \* \*

### Consolidation on a "line-by-line basis"

In brief, consolidation on a line-by-line basis involves taking the assets and liabilities, costs and revenue of the consolidated companies, regardless of the amount of equity investment held, and attributing to minority shareholders the share of profits and reserves applicable to them in a dedicated heading of Shareholders' Equity called "Equity attributable to minorities".

The main consolidation adjustments made were the following:

1. Elimination of the carrying amount of equity investments consolidated on line-by-line basis and the corresponding fractions of Shareholders' equity attributing the current value as at the date of acquiring control to the individual elements of the statement of financial position; if the requirements are met, any positive difference is posted to the asset item "Goodwill"; a negative difference is recognised in the income statement.

The premium/lower price paid for a corresponding fraction of Shareholders' equity, from the acquisition of additional shares of subsidiaries, increased/decreased the Shareholders' equity by the same amount.

The acquisitions of controlling equity investments as part of the same Group (i.e. "business combinations under common control") are accounted for according to ongoing value.

2. Elimination of receivables and payables between businesses included in the scope of consolidation, as well as income and expenses related to transactions between the businesses themselves. Significant profit and loss from transactions between these companies and related to amounts included in the balance sheet and the income statement were eliminated, except only for those related to the planning and construction activities of non-compensated revertible assets which are entered at fair value





pursuant to IFRIC 12, as described later on. Intercompany losses are not eliminated if they reflect an impairment in value of the underlying asset.

3. Reversal of dividends collected from the consolidated companies.

*Valuation of equity investments with the "equity method"*

The equity investments are initially entered at cost and the book value is increased or decreased to record the share of profits and losses of the investee company accruing to the holding company, which are realised after the acquisition date. Any goodwill included in the value of the equity investment is subject to an impairment test. The acquisition cost is attributed to the pro-rata share of the fair value of the identifiable assets and liabilities of the associated companies or joint ventures, and the difference as goodwill. The portion of operating profits of the investee company accruing to the holding company is posted to the income statement of the holding company, except for the effects relating to other changes to the statement of comprehensive income of the investee other than transactions with shareholders, which are entered directly in the statement of comprehensive income of the Group. For any losses exceeding the book value of the equity investments, the excess is recognised to a special provision under liabilities to the extent to which the investor is committed to legal or implicit obligations to the investee or in any event to cover its losses.

Dividends received from an investee company reduce the book value of the equity investment.



## Scope of consolidation

The list of subsidiary companies included in the scope of consolidation is shown below.

### Parent Company

Name	Registered office
ASTM S.p.A.	10144 Torino - Corso Regina Margherita, 165

### Subsidiaries – consolidated on a "line-by-line basis"

Name	Registered office	Share capital	% mediated	% of the group <sup>1</sup>
IGLI S.p.A.	20135 Milano - Viale Isonzo 14/1	37,130,000	100.000	100.000
Igli Do Brasil Participacoes LTDA	Sao Paulo, Rua Gomes de Carvalho	BRL 100	100.000	100.000
Itinera Infrastructure and Concessions Inc	10965 Pearl River New York (USA) - 1 Bue Hill Plaza, 16th Floor	-	100.000	100.000
SINA S.p.A.	20135 Milano - Viale Isonzo 14/1	10,140,625	100.000	100.000
Siteco Informatica S.r.l., sole proprietorship	20135 Milano - Viale Isonzo 14/1	13,784	100.000	100.000
SATAP S.p.A.	10144 Torino - Via Bonzanigo, 22	158,400,000	99.874	99.874
Albenga Gaessio Ceva S.p.A.	12100 Cuneo - Corso Giolitti, 17	600,000	99.849	(2) 99.975
Crispi S.c.a r.l., with single shareholder, in liquidation	15057 Tortona (AL) - Strada Statale per Alessandria 6/A	10,000	99.170	100.000
CRZ01 S.c. a r.l. in liquidation	15057 Tortona (AL) - Strada Statale per Alessandria 6/A	10,000	99.170	100.000
Itinera S.p.A.	15057 Tortona (AL), Via Balustra 15	86,836,594	99.170	100.000
Itinera USA CORP	Camden (Delaware) - 2140 Duport Highway Street	US Dollar 55,100,000	99.170	100.000
Marcallo S.c.a r.l.	15057 Tortona (AL) - Strada Statale per Alessandria 6/A	50,000	99.170	100.000
SEA Segnaletica Stradale S.p.A.	15057 Tortona - Regione Ratto	500,000	99.170	100.000
Sinergie S.c.a r.l. in liquidation	15057 Tortona (AL) - Strada Statale per Alessandria 6/A	10,000	99.170	100.000
Società Attività Marittime (SAM) S.p.A.	15057 Tortona (AL) - Strada Statale per Alessandria 6/A	500,000	99.170	100.000
Urbantech S.p.A.	15057 Tortona (AL) - Strada Statale per Alessandria 6/A	130,907	99.170	100.000
Storstrøm Bridge JV	4760 Vordingborg (Denmark) - Brovejen 16	-	99.160	99.990
Argo Costruzioni Infrastrutture S.c.p.a.	15057 Tortona (AL) - Strada Statale per Alessandria 6/A	130,000	99.134	100.000
Torre di Isola S.c.a r.l.	15057 Tortona (AL) - Strada Statale per Alessandria 6/A	10,000	99.071	99.900
Cornigliano 2009 S.c.a r.l.	15057 Tortona (AL) - Strada Statale per Alessandria 6/A	10,000	98.972	99.800
Itinera Construcoes LTDA	Sao Paulo (Brazil) - Vila Nova Conceicao	BRL 1,000,000	98.968	100.000
Euroimpianti S.p.A.	15057 Tortona (AL) - Strada Statale per Alessandria 6/A	5,000,000	97.252	100.000
Sinelec USA Inc	New York, NY 10022 (USA) - 509 Madison Avenue, Suite 1510	US Dollar 50,000	97.151	100.000
Sinelec S.p.A.	15057 Tortona (AL) - S.P.211 Lomellina 3/13 Loc. San Guglielmo	7,383,435	97.151	98.914
Lambro S.c.a r.l.	15057 Tortona (AL) - Strada Statale per Alessandria 6/A	200,000	96.403	97.210
Agognate S.c.a r.l. in liquidation	15057 Tortona (AL) - Strada Privata Ansaldo, 8	10,000	96.096	96.900
Biantrate S.c.a r.l. in liquidation	15057 Tortona (AL) - Strada Privata Ansaldo, 8	10,000	96.096	96.900
Finanziaria di Partecipazioni e Investimenti S.p.A.	15057 Tortona (AL) - S.P.211 Lomellina 3/13 Loc. San Guglielmo	22,680,725	95.230	100.000
Logistica Tirrenica S.p.A.	55041 Lido di Camaiore (LU) - Via Don E. Tazzoli, 9	12,000,000	95.230	100.000
Società Autostrada Ligure Toscana p.A.	55041 Lido di Camaiore (LU) - Via Don E. Tazzoli, 9	160,300,938	95.230	95.229
Taranto Logistica S.p.A.	15057 Tortona (AL) - Strada Statale per Alessandria 6/A	13,000,000	95.212	96.000
Carisio S.c.a r.l. in liquidation	15057 Tortona (AL), Via Balustra 15	10,000	95.203	96.000
A 7 barriere S.c.a r.l. in liquidazione	15057 Tortona (AL) - Strada Statale per Alessandria 6/A	10,000	94.311	100.000
Impresa Costruzioni Milanoo S.c. a r.l. - I.CO.M. in liquidation	15057 Tortona (AL) - Strada Statale per Alessandria 6/A	10,000	92.228	93.000
Tubosider UK LTD	3 Ex St. Helens, Merseyside 10 Sutton Fold Industrial Estate	GBP 1,208,048	89.253	100.000
Tubosider CSP LIMITED	Sutton Fold Industrial Estate (UK) - St Helens, Sutton WA9 3GL	GBP 150	89.253	100.000
Tubosider S.p.A.	14100 Asti - Corso Torino 236	450,000	89.253	90.000
Diga Alto Cedrino S.c.a r.l.	15057 Tortona (AL), Via Balustra 15	50,000	79.336	80.000
Mazze' S.c.a r.l.	15057 Tortona (AL) - Strada Statale per Alessandria 6/A	10,000	79.336	80.000
Sistemi e Servizi S.c.a r.l.	15057 Tortona (AL) - S.P.211 Lomellina 3/13 Loc. San Guglielmo	100,000	76.537	80.000
Lanzo S.c.a r.l.	15057 Tortona (AL) - Strada Statale per Alessandria 6/A	10,000	74.378	75.000
ATIVA Engineering S.p.A.	10156 Torino - Strada della Cebrosa, 86	200,000	72.340	100.000
A.T.I.V.A. S.p.A.	10156 Torino - Strada della Cebrosa, 86	44,931,250	72.340	72.340
C.B.S. - Carpenteria Barriere Stradali S.r.l. in liquidation	10138 Torino - Via Palmieri, 29	100,000	71.403	80.000
Autostrada dei Fiori S.p.A.	18100 Imperia - Via della Repubblica 46	325,000,000	69.607	73.003
SAV S.p.A.	11024 - Chatillon (AO) - Strada Barat 13	24,000,000	69.563	71.275
Si.Co.Gen. S.r.l.	10156 Torino - Strada della Cebrosa, 86	260,000	65.514	85.000
Safe Road S.c.a r.l.	15057 Tortona (AL) - Strada Statale per Alessandria 6/A	10,000	63.979	65.840
Pedemontana Lombarda Manutenzioni S.c. a r.l. (P.L.M.), in liquidation	15057 Tortona (AL) - Strada Statale per Alessandria 6/A	10,000	62.799	64.600
Autostrada Asti-Cuneo S.p.A.	187 Rome - VIA XX Settembre 98/E	200,000,000	62.097	65.000
Consorzio Sintec	20135 Milano - Viale Isonzo 14/1	20,000	60.000	60.000
S.G.C. S.c.a r.l., in liquidation	15057 Tortona (AL) - Strada Statale per Alessandria 6/A	10,000	59.480	60.000
Cervit Impianti Tecnologici Consortile a responsabilità limitata (C.I.T. S.c. a r.l.)	15057 Tortona (AL) - Strada Statale per Alessandria 6/A	10,000	57.175	58.790
Società di Progetto Autovia Padana S.p.A.	15057 Tortona (AL) - S.P.211 Lomellina 3/13 Loc. San Guglielmo	163,700,000	50.935	51.000
Ramonti S.c.a r.l. in liquidation	15057 Tortona (AL) - Strada Statale per Alessandria 6/A	10,000	50.577	51.000
Ponte Meier S.c. a r.l.	15057 Tortona (AL) - Strada Statale per Alessandria 6/A	10,000	50.558	51.000
Halmar International Trucking Inc	421 East Route 59, Nanuet, NY 10954-2908	-	49.585	100.000
Halmar Transportation System Llc	421 East Route 59, Nanuet, NY 10954-2908	-	49.585	100.000
HIC Insurance Company Inc.	421 East Route 59, Nanuet, NY 10954-2908	US Dollar 200,000	49.585	100.000
Halmar International LLC	421 East Route 59, Nanuet, NY 10954-2908	US Dollar 27,080,000	49.585	50.000
Partecipazione Roma Sud S.c.a r.l.	14100 Asti - Corso Torino 236	10,000	40.164	45.000
Atlantic Coast Foundations Llc	421 East Route 59, Nanuet, NY 10954-2908	-	34.710	70.000
Halmar International - LB Electric LLC	421 East Route 59, Nanuet, NY 10954-2908	-	29.751	60.000
Halmar-A Servidone - B Anthony LLC	421 East Route 59, Nanuet, NY 10954-2908	US Dollar 1,600,000	29.751	60.000
Potomac Yard Constructors	421 East Route 59, Nanuet, NY 10954-2908	-	29.751	60.000
HINNS JV	421 East Route 59, Nanuet, NY 10954-2908	-	24.793	50.000

<sup>(1)</sup> The percentage indicates the sum of percentages of equity investments held by individual companies of the Group.

<sup>(2)</sup> Net of Treasury Shares held by the Company.



### List of Joint Operations

Name	Registered office	% mediated	% of the group <sup>1</sup>
Koge Hospital Project Team I/S	Ballerup, Industriparken 44 A CAP 2750, Denmark	79.336	80.000
Itinera Agility JV	Emirate of Abu Dhabi, UAE	74.378	75.000
Itinera/Cimolai JV	Gaborone/Republic of Botswana	71.630	72.230
Itinera – Ghantoot JV	Emirate of Abu Dhabi, UAE	49.585	50.000
Consortium Baixada Santista	Av Antonio Bernardo, 3951, Conj Residencial Hmaita, São Vicente/Sp, Cep 11349-380	49.484	50.000
Consortio Binario Porto de Santos	Rodovia Anchieta, S/N, KM 64 e 65, Bairro Alemeia, Município de Santos, Estado de São Paulo(SP)	49.484	50.000
MG-135 Consortium	Avenida Dom Pedro II, número 801, Bairro Centro, Município de Curvelo, Estado de Minas Gerais (MG)	49.484	50.000
Consortio BR -050	Avenida José Severino, n. 3050, Lotamento Santa Terezinha Quadra 66 Cidade de Catalo, Estado De Gois	49.484	50.000
Alcas da Ponte Consortium	Rua Carlos Seidl, número 576, Bairro Cajú, Município do Rio de Janeiro, Estado do Rio de Janeiro (RJ)	49.484	50.000
Consultoria - Novos Negocios	Rodovia Dos Imigrantes - SP160-S/N-KM28,5-SALA 01-Anexo DTC-Jardim Represa-São Bernardo Do Campo/SP-Zip Code 09845-000	49.484	50.000
Consultoria - Eco 135	Av Dom Pedro II, Centro, Curvelo/MG, Zip Code 35790-000	49.484	50.000
Consortio PSG	R Doutor Eduardo De Souza Aranha 387, Andar 1 Conj 12 Sala 5, 04.043-121 Vila Nova Conceicao, Sao Paulo	49.585	50.000
Consortio SP-070	Rua Coronel Gomes Nogueira, 211 - Centro, Taubaté - San Paolo, Brazil	49.585	50.000
Odense Hospital Project Team Joint Venture I/S	5000 Odense C (Denmark) - Kochsgade, 31D	47.653	49.000
Arge H51	A110 Vienna, Absberggasse 47, Austria	44.526	44.990
ECS MEP Contractor I/S	2750 Ballerup (Denmark) - Industriparken 44 A	39.587	40.000
3RD Track Constructors	New York (USA), 810 Seventh Avenue, 9th floor	11.405	23.000

### List of equity investments in jointly controlled entities and associated companies accounted for by the "equity method"

Name	Registered office	Share capital	% of the group <sup>1</sup>
<b>Jointly controlled entities</b>			
Primav Infraestrutura S.A. (*)	Sao Paulo (Brasil) - Rua Doutor Eduardo de Souza Aranha, 387	BRL 803,004,000	69.100
Grugliasco S.c. a r.l.	15057 Tortona (AL) - Strada Statale per Alessandria 6/A	10,000	60.600
Cervit S.c. a r.l.	20151 Milano, Via Antonio Cechov 50	10,000	51.000
Federici Stirling Batco LLC (**)	Muscat (Oman) - P.O. Box 1179 Al Athaiba, 130	RIA 300,000	34.300
Ecorodovias Infraestrutura e Logistica S.A.	Sau Paulo (Brasil) - Rua Gomes de Carvalho, 1510 31/32 Villa Olimpia	BRL 360,900,000	4.990
(*) of which 30.9% ordinary shares and 38.2% preferred shares – equal to 50% of the voting rights			
(**) of which 34.3% ordinary shares – equal to 49% of the voting rights			
<b>Associated companies</b>			
Aurea S.c. a r.l.	20124 Milano - Via Fabio Filzi, 25	10,000	99.000
S.I.T.A.F. S.p.A.	10059 Susa (TO) - Fraz. San Giuliano 2	65,016,000	67.220
Colmeto S.c. a r.l.	15057 Tortona (AL) - Strada Statale per Alessandria 6/A	10,000	51.000
Consortio Siciliano Lavori Ferroviari - CON.SI.LFER.	144 Rome - Via Indonesia, 100	5,164	50.000
Europa S.c. a r.l.	43121 Parma - VIA Anna Maria Adorni, 1	10,000	50.000
Lissson S.c. a r.l. in liquidation	20147 Milano - Via Marcello Nizzoli, 4	10,000	50.000
Malco S.c. a r.l.	36100 Vicenza - Viale dell'Industria, 42	10,000	50.000
Mill Basin Bridge Contractors LLC	421 East Route 59 - Nanuet, NY 10954-2908 AA	US Dollar 12,755	50.000
Ponte Nord S.p.A.	43121 Parma - Via Anna Maria Adorni	1,667,000	50.000
Tuborus LLC	Federazione Russa - Ryazan bldg. 8 "a" Zubkova Street	Rur 65.850,000	50.000
Tunnel Frejus S.c. a r.l.	15057 Tortona (AL) - Strada Statale per Alessandria 6/A	50,000	50.000
Tangenziali Esterne di Milano S.p.A.	20124 Milano - Via Fabio Filzi, 25	220,344,608	49.999
ATIVA Immobiliare S.p.A.	10156 Torino - Strada della Cebrosa, 86	1,100,000	<sup>(2)</sup> 49.995
Interconnessione S.c. a r.l.	15057 Tortona (AL) - Strada Statale per Alessandria 6/A	10,000	49.900
CMC Itinera JV S.c.p.A.	15057 Tortona (AL) - Strada Statale per Alessandria 6/A	100,000	49.000
Letimbro S.c. a r.l. in liquidation	15057 Tortona (AL) - Strada Statale per Alessandria 6/A	100,000	49.000
Rivalta Terminal Europa S.p.A.	15057 Tortona (AL) - Strada Savonese 10R Frazione Rivalta Scrivia	14,013,412	48.160
Smart Mobility Systems s.c. a r.l. (SMS S.c. a r.l.)	15057 Tortona (AL) - Strada Statale per Alessandria 6/A	10,000	45.500
Telese S.c. a r.l. (Consortio Telese – Società Consortile a responsabilità limitata)	195 Rome - Via Pietro Borsieri 2/a	10,000	45.300
Asci Logistik GMBH	Thalerhofstrasse 88 8141 Premstatten	35,000	45.000
Atifon S.c. a r.l.	14100 Asti - Corso Torino 236	10,000	45.000
Cis Beton GMBH	Thalerhofstrasse 88 8141 Premstatten	35,000	45.000
Mose Bocca Di Chioggia S.c. a r.l.	35127 Padua - Via Belgio, 26	10,000	42.500
Vetivaria S.r.l.	20129 Milano - Via Spallanzani Lazzaro, 6	72,000	40.326
Mose Operae S.c. a r.l.	35127 Padua - Via Belgio, 26	10,000	40.220
Cova S.c. a r.l.	40122 Bologna - Viale Antonio Silvani, 6	10,000	40.000
Edilrovaccio 2 S.r.l., in liquidation	10143 Torino - Via Michele Schina, 5	45,900	40.000
SP01 società consortile a responsabilità limitata	15057 Tortona (AL) - Strada Statale per Alessandria 6/A	10,000	40.000
C.T.E. Consortio Tangenziale Engineering	20127 Milano - Via Girolamo Vida, 11	20,000	39.999
Fondo Valle S.c. a r.l. in liquidation	15057 Tortona (AL) - Strada Privata Ansaldi, 8	10,000	39.330
Tessera S.c. a r.l.	15057 Tortona (AL) - Strada Statale per Alessandria 6/A	10,000	39.240
SITRASB S.p.A.	11010 - Saint Rhemy en Bosses (AO) - Località Praz-Gentor	11,000,000	36.500
S.A.C. S.c.r.l. in liquidation	90044 Carini (PA) - S.S. 113 Zona Industriale	10,329	35.000
Consortio Costruttori TEEM	15057 Tortona (AL) - Strada Statale per Alessandria 6/A	10,000	34.999
Galeazzi Impianti S.c. a r.l.	15057 Tortona (AL) - Strada Statale per Alessandria 6/A	10,000	34.000
Consortio Cancelli Frasso Telesino	43121 Parma - Via Madre Anna Maria Adorni, 1	15,000	33.330
Formazza S.c. a r.l. in liquidation	15057 Tortona (AL) - Strada Privata Ansaldi, 8	10,200	33.330
Frasso S.c. a r.l.	43121 Parma - Via Madre Anna Maria Adorni, 1	15,000	33.000
Autostrada Nogarè Mare Adriatico S.c.p.A. in liquidation	37135 Verona - Via Flavio Gioia, 71	120,000	29.000
Vado Intermodal Operator S.p.A.	17047 Vado Ligure (SV) - Via Trieste, 25	3,000,000	28.000
S.A.BRO.M. S.p.A. - Società Autostrada Broni-Mortara	20142 Milano - Via dei Missaglia 97	28,902,600	26.841
Brescia Milano Manutenzione S.c. a r.l. - BMM S.c. a r.l.	10082 Courgnè - Località Bandone 1/G	10,000	26.000
Confederazione Autostrade S.p.A. in liquidation	37135 Verona - Via Flavio Gioia, 71	50,000	25.000
D.N.C. S.c. a r.l. - Darsene Nord Civitavecchia S.c. a r.l.	193 Rome - Piazza Fernando de Lucia, 65	20,000	25.000
Tangenziale Esterna S.p.A.	20124 Milano - Via F. Filzi 25	464,945,000	24.455
C.I.M. S.p.A. Novara - Centro Interportuale Merici	28100 Novara - Via Carlo Panzeri, 118	24,604,255	24.313
Mose Treponti S.c. a r.l.	35127 Padua - Via Belgio, 26	10,000	22.540
Igea Romagna S.c. a r.l.	48121 Ravenna - Via Pier Traversari, 63	20,000	20.330
ROAD LINK Holdings Ltd.	Northumberland - Stocksfield - NE43 7TN	GBP 1,000	20.000

<sup>(1)</sup> The percentage indicates the sum of percentages of equity investments held by individual companies of the Group.

<sup>(2)</sup> Net of Treasury Shares held by the company ATIVA Immobiliare S.p.A.



### List of other equity investments

Name	Registered office	Share capital	% of the group <sup>(1)</sup>
Daita S.c.a.r.l.	93100 Caltanissetta (CL) - Via Napoleone Colajanni 314/E	10,328	80.000
Siteco BGOOD	Sofi Kniaz Boris I 55, Sofia, Bulgaria	5,215	48.993
Abesca Europa S.r.l.	23017 Morbegno (SO) - Via Vanoni, 24	100,000	19.523
iOne Solutions S.r.l.	15057 Tortona (AL) - Corso Romita, 10	10,200	19.000
Consorzio Autostrade Italiane Energia	159 Rome - Via Alberto Bergamini, 50	113,949	16.640
Codelfa S.p.A.	15057 Tortona (AL) - Strada Statale per Alessandria 6/A	2,500,000	16.423
Nuova Codelfa S.p.A.	15057 Tortona (AL) - Corso Romita, 10	2,500,000	16.423
Autostrade centro padane S.p.A.	26100 Cremona - Via Colletta 1	30,000,000	11.095
C.R.S. S.r.l. in liquidation	30172 Mestre (VE) - Piazza Leonardo da Vinci 8/A	26,850	11.081
CSI - Consorzio Servizi Ingegneria	37121 Verona - Via Carlo Cattaneo, 20	10,000	11.000
Pedelombarda S.c.p.A.	20142 Milano - Via dei Missaglia, 97	5,000,000	11.000
Passante Dorico S.p.A.	20142 Milano - Via dei Missaglia, 97	24,000,000	11.000
Cons. Costr. Veneti San Marco	35121 Padua - Via Trieste, 32	51,646	10.000
Part.SAV AQ S.c. a r.l.	11064 Pontey (AO) - Località Cretaz Boson 13	10,000	10.000
SPEDIA S.p.A., in liquidation	19136 La Spezia - Via delle Pianazze, 74	2,413,762	7.971
Form Consult S.p.A. (former IRI Management)	Rome - Via Piemonte 60	1,560	6.045
Agenzia di Pollenzo S.p.A.	12042 Bra (CN) - Piazza Vittorio Emanuele 13 - Frazione Pollenzo	24,319,920	5.746
Restart SiiQ (former Aedes S.p.A.)	20144 Milano - Via Tortona, 37	5,004,129	5.300
Aedes SiiQ S.p.A.	20144 Milano - Via Tortona, 37	212,000,067	5.300
Tunnel Gest S.p.A.	36057 Arcugnano (VI) - Via dell'Industria, 2	500,000	5.000
Interporto Rivalta Scrivia S.p.A.	15057 Tortona (AL) - Strada Savonese 12/16 Frazione Rivalta Scrivia	11,848,200	4.340
Eurolink S.c.p.A.	187 Rome - Via dei Criciferi, 44	150,000,000	2.000
Parco Scientifico e Tecnologico in Valle Scrivai S.p.A. - P.S.T. S.p.A.	15057 Tortona (AL) - Strada Comunale Savonese, 9 Frazione Rivalta Scrivia	5,271,936	1.957
Seveso S.c. a r.l. in liquidation	20159 Milano - Via Valtellina 17	10,000	1.500
Partecipazione Ales Tech S.r.l.	56127 Pisa - Piazza San Paolo all'Orto 10	4,209	1.170
MN 6 S.c. a r.l.	80142 Naples - Via G. Ferraris, 101	51,000	1.000
SOGEP Aeroporti di Parma S.p.A.	43126 Parma - Via Licinio Ferretti 50/A	17,892,636	0.762
Compagnia Aerea Italiana S.p.A.	54 Fiumicino (Rome) - Piazza Almerico da Schio PAL. RPU	3,526,846	0.404
Interporto Toscano A. Vespucci S.p.A.	57010 Collesalveti (LI) - Via delle Colline, 100 Frazione Guasticce	29,123,179	0.345
PLC S.p.A. (former Industria e Innovazione S.p.A.)	20123 Milano - Via Lanzone, 31	27,026,480	0.228
C.e.P.I.M. S.p.A. - Centro Padano Interscambio Merci S.p.A.	43010 Fontevivo (PR) - Piazza Europa, 1	6,642,928	0.211
Milano Depur S.p.A.	20141 Milano - Via Lampedusa 13	1,900,000	0.100
Vettabbia S.c. a r.l.	20141 Milano - Via Lampedusa, 13	100,000	0.100
Banca Alpi Marittime Credito cooperativo Carrù	12061 Carrù (CN) - Via Stazione, 10	14,358,170	0.069
Mediobanca S.p.A.	20121 Milano - Via Enrico Cuccia, 1	443,616,724	0.034
Argentea Gestioni S.c.p.A.	25126 Brescia - Via Somalia, 2/4	120,000	0.030
Assicurazioni Generali S.p.A.	34132 Trieste - Piazza Duca degli Abruzzi, 2	1,576,052,047	0.022
C.A.F. dell'Industria dell'Emilia-Romagna S.p.A.	40124 Bologna - Via San Domenico, 4	377,884	0.014
Società cooperativa elettrica Gignod	11020 Saint-Christophe (AO) - Loc. La Croix-Noire - Rue Croix-Noire, 61	279,450	0.010
Banco BPM S.p.A.	20121 Milano - Piazza Filippo Meda, 4	7,100,000,000	0.007
Uirnet S.p.A.	187 Rome - Via Francesco Crispi, 115	1,142,000	0.001
Astaldi S.p.A.	156 Rome - Via Giulio Vincenzo Bona, 65	340,431,460	-
Banca Carige S.p.A.	16123 Genoa - Via Cassa di Risparmio, 15	1,915,163,696	-
Consorzio Tratta Determinante Città Vitale - TRA.DE.CIV	80142 Naples - Via Galileo Ferraris 101	155,535	-
Webuild S.p.A. <sup>(2)</sup>	20142 Milano - Via dei Missaglia, 97	600,000,000	-

<sup>(1)</sup> The percentage indicates the sum of percentages of equity investments held by individual companies of the Group.

<sup>(2)</sup> The Group only owns saving shares

### Changes in the scope of consolidation

The significant events occurring in 2020 are shown below:

- acquisition of control of the Tubosider Group: in July 2020, the subsidiary Itinera S.p.A. acquired control over Tubosider S.p.A., as well as its subsidiaries C.B.S. - Carpenteria Barriere Stradali S.r.l. in liquidation, Partecipazione Roma Sud S.c.ar.l., Tubosider UK LTD and Tubosider CSP LIMITED ("Tubosider Group");
- in February 2020, the company Sias Parking S.r.l., sole proprietor ship, in liquidation, was removed from the register of companies following the completion of the liquidation in December 2019; therefore, the Company is de-consolidated as of 1 January 2020;
- in July 2020, the subsidiary Itinera S.p.A. subscribed to 7,500 shares of the newly incorporated consortium company Lanzo S.c.ar.l., coming to hold 75% of the share capital; the company has been included in the scope of consolidation since its incorporation;
- in November 2020, IGLI S.p.A. subscribed the entire share capital of SF 243 Participacoes Societarias Ltda; following the acquisition, the name of the newly incorporated company was changed to Igli do Brasil Participacoes Ltda; as of the date of the subscription, the Brazilian company is included in the scope of consolidation;
- as of this year, the Joint Operations Consultoria - Novos Negócios, Consultoria - Eco 135 and ECS MEP Contractor I/S are included within the scope of consolidation.



Acquisition of the majority of the share capital of SITAF S.p.A. - on 29 October 2020, the ASTM Group - which already held 47.871% of the share capital of SITAF S.p.A. - acquired 19.347% following the awarding of the public auction held by FCT Holding on its own behalf and on behalf of the Metropolitan City of Torino (*Città Metropolitana di Torino* - CMT). The award of the auction was subject to a number of conditions precedent, including the failure of the Presidency of the Council of Ministers to exercise the power of veto under Article 2 of Decree Law No. 21 of 15 March 2012, (if applicable), the clearance of the competent antitrust authorities and the authorisation of SITAF's financing entities, which were positively resolved. For the sake of completeness of information, it should be noted that ANAS has appealed to the United Civil Sections of the Court of Cassation against the rulings of the Council of State that declared the ineffectiveness of previous sale and purchase agreements of 2014 by which FCT Holding and CMT had transferred their respective shareholdings in SITAF S.p.A. to ANAS, now definitively transferred to ASTM, and appealed to the Piedmont Regional Administrative Court to obtain the cancellation of all acts relating to the auction. In the opinion of the Company's legal advisors, these appeals are not in themselves sufficient to prevent ASTM from exercising its voting rights.

Despite the fact that the ASTM Group now holds the majority of the share capital of SITAF S.p.A. (67.22%) and therefore the majority of its voting rights, pursuant to IFRS 10, the international accounting standard that governs the rules of the Consolidated Financial Statements, these voting rights are not substantial and therefore do not guarantee the ASTM Group control over SITAF S.p.A., in light of the Agreement entered into by ASTM on 21 December 2020 with a private equity firm, which prevents it, as at 31 December 2020, the reporting date of ASTM's Consolidated Financial Statements, from removing the directors of SITAF S.p.A. (the majority of which are appointed by ANAS) and appointing new directors to the extent that they can exercise control over the company. This Agreement was entered into in relation to the possible acquisition by this company of an equity investment in SITAF S.p.A. and is valid until the date on which binding agreements are signed in relation to this transaction or until 31 March 2021, whichever is earlier.

For these reasons, in the Consolidated Financial Statements of ASTM as at 31 December 2020, SITAF S.p.A. is valued using the equity method.

Where significant, the explanatory notes indicate the effects deriving from the "Changes in the scope of consolidation".



## Valuation criteria

The valuation criteria applied in preparing the Consolidated Financial Statements at 31 December 2020 is the same as that used to prepare the financial statements as at 31 December 2019.

### Intangible assets

#### *Goodwill*

As an intangible asset, this is not subject to amortisation. An impairment test is conducted at least annually, and in any case when events arise that may indicate a reduction in value. This check is carried out at the level of the individual cash generating unit (CGU) to which goodwill has been allocated and based on which Management evaluates the profitability of the investment. Write-downs are not subject to reversal.

#### *Concessions – introduction*

Based on contractual agreements (Concessions) included in the scope of application of IFRIC 12, the licensee operates as service provider with regard to (i) the construction and/or improvement of the infrastructure used to provide public service and (ii) its management and maintenance for a specific time frame. As a result, the construction and improvement activities of the infrastructure can be compared to those of a construction company. Therefore, in the period during which these services are provided, construction revenue and costs are recorded in the income statement, pursuant to IFRS 15.

As provided for in IFRIC 12, for construction and/or improvement services rendered by the licensee, the granting body pays an amount to the licensee, to be recorded at its fair value, which can consist of rights to:

- a) a financial asset (the so-called financial asset model); or
- b) an intangible asset (the so-called intangible asset model).

The financial asset model is applied when the licensee has an unconditional right to receive contractually guaranteed cash flows (so-called “guaranteed minimum amount”) for construction services, regardless of the actual use of the infrastructure.

On the other hand, in the intangible asset model the licensee acquires the right to charge users with a fee for the use of the infrastructure, in return for construction and improvements services on the infrastructure. Therefore, the licensee's cash flows are not guaranteed by the granting body, but are related to the actual use of the infrastructure by users, thus implying a demand risk for the licensee. This risk implies that revenue from the exploitation of the right to charge users for the use of the infrastructure is not enough to ensure an adequate remuneration margin for the investments made.

We talk about a mixed accounting model if the licensee is paid for construction and improvement services on the infrastructure partly by means of a financial asset and partly through an intangible asset. In this case, it is necessary to separate the parts of the agreement referring to the financial asset and those referring to the intangible asset. In this event, IFRIC 12 sets out that the licensee firstly calculates the part concerning the financial asset and then the amount referring to the intangible asset in a residual way (as compared to the value of the construction and/or improvement services rendered).

The intangible asset model is applicable to concession agreements held by the **motorway licensee companies**, while both the intangible asset model and the financial asset model are applicable to contracts held by companies in the EPC sector.



### *Concessions – non-compensated revertible assets*

"Non-compensated revertible assets" represent the right of the Licensee to use the asset under concession, given the costs incurred for planning and construction activities of the asset. The value corresponds to the fair value of design and construction activities plus financial expenses capitalised - in compliance with the requirements of IAS 23 - during the construction phase. The book value of these assets is represented net of "capital grants" (the receivable related to these capital grants is posted – in compliance with the financial model of the Interpretation IFRIC 12 – among "financial receivables"); capital grants, as interpreted by IFRIC 12, are deemed as the right to obtain a prearranged amount (financial asset) against the costs incurred to carry out the works.

These assets are amortised on the basis of the expected traffic (kilometres) over the term of the individual concessions, a method that reflects the way in which the future economic benefits deriving from the asset are expected to be used by the Licensee. In determining the amortisation and depreciation of revertible assets of some investee companies, the "takeover values" set out in current agreements, or in the financial plans approved/presented to the Granting Body and/or the agreements signed with the same, have been taken into account for these investments.

Concerning non-compensated revertible assets, the amortisation and depreciation reserve and the provisions for restoration and replacement, considered overall, provide adequate coverage of the following expenses:

- free alienation to the Granting Body, at the end of the concession, of revertible assets with a useful life greater than the duration of the concession;
- recovery and replacement of components of revertible assets, which are subject to wear;
- recovery of the investment also in relation to new works scheduled in the financial plans.

When events arise that indicate a reduction in value of intangible assets, the difference between the book value and the associated recovery value is imputed to the income statement.

The cost of "non-compensated revertible motorway fixed assets" includes the value of the stretches in operation built by third parties and given to the Group to operate. The "provision for capital grants" was increased by an equivalent amount.

### *Other intangible assets*

"Other intangible assets" are posted at cost. They are systematically amortised over the period in which the assets are expected to be used by the business.

Costs associated with development activities are posted to the balance sheet assets when: (i) the expense related to the intangible asset can be reliably determined, (ii) there is the intention, the availability of financial resources and the technical ability to make the asset available for use or sale, (iii) it can be proved that the asset can produce future economic benefits. These intangible assets are amortised over a period not to exceed five financial years.

When events arise that indicate a reduction in value of intangible assets, the difference between the book value and the associated recovery value is imputed to the income statement.

Expenses for research activities are posted to the income statement of the period in which they are incurred.

### Tangible assets

#### *Property, plant, machinery and other assets*

These assets are posted at purchase cost or production cost (including directly imputable auxiliary costs) and include the related directly imputable financial expenses needed to make the assets available for use.



Depreciation rates used to distribute systematically the value of tangible assets based on their useful life are as follows:

Category	Rate
Land	not depreciated
Non-industrial and industrial buildings	3% - 4%
Plant, machinery and vehicles	4% - 5% - 8% - 10% - 15% - 10.5% - 20% - 25%
Light structures	10% - 12.5%
Technical equipment	12% - 15% - 25%
Facilities and light structures	10% - 12% - 12.5% - 25% - 35% - 40%
Metal formwork	25%
Excavators and mechanical diggers	20%
Radio and alarm equipment	25%
Automobiles and motor vehicles	20% - 25%
Office furniture and machines	12% - 20% - 40%
Electromechanical and electronic machines	20%

### *Rights of use*

On the basis of the provisions of IFRS 16, the lease contracts payable (which do not constitute the provision of services) are accounted for by posted a financial liability to the equity-financial position, represented by the present value of future lease payments, against the posting of the right of use of the leased asset to the assets.

IFRS 16 introduces the "right of use" concept, which determines - independently of the contractual form - the obligation to post the right of use to the balance sheet assets with the corresponding payable at the present value of future lease payments as a contra-item in the liabilities.

The assets and liabilities are posted at the current value of the contractually due lease payments, taking account of any option for extension/resolution where there is reasonable certainty to exercise/not exercise it.

The portion of amortisation and depreciation of the right of use posted to the assets and the interest expense originating from the financial liabilities of the lease are recognised in the income statement at amortised cost.

The value of the right of use recorded under property, plant and equipment is systematically depreciated on the basis of the expiry dates of the lease contracts, also considering the probability of renewal of the contract if there is an enforceable renewal option.

For contracts expiring within 12 months (short-term leases) and the contracts for which the underlying assets are configured as low-value assets (i.e. the assets of the leasing that do not exceed the value of EUR 5,000 / USD 5,000 when new), the introduction of IFRS 16 does not result in the recognition of the financial liability of the lease and the related right of use, but the lease payments are posted to the income statement, under the item right of use asset, on a straight-line basis for the duration of the respective contracts.

### Inventories

*Raw materials, ancillary materials, consumables, semi-finished goods, finished goods and merchandise*

These are valued at the lesser of the cost – determined with the "average weighted cost" method – and the "net realisable value".

### Contract assets

Construction contracts in progress are measured on the basis of the contractual consideration accrued with reasonable certainty in view of the progress of the work by using the percentage of completion approach, determined as the ratio between costs incurred and total estimated costs, so as to allocate the revenue and profit/loss deriving from the contract to the individual financial years pertaining to individual years in proportion to the progress made with the work. The positive or negative difference between the amount of the consideration accrued and the amount of the advance payments is entered respectively under assets or liabilities in





the statement of financial position, also taking into account any write-downs made for risks connected with non-recognition of work carried out on behalf of customers.

In addition to the contractual consideration, contract revenue includes claims, price revisions and any requests for additional payments provided that it is highly probable that there will be no significant adjustment to them in the future.

If the performance of the contract activities is expected to generate a loss, this is immediately recognised in the income statement regardless of the progress of the contract.

Revenue for construction and/or improvement services in favour of the Granting Body and relating to concession contracts held by certain Group companies are recognised in the income statement based on the progress of the work. In particular, these revenues represent the consideration due for the activities performed and are measured at fair value, based on the total costs incurred (mainly consisting of costs for materials and external services, costs of benefits for employees dedicated to these activities, relevant financial expenses for construction and/or improvement services relating to works expected to yield additional economic benefits), as well as any margin on services carried out with structures within the Group (as this represents the fair value of these services). The balancing entry to these revenues for construction and/or improvement services is financial assets (concession rights) or concession rights under intangible assets, as described in this paragraph.

#### Financial assets

In accordance with IFRS 9, financial assets are classified in the following three categories:

- Financial assets measured at amortised cost (AC) using the effective interest method: these assets fall under a “hold to collect” business model and generate contractual cash flows of a principal and interest nature. This category includes financial assets other than derivatives such as loans and receivables with payments that are fixed or can be determined, and that are not listed in an active market. Discounting is omitted when the effect is insignificant. This category includes cash, trade receivables and receivables from connected companies for tolls collected on behalf of Group licensee companies, which had not yet been allocated by the end of the period, and interest-bearing loans granted.
- Financial assets measured at fair value with changes in fair value recognised in the statement of comprehensive income (“FVOCI”): these assets fall under a hold to collect and sell business model and generate contractual cash flows of a principal and interest nature. This category also includes minority interests, irrevocably designated as such under IFRS 9, other than equity instruments not held for trading and not a potential consideration arising from a business combination. For minority interests, contrary to what generally happens with financial assets at FVOCI, the gains and losses recognised in the statement of comprehensive income are not subsequently transferred to the income statement, although the cumulative profit or loss may be transferred to Shareholders’ equity; in addition, such minority interests are not subject to impairment accounting. The dividends arising from these are still recognised in the income statement, unless they clearly represent a recovery of part of the investment cost.
- Financial assets measured at fair value with changes in fair value recognised in profit and loss (“FVPL”): this category covers the remainder and includes all financial assets other than those measured at amortised cost and at fair value with changes in fair value recognised in the statement of comprehensive income (“FVOCI”). This category includes financial assets without an interest component, including investments in investment funds.



#### Non-current assets held for sale/discontinued operations

Non-current assets held for sale or disposal groups whose book value will be mainly recovered through sale rather than through continuous use, are classified as held for sale and presented separately from the other consolidated balance sheet assets and liabilities. The corresponding balance sheet values of the previous period were not reclassified in the consolidated balance sheet, but are indicated in the comment of the individual items of the explanatory notes when these are significant.

A “discontinued operation” is a component of an entity that either has been disposed of or classified as held for sale and that meets any of the following criteria, and:

- it represents a major line of business or geographical area of operations;
- it is part of a coordinated disposal plan of a major line of business or geographical area of operations;
- it is a subsidiary acquired solely for the purpose of being sold.

The results of discontinued operations—whether disposed of or classified as held for sale—are entered separately in the consolidated income statement net of fiscal effects. The corresponding values for the previous period, where present, are reclassified and entered separately in the consolidated income statement, net of fiscal effects, for the purposes of comparison. Non-current assets held for sale or disposal groups classified as held for sale are initially recognised in compliance with the specific IFRS of reference applicable to each asset and liability and then are recognised at the lesser of the carrying amount and related fair value, net of the sale costs.

Any following impairment losses are recognised directly to adjust the non-current assets or disposal groups classified as held for sale with contra-entry in the consolidated income statement.

A reversal is recognised for each subsequent increment of the fair value of an asset net of the sale costs, but only up to the loss for the overall impairment previously recognised.

#### Cash and cash equivalents

Cash includes cash on hand, including cheques, and bank demand deposits. Cash equivalents are represented by financial investments with a maturity of three months or less (from the date of purchase), readily convertible into cash and with an insignificant risk of change in value.

Cash and cash equivalents are recognised at nominal value or amortised cost, depending on their nature.

#### Financial liabilities

Pursuant to IFRS 9, financial liabilities are divided into two categories: 1) financial liabilities measured at amortised cost using the effective interest rate upon expiry (“AC”); 2) financial liabilities measured at fair value with changes in fair value recognised in profit and loss (“FVPL”), which are in turn divided into the two sub-categories “held for trading” and “FVPL at inception”.

Financial liabilities include loans, bonds, lease liabilities, trade payables, other liabilities and financial derivatives. These instruments are recorded at fair value when opened, net of any costs that can be ascribed to them. Subsequently, the financial liabilities in question are measured at amortised cost using the effective interest method, with the exception of derivative financial instruments (other than derivative financial instruments designated as effective hedging instruments) and any financial liabilities designated at FVPL, which are accounted for at fair value through profit or loss.



#### Payables to ANAS – Central Guaranty Fund

These payables refer to operations undertaken by ANAS and the Central Guaranty Fund during earlier accounting periods on behalf of a number of motorway companies for the payment of loan instalments and trade payables. To facilitate the economic and financial equilibrium of the respective concessions, the financial plans attached to them require repayment of these liabilities based on the duration of the concession, in the absence of related interest payments.

Therefore, these payables have been discounted based on a specific interest rate for each licensee. In compliance with IFRS, this interest rate is established using as a reference financial instruments with essentially the same conditions and features (the discounting rates that have been used vary between 6.18% and 6.22%). The difference between the original amount of the debt and its current value is posted among liabilities to "deferred income".

The charge from the discounting process is imputed to the income statement among "financial expenses". At the same time, the amount previously deferred (and included in "deferred income") is posted to the item "other income".

#### Provisions for risks and charges

Provisions for risks and charges concern costs and charges of known type and of certain and probable existence, the amount and date of occurrence of which was not known at the closing date of the accounting period. Provisions are recorded when: (i) a current, legal or implied obligation probably exists from a past event; (ii) it is probable that meeting the obligation will be burdensome; (iii) the amount of the obligation can be reliably estimated.

The provisions to reserves represent our best estimate of the amount needed to extinguish the obligation or to transfer it to third parties as at the closing date of the financial statements. When the financial impact of time is significant and the dates for paying off the obligations can be reliably estimated, the provisions are discounted.

The explanatory notes also explain any contingent liabilities represented by: (i) possible (but not probable) obligations from past events, the existence of which will be confirmed only upon the occurrence of one or more uncertain future events not completely under the control of the Group; (ii) current obligations from past events, the total of which cannot be reliably estimated or the fulfilment of which is probably not costly.

#### *Provision for restoration, replacement or maintenance of non-compensated revertible assets*

Consistent with the contractual obligations in the financial plans attached to current agreements, as at the reporting date, the "Provision for restoration, replacement or maintenance of non-compensated revertible assets" receives the provisions needed to carry out maintenance to ensure the due functionality and safety of the non-compensated revertible assets during later accounting periods.

#### Employee benefits

The Employee Severance Indemnity ("TFR") takes the form of a defined benefit plan, measured with actuarial techniques using the Projected Unit Credit Method. It should be noted that from 1 January 2007 this liability refers exclusively to the portion of severance indemnities accrued up to 31 December 2006, which following the reform of the supplementary pension scheme (Legislative Decree no. 252 of 5 December 2005) continues to constitute an obligation for the Company. Following the entry into force of the above reform by operation of Law 296 of 27 December 2006 (2007 Finance Act), as the liability refers to a benefit now fully accrued, has been recalculated without application of the pro-rata of the service provided and without considering the component relating to future salary increases in the actuarial calculation. The recognition of changes in actuarial profit/(loss) is recognised in other components of the Statement of Comprehensive Income. The cost of labour for Group companies, as well as the interest expense relating to the "time value" component in actuarial calculations, continue to be recognised in the income statement. The portion of employee severance indemnities paid to supplementary pension funds and the INPS treasury fund is considered a defined-



contribution fund because the Company's obligation to the employee ceases with the payment of the accrued contributions to the pension funds.

Multi-employer pension plans are accounted for by the Group as either defined benefit or defined contribution plans, depending on the terms of the plan. In this case, when sufficient information is not available to use defined benefit accounting for a multi-employer defined benefit plan, these plans are recognised as defined contribution plans.

#### Treasury shares

Treasury shares are posted at purchase cost, as a reduction in Shareholders' equity. The nominal value of the Treasury Shares held is deducted directly from share capital. The value resulting from their transfer is posted with a contra-item in Shareholders' equity and no entry in the income statement.

#### Revenue

Revenue is the gross inflow of economic benefits during the period arising in the course of the ordinary activities of an entity.

Revenue is recognised at a specific point in time or over time, when the Group meets its performance obligations by transferring the goods and services to its customers; the process underlying the recognition of revenue follows the five steps required by IFRS 15: (i) identification of the contract with the customer; (ii) identification of the performance obligations in the contract; (iii) determination of the transaction price; (iv) allocation of the price to the various performance obligations and (v) recognition of revenue as each performance obligation is satisfied. In particular:

##### *Proceeds from tolls*

These are posted based on the related transits. In particular, the net toll revenue was calculated by multiplying the kilometres travelled by users on the relevant sections by the tariff in force and approved by the Granting Body for each motorway stretch.

##### *Rental income and royalties*

Rental income and royalties are valued based on the payment indicated in the underlying contracts with the respective counterparties. In particular, royalties relating to the service areas on the motorway networks managed are quantified on the basis of a (fixed) percentage of revenues from the economic use of sub-concession areas (normally the sale of food and oil products).

##### *Revenues from product sales*

The Group recognises the revenue from product sales when it transfers control of the asset to its customers; this moment generally coincides with the Group obtaining the right to payment and the transfer of material possession of the asset, which incorporates the transfer of the significant risks and rewards of ownership.

##### *Revenues for services*

Revenues for services are recognised based on the accrued payment, calculated by reference to the stage of completion of the service.

##### *Contract revenue*

Revenues from construction contract work in progress are recognised using the percentage of completion method. The percentage of completion is determined using the cost-to-cost method, calculated by applying the percentage of completion to the total expected revenue, as calculated by the ratio between the contractual costs incurred and the total expected costs.



### Financial income

Interest income is calculated on the value of the related financial assets at the effective interest rate.

### Dividends

Dividends paid by unconsolidated companies are posted when the right to receive them is established, which corresponds to the date that the Shareholders' Meeting of the investee companies approves the distribution.

Any interim dividends are recorded when the distribution is approved by the Board of Directors of the investee company.

### Grants

Grants are recognised when there exists a reasonable certainty that they will be received and that all the conditions for their disbursement will be met. Capital grants are posted to the balance sheet as an adjustment entry to the book value of the asset to which they refer. Operating grants are imputed as income and systematically allocated to the cost related to them using the matching principle.

### Financial expenses

Financial expenses are recorded, on an accrual basis, as a cost in the accounting period in which they are incurred except for those which are directly imputable to the construction of non-compensated revertible assets and other assets, which are capitalised as an additional part of the cost of production of the asset. Capitalisation of financial expenses begins when activities are under way to prepare the asset for use, and it ends when these activities are essentially completed.

### Income taxes

Current and deferred taxes are posted to the income statement when they do not relate to transactions directly posted to Shareholders' equity.

Income taxes are posted based on an estimate of the taxable income for the period, in compliance with current regulations.

In accordance with IAS 12, "deferred tax liabilities" and "deferred tax credits" are calculated based on the temporal differences between the recognised value for tax purposes of an asset or a liability and its value in the balance sheet, when it is probable that these differences will cancel themselves out in the foreseeable future. The amount of the "deferred tax liabilities" or "deferred tax credits" is determined based on tax rates that are expected to apply to the period in which the tax credit is realised or the tax liability is extinguished. The tax rates are those established in current fiscal legislation as at the reference date of the individual accounting entries.

Deferred tax assets are posted when their recovery is likely.

Deferred tax assets and deferred tax liabilities are offset when it is legally allowed.

Furthermore, tax effects have been considered, deriving from the adjustments made to the financial statements of consolidated businesses while applying uniform Group valuation criteria.



### Derivatives

Derivatives are assets and liabilities recognised at fair value. The fair value of derivatives is determined by discounting the expected net cash, using the market interest rate curves for the date of reference and the listed credit default swap curve of the counterparty and the group companies, to include the risk of non-performance explicitly envisaged in IFRS 13.

Derivatives are classified as hedging instruments when the relationship between the derivative and the subject of the coverage is formally documented and the coverage is highly effective, which is verified periodically. When hedging derivatives cover the risk of changes to the fair value of the instruments being covered (a "fair value hedge", for example, covering the variability of the fair value of assets/liabilities at a fixed rate), the derivatives are recognised at fair value and their effects are recognised to the income statement. At the same time, the instruments hedged are updated to reflect the changes to their fair value associated with the underlying risk. When derivatives hedge the risk of changes in the cash flows of the hedged instruments (cash flow hedge; e.g. hedging the variability of cash flows from assets/liabilities at variable rates, or hedging the exchange rate risk of foreign currency investment transactions considered highly probable), changes in the fair value of derivatives are recognised in the statement of comprehensive income and included in the cash flow hedge reserve in Shareholders' equity and subsequently charged to the income statement in line with the economic effects produced by the hedged transaction or in the event of total or partial ineffectiveness of the hedge. Changes to the fair value of derivatives that do not satisfy the conditions to be classified as hedges are posted to the income statement.

### Impairment test

The book values of the Group's assets are measured at each date of reference of the financial statements (or in the presence of impairment indicators) in order to determine whether there are indications of a reduction in value, in which case the recoverable value of the asset is estimated. Impairment is accounted for in the income statement when the book value of an asset or of a cash generating unit exceeds the recoverable value.

Intangible assets with indefinite useful life (goodwill) are assessed every year and whenever there is an indication of potential impairment, in order to ascertain if such impairment effectively exists.

The recoverable value of *non-financial assets* corresponds to the highest between their fair value net of disposal costs and their useful life. In order to establish their useful life, the estimated future cash flows are discounted at a rate that reflects the current market valuation of the money value and the risk related to that type of asset. If the assets do not generate incoming cash flows deemed as widely independent, the recoverable value of the cash generating unit to which the asset belongs is calculated.

The losses posted in the income statement are written back in case of changes in the valuation criteria used to determine the recoverable value. A value write-back is recorded in the income statement by aligning the book value of the assets to its recoverable value. The latter cannot exceed the value that would have been determined, net of amortisation and depreciation expense, if impairment had not been posted in the previous years. This write-back is not applicable to goodwill, since its write-down is never reversible.

It should be noted that the 2020 impairment test was carried out in accordance with the relevant IFRS international accounting standards and best practices in this area; the results of this test were subjected to an independent review by a company specialising in valuations and verifying the recoverability of assets (goodwill and equity investments).

As regards goodwill related to motorway companies, in line with the provisions of IAS 36, the Company determines the "useful life" of each individual "Cash Generating Unit" (CGU) by discounting the future cash flows (Discounted Cash Flows - DCFs) deriving from the motorway activities. Each licensee company constitutes an autonomous CGU, to which the financial plans of the individual managed stretches refer. The data contained in the financial plans attached to the current Standard Agreements or those being updated were used as the basis for calculation. The economic and financial plan (EFP) of each motorway concession highlights the



results expected for the entire duration of the concession and, though they are prepared over an average time frame of longer than five financial years, constitute the representative document for the purposes of identifying the prospective cash flows. In addition, given that these are concessions with a pre-defined useful life, no calculation was made of the terminal value. At the end of the concession, if an indemnity was required by the company taking over for works undertaken and not depreciated ("takeover"), this value has been included in the operating flow at the end of the concession.

The data contained in the aforementioned plans have been adjusted where necessary to reflect the changes made following the date of preparation of those financial plans (traffic, tolls, completion of the investment programme, etc.). It should be noted that the financial plans of the motorway concessions used to estimate the operating cash flows were subject to verification by an independent consultant, with reference to the forecasts contained therein. It should also be noted that the traffic forecasts reflect the results of the traffic studies carried out by an independent company specialised in this sector.

The cash flows as determined above have been discounted at a *post-tax nominal WACC* rate.

The WACC was estimated using the Unconditional Adjusted approach, which envisages the use of a risk-free rate adjusted to neutralise the monetary policies implemented in recent years by the European Central Bank.

The main parameters are:

- **Risk Free Rate Adjusted:** the risk-free rate was estimated at **2.32%** for concessions in Italy, obtained as the sum of: (i) the average of the returns observed in the 24 months preceding the Reporting Date on 10-year U.S. government securities, adjusted for long-term inflation in the United States (source: EIU) and supplemented by expected inflation in Italy, (ii) the differential observed between the U.S. and Italian credit default spreads on the Reporting Date over the previous 24 months (source: Bloomberg). For the Road Link company, the risk-free rate has been estimated at **0.60%**, determined on the basis of the average returns observed in the 24 months prior to the Reporting Date for UK government bonds with a ten-year maturity, the forecasts being expressed in local currency;
- **Unlevered beta:** element representative of the degree of non-diversifiable risk, estimated at **0.63** for concessions in Italy and **0.75** for the Road link company, based on the average value observed for a panel of listed companies in the sector. The beta extraction considered a period of three years prior to the Reporting Date and weekly observations (source: Bloomberg);
- **Market Risk Premium:** risk premium for the market, estimated at **5.50%** for Italy and **5.80%** for the UK market (source: Consensus and Fernandez);
- **Size Premium:** a **1%** risk premium was considered to factor in the Group's smaller size in terms of Revenues compared to the sample of listed companies included in the panel (Source: Revision by Deloitte with Bloomberg and Duff & Phelps data);
- **D/E Financial Structure:** for the purposes of weighting the cost of debt and the cost of equity, a financial structure has been considered on the basis of the debt ratio (D/E);
- **Cost of debt:** estimated considering the average cost of debt of the Group, except for Tangenziale Esterna S.p.A. and SITAF S.p.A., for which the specific cost was considered.

The discounting rates (calculated in a specific way for each licensee company in order to reflect its financial structure) vary between 5.24% and 6.78%.

In calculating the WACC for the motorway sector, compared with the previous year (when the risk-free rate was determined using the return on the benchmark 10-year BTP averaged over 12 months), the rate was obtained as the average of the returns observed in the 24 months prior to the Reporting Date in order to normalise the data from the monetary policies implemented by the Central Banks. A premium (size premium) was also considered in the 2020 financial year to factor in the Group's smaller size in terms of revenue compared to the sample of listed companies included in the panel.



In 2019, the discounting rates (calculated in a specific way for each licensee company in order to reflect its financial structure) varied between 4.88% and 5.39%.

With reference to investments in Brazil held through the subsidiary IGLI S.p.A., it should be noted that the impairment test of this company was determined by considering the equity investment in the Brazilian company Primav Infraestrutura S.A. as an independent CGU and that the impairment test was determined as the sum of the value in use of the Brazilian licensee companies indirectly controlled through the investee company Ecorodovias Infraestrutura e Logística S.A. The determination of the value in use was made taking into account the results of the valuations carried out - in accordance with the relevant IFRS international accounting standards and best practices - by a Brazilian company specialised in valuations and in verifying the recoverability of assets (goodwill and equity investments).

As regards the equity investments in companies operating in EPC (Engineering, Procurement and Construction) and technology sectors, their recoverable value was determined using the useful life method.

In order to determine the useful life of the individual CGUs (distinguishing by business segment and geographical area), the Discounted Cash Flows (DCF) method was used as an estimate of the future cash flows made on the basis of the PEFs prepared by the Companies, to which the calculation of the terminal value was added, in addition to the explicit period of discounting the flows. The cash flows as determined above have been discounted at a *post-tax nominal WACC* rate.

The WACC was estimated using the Unconditional Adjusted approach, which envisages the use of a risk-free rate adjusted to neutralise the monetary policies implemented in recent years by the European Central Bank.

The main parameters are:

- **Risk Free Rate Adjusted:**

- the risk - free rate was estimated at **2.32%** for companies operating in Italy, obtained as the sum of: (i) the average of the returns observed in the 24 months preceding the Reporting Date on 10-year U.S. government securities, adjusted for long-term inflation in the United States (source: EIU) and supplemented by expected inflation in Italy, (ii) the differential observed between the U.S. and Italian credit default spreads on the Reporting Date over the previous 24 months;
- for companies active in Brazil, Denmark and the USA, the risk-free rate was determined on the basis of the average of the returns observed in the 24 months prior to the Reporting Date on the country's government securities with a 10-year maturity (source: Bloomberg);

- **Unlevered beta:** element representative of the degree of non-diversifiable risk, estimated at **0.88** on the basis of the average value observed for a panel of listed companies in the sector. The beta extraction considered a period of three years prior to the Reporting Date and weekly observations (source: Bloomberg);

- **Market Risk Premium:** risk premium for the market in which the companies operate (source: Consensus and Fernandez);

- **Size Premium:** a risk premium of **1.75%** was considered in order to factor in the smaller size of the Itinera Group in terms of Revenues compared to the sample of listed companies included in the panel (Source: Revision by Deloitte with Bloomberg and Duff & Phelps data);

- **D/E financial structure:** for the purposes of weighting the cost of debt and the cost of equity, a financial structure in line with the sector to which the Itinera Group belongs and a full equity structure for the companies SINA, SINELEC and Euroimpianti were considered;

- **Cost of debt** estimated in consideration of the average cost of debt of the Itinera Group with the exception of the Brazilian company for which the specific rate in place at 31 December 2020 was taken into consideration.

- **Captive risk:** in order to intercept the higher risk of companies that operate mainly with the ASTM Group (captive), the WACC was increased by a premium equal to 2%.





The discounting rates (calculated in a specific way for each company in order to reflect its financial structure) vary between 6.85% and 12.58%.

Companies	ITINERA GROUP				SINA - EUROIMPIANTI	SINELEC
CGU / Country	Italy	USA	Denmark	Brazil	Italy	Italy
WACC	8.02%	7.20%	6.85%	12.58%	10.88%	10.88%

In calculating the WACC of the EPC and Technology sectors, compared to the previous year (when the risk-free rate was determined using the return on the 10-year Government Bond of the country in which the CGU operated - 12-month average), the rate was obtained as the average of the returns observed in the 24 months prior to the Reporting Date in order to normalise the data from the monetary policies implemented by the Central Banks. In 2019, the discounting rates (calculated in a specific way for each licensee company in order to reflect its financial structure) varied between 8.14% and 13.23%.

With regard to the CGUs for which the useful life was estimated, a *sensitivity analysis* of the results was also carried out by varying the discounting rates applied between +0.5%/-0.5%.

This analysis did not reveal any write-downs with reference to the amount of individual goodwill recognised.

The impairment procedure was approved by the Board of Directors autonomously and in advance of the approval of the draft financial statements.

#### Earnings per share

The basic earnings per share are calculated by dividing the Group share of profit by the weighted average of outstanding Parent Company Shares during the year.

#### **Estimates and valuations**

The preparation of these Consolidated Financial Statements and the related notes required estimates and assumptions that had an effect on the values of the assets and liabilities in the financial statements and on the information related to potential assets and liabilities as at the reporting date. Actual results achieved may differ from these estimates. Among other things, the valuation used the fair value to appraise financial assets and liabilities, to perform the impairment test, for the actuarial appraisals and to record the amortisation/depreciation, the write-downs of assets and the provisions for risks. The outcomes of assessments by independent experts were also used to calculate the estimates. The estimates and assumptions are reviewed periodically and the effects of any changes are reflected in the income statement.

Generally, some valuation processes – in particular the most complex ones, such as the assessment of any loss in value of fixed assets – are completely carried out only upon drawing up of the financial statements, when all necessary information is available. However, in case there is evidence of potential losses in value, an impairment test is carried out and the potential loss is reflected in each single book value.

#### **Translation of foreign currency items**

The statement of financial position and income statement of each consolidated company are prepared using the functional currency of the economy in which each company carries out its operations. Transactions in foreign currencies other than the functional



currency are recorded at the exchange rate prevailing at the transaction date. Monetary assets and liabilities denominated in a currency other than the functional currency are subsequently adjusted to the exchange rate at the reporting date with any exchange differences recognised through the income statement. Non-monetary assets and liabilities denominated in foreign currencies and recorded at historical cost are translated using the exchange rate prevailing at the time the transaction was first recognised.

For the purpose of consolidation in the Group accounts, the income statement and statement of financial position of consolidated companies with functional currencies other than the Euro are translated by applying the exchange rate prevailing as at the reporting date to assets and liabilities, including goodwill and adjustments made upon consolidation, and the average exchange rates for the year or for the consolidation period, whichever is less, to income statement items. The resulting foreign exchange differences are recognised directly in the statement of comprehensive income and reclassified to the income statement upon loss of control of the equity investment and, therefore, upon de-consolidation.

The main exchange rates applied during the period to translate the income statements and statements of financial position with functional currency other than the Euro, are those published by the Bank of Italy and presented in the following table:

Currency	2020		2019	
	Spot rate as at 31 December	Average annual exchange rate	Spot rate as at 31 December	Average annual exchange rate
EUR/GBP	0.8990	0.8897	0.8508	0.87777
EUR/BRL	6.3735	5.8943	4.5157	4.4134
EUR/USD	1.2271	1.1422	1.1234	1.1195
EUR/Kuwaiti Dinar	0.3735	0.3504	0.3405	0.3402
EUR/Omani Rial	0.4718	0.4392	0.4319	0.4304
EUR/Angola - Reajustado Kwanza	800.345	661.868	540.037	406.169
Euro/Botswana - Pula	13.2516	13.0638	11.913	12.0447
Euro/South Africa - Rand	18.0219	18.7655	15.7773	16.1757
Euro/Romania - Ron	4.8683	4.8383	4.783	4.7453
EUR/Saudi Arabia - Saudi Ryal	4.6016	4.2832	4.2128	4.198
EUR/United Arab Emirates - Arab Emirates Dirham	4.5065	4.1947	4.1257	4.1113
EUR/Zambia - Zambian Kwacha	25.9523	20.9539	15.7409	14.4432
EUR/Kenya - Kenyan Shilling	134.0171	121.7547	113.8986	114.2168
EUR/Denmark - Danish Krone	7.4409	7.4542	7.4715	7.4661
EUR/Sweden - Swedish Krona	10.0343	10.4848	10.4468	10.5891

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The afore-mentioned valuation criteria were applied on a like-for-like and coherent basis in the preparation of these Consolidated Financial Statements.

Any reclassifications of annual financial statement items made previously in order to allow for comparison with the final values in the current period are shown in detail in the explanatory notes.



## New accounting standards and interpretation adopted by the EU and effective from 1 January 2020

- **Amendments to IAS 1 and IAS 8 - Definition of materiality.** The document introduced a change to the definition of “material” contained in IAS 1 and IAS 8. This amendment aims to make the definition of “material” more specific and introduced the concept of “obscured information” alongside the concepts of omitted or incorrect information already present in the two amended standards. The amendment clarifies that information is “obscured” if it has been described in such a way as to have an effect on primary readers of financial statements similar to that which would have occurred if such information had been omitted or incorrect.
- **Amendments to references to the “Conceptual Framework” in IFRSs,** which define key concepts for financial reporting. The document helps to guarantee the Standards are conceptually consistent and that similar transactions are treated in the same way, so as to provide useful information to investors, lenders and other creditors. The Conceptual Framework helps companies in developing accounting standards when none of the IFRS standards apply to a particular transaction and, more generally, help interested parties in understanding and interpreting the Standards.
- **On 26 September 2019, the IASB published an amendment titled “Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform” which amends IFRS 9 - Financial Instruments and IAS 39 - Financial Instruments: Recognition and Measurement, as well as IFRS 7 - Financial Instruments: Disclosures.** More specifically, the amendment modifies certain of the requirements established for application of hedge accounting, establishing temporary derogations for the same, in order to mitigate the impact deriving from uncertainties relative to the IBOR reform (still under way) for future cash flows in the period before they are achieved. The amendment also requires companies to provide additional information in financial reporting with regards to hedging relationships directly affected by the uncertainties generated by the reform, and to which the above derogations apply.
- **Amendments to IFRS 3 - Business combinations.** The document provides some clarifications regarding the definition of “business” for the purposes of applying IFRS 3 correctly. In particular, the amendment clarifies that while a business usually produces an “output”, the presence of an output is not strictly necessary in order to identify a business where there is a set of activities/processes and assets. However, in order to satisfy the definition of “business”, a set of activities/processes and assets must include, at a minimum, an input and a substantive process that together contribute significantly to the ability to create an output. To this end, the IASB replaced the term “ability to create outputs” with “ability to contribute to the creation of outputs” in order to clarify that a business can exist even without the presence of all the inputs and processes necessary to create outputs. The amendment also introduced an optional test (“concentration test”) that makes it possible to exclude the presence of a business if the price paid is substantially attributable to an individual asset or group of assets.
- **On 28 May 2020, the IASB published an amendment titled “Covid-19 Related Rent Concessions (Amendment to IFRS 16)”,** which was endorsed by the European Union on 9 October 2020. The document grants lessees the possibility of recognising reductions in rent associated with Covid-19 without having to evaluate, through contract analysis, whether the definition of a lease modification established under IFRS 16 is respected. Hence, lessees that make use of this possibility can recognise the effects of reductions in rent directly in the income statement, as of the date the reduction takes effect. This amendment, which is applicable to financial statements beginning on or after 1 June 2020, may be applied early by a company to financial statements beginning on or after 1 January 2020.

The above had no effect on the Consolidated Financial Statements of the Group as at 31 December 2020.



## IFRS or IFRIC accounting standards, amendments and interpretations approved by the European Union, not yet compulsorily applicable and not adopted in advance by the Group as at 31 December 2020.

- On 28 May 2020, the IASB published an amendment titled “**Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)**”. The amendments allow for the temporary exemption from the application of IFRS 9 to be extended until 1 January 2023 for insurance companies. These amendments take effect as of 1 January 2021.
- On 27 August 2020, the IASB published, in light of the reform on interbank interest rates such as IBOR, the document “**Interest Rate Benchmark Reform-Phase 2**” which contains amendments to the following standards:
  - IFRS 9 *Financial Instruments*;
  - IAS 39 *Financial Instruments: Recognition and Measurement*;
  - IFRS 7 *Financial Instruments: Disclosures*;
  - IFRS 4 *Insurance Contracts*; and
  - IFRS 16 *Leases*.

The above had no effect on the Consolidated Financial Statements of the Group as at 31 December 2020.

## New accounting standards and interpretations issued by the IASB and not adopted yet by the EU

At the reporting date of this document, the competent bodies of the European Union had not yet concluded the approval process required for the adoption of the amendments and principles described above.

- On 18 May 2017 the IASB issued **IFRS 17 - Insurance Contracts**. The new standard, applicable as of annual reporting periods beginning on or after 1 January 2023, governs the accounting treatment of insurance contracts issued and reinsurance contracts held.
- On 23 January 2020, the IASB published an amendment titled “**Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current**”. The document is intended to clarify how to classify short or long-term payables and other liabilities. The amendments take effect on 1 January 2023; however, earlier application is permitted.
- On 14 May 2020, the IASB published the following amendments that are effective for annual periods beginning on or after 1 January 2022:
  - **Amendments to IFRS 3 Business Combinations**: the amendments are intended to update the reference to the Conceptual Framework in its revised version in IFRS 3, without this leading to amendments to the provisions of IFRS 3.
  - **Amendments to IAS 16 Property, Plant and Equipment**: the amendments are intended to define that revenues from the sale of goods produced by an asset before it is ready for its intended use are charged to the income statement together with the related production costs, rather than deducted from the cost of the asset.
  - **Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets**: the amendment clarifies that in estimating whether a contract has associated charges, all costs directly attributable to the contract should be taken into account, including not only incremental costs (e.g. the cost of material directly involved in processing), but also all the costs the company cannot avoid given that the contract has been signed (e.g. the portion of payroll costs, depreciation of machinery used to fulfil the contract).
  - **Annual Improvements 2018-2020**: the amendments apply to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples for IFRS 16 Leases. All amendments take effect as of 1 January 2022.

The Group is currently evaluating the possible effects of the introduction of these changes on its Consolidated Financial Statements.



## Explanatory Notes – Operating segments

On the basis of the current organisational structure of the ASTM Group, the information required by IFRS 8 is provided below, broken down by "business segment".

The activity of the group is divided into five main sectors:

- Motorway sector (operating activities)
- Motorway/EPC sector planning and construction activities - IFRIC 12
- EPC sector
- Technology sector
- Services sector

The financial and equity data for each sector are shown in the table below. Transactions between sectors are reversed in the "eliminations" column.

(amounts in thousands of EUR)	Business segment										Eliminations		Consolidated	
	Motorway sector (operating activities)		Motorway/EPC sector (planning and construction activities)		EPC sector		Engineering sector		Technology sector		Services sector		2020	2019
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<b>Revenues from third parties:</b>														
Motorway (tolls)	1,025,170	1,209,341	-	-	-	-	-	-	-	-	-	-	1,025,170	1,209,341
Other motorway revenues	20,430	31,721	-	-	-	-	-	-	-	-	-	-	20,430	31,721
Motorway revenues - planning and construction activities	-	-	392,213	265,278	-	-	-	-	-	-	-	-	392,213	265,278
EPC sector	-	-	-	-	951,545	813,349	-	-	-	-	-	-	951,545	813,349
EPC sector - planning and construction activities	-	-	9,306	17,751	-	-	-	-	-	-	-	-	9,306	17,751
Technology sector	-	-	-	-	-	-	-	-	16,387	23,154	-	-	16,387	23,154
Other	48,814	56,965	-	-	13,936	23,483	-	-	1,416	1,004	3,104	2,897	67,270	84,349
<b>Total revenues from third parties</b>	<b>1,094,414</b>	<b>1,298,027</b>	<b>401,519</b>	<b>283,029</b>	<b>965,481</b>	<b>836,832</b>	-	-	<b>17,803</b>	<b>24,158</b>	<b>3,104</b>	<b>2,897</b>	<b>2,482,321</b>	<b>2,444,943</b>
Inter-segment revenues	10,070	7,779	-	-	398,569	318,736	-	-	58,334	52,009	8,817	7,209	(475,790)	(385,733)
<b>Total revenues</b>	<b>1,104,484</b>	<b>1,305,806</b>	<b>401,519</b>	<b>283,029</b>	<b>1,364,050</b>	<b>1,155,568</b>	-	-	<b>76,137</b>	<b>76,167</b>	<b>11,921</b>	<b>10,106</b>	<b>(475,790)</b>	<b>(385,733)</b>
Operating costs	(569,550)	(548,794)	(401,519)	(283,029)	(1,343,090)	(1,110,411)	-	-	(60,368)	(63,581)	(34,903)	(31,619)	474,893	384,890
<b>Sector EBITDA</b>	<b>534,934</b>	<b>757,012</b>	-	-	<b>20,960</b>	<b>45,157</b>	-	-	<b>15,769</b>	<b>12,586</b>	<b>(22,982)</b>	<b>(21,513)</b>	<b>(897)</b>	<b>(843)</b>
Amortisation/depreciation and provisions	(215,862)	(370,380)	-	-	(34,070)	(29,511)	-	-	(4,369)	(3,752)	(891)	(788)	756	730
<b>Operating profit</b>	<b>319,072</b>	<b>386,632</b>	-	-	<b>(13,110)</b>	<b>15,646</b>	-	-	<b>11,400</b>	<b>8,834</b>	<b>(23,873)</b>	<b>(22,301)</b>	<b>(141)</b>	<b>(119)</b>
Financial income	18,959	17,040	-	-	3,366	3,174	-	-	63	289	86,217	111,954	(89,875)	(93,512)
Financial expenses	(90,184)	(99,730)	-	-	(16,266)	(3,894)	-	-	(253)	(201)	(70,512)	(69,062)	90,071	93,721
Profit (loss) of companies accounted for with the equity method	(856)	(209)	-	-	(10,685)	(6,156)	-	-	(22)	-	(44,725)	(84,139)	-	-
<b>Pre-tax profit (loss)</b>	<b>246,991</b>	<b>303,733</b>	-	-	<b>(36,695)</b>	<b>8,770</b>	-	-	<b>11,188</b>	<b>8,922</b>	<b>(52,893)</b>	<b>(63,548)</b>	<b>55</b>	<b>96</b>
Profit (loss) for assets held for sale net of taxes (Discontinued Operation)														
Income taxes														
<b>Profit (loss) for the period</b>													<b>143,722</b>	<b>169,892</b>

(amounts in thousands of EUR)	Business segment								Eliminations		Consolidated	
	Motorway sector (operating activities)		EPC sector		Technology sector		Services sector		2020	2019	2020	2019
	2020	2019	2020	2019	2020	2019	2020	2019				
Fixed assets	3,369,387	3,915,253	338,240	338,432	14,663	15,666	4,639,668	4,437,254	(3,729,343)	(3,607,103)	4,632,615	5,099,502
Current assets	143,904	144,912	973,780	827,441	57,582	44,147	54,524	34,671	(460,529)	(324,215)	769,261	726,956
<b>Total assets</b>											<b>5,401,876</b>	<b>5,826,458</b>
Short-term liabilities	479,773	349,183	874,007	728,068	29,953	23,615	39,630	34,955	(434,693)	(296,278)	988,670	839,543
Medium long term liabilities and provisions	558,664	602,781	62,535	63,132	4,533	4,609	5,686	4,286	-	-	631,418	674,808
Net financial indebtedness (cash funds)	111,691	848,046	125,245	43,548	(6,959)	(12,085)	618,486	472,721	-	-	848,463	1,352,230
Shareholders' equity											2,933,325	2,959,877
<b>Total liabilities</b>											<b>5,401,876</b>	<b>5,826,458</b>
Equity accounted investments	120,275	129,551	2,214	6,679	4	528	851,510	750,377	-	-	974,003	887,135



## Explanatory Notes – Concessions

Business operations are mainly represented by the **construction and management of motorway infrastructures** and a **logistics platform** for which the Group companies are the licensees.

The **motorway companies** that are subsidiaries, jointly controlled or associated companies of the Group operate in accordance with specific concession agreements, which govern the rights and obligations of the licensee. In this respect, the licensees are in fact obliged, under their own responsibility and at their own expense, to arrange the planning, construction, maintenance and management of the motorway infrastructure until expiry of the concession agreement and the right to collect tolls from users (calculated and updated according to the methods specified in the agreement), which guarantees that the investments made are remunerated fairly. On expiry of the concessions, all motorway works completed (the "revertible assets") by the licensee must be transferred free of charge and in good condition to the Granting Body, except for concessions involving payment by the incoming licensee of the residual book value of the revertible assets (the "terminal value").

The following table provides details of the motorway concessions, with breakdown by licensee:

Licensee	Motorway stretch	Expiry of the concession
<b><u>Subsidiaries – Italy</u></b>		
SATAP S.p.A.	Torino-Milano	31 December 2026
SATAP S.p.A.	Torino-Piacenza	30 June 2017 <sup>(1)</sup>
SAV S.p.A.	Quincinetto-Aosta	31 December 2032
SALT p.A.	Sestri Levante-Livorno, Viareggio-Lucca and Fornola-La Spezia	31 July 2019 <sup>(1)</sup>
SALT p.A.	La Spezia-Parma (and road link with Autostrada del Brennero)	31 December 2031
ADF S.p.A.	Savona-Ventimiglia	30 November 2021
ADF S.p.A.	Torino– Savona	31 December 2038
Asti-Cuneo S.p.A.	Asti-Cuneo	31 December 2031 <sup>(2)</sup>
Società di Progetto Autovia Padana S.p.A.	Piacenza-Cremona-Brescia	28 February 2043
ATIVA S.p.A.	Tangenziale di Torino (Torino bypass), Torino-Quincinetto, Ivrea-Santhià and Torino-Pinerolo	31 August 2016 <sup>(1)</sup>
<b><u>Associated companies – Italy</u></b>		
SITAF S.p.A.	Torino-Bardonecchia, Frejus Tunnel	31 December 2050
SITRASB S.p.A.	Trafo Gran San Bernardo (Great St Bernard Tunnel)	31 December 2034
Tangenziale Esterna S.p.A.	Tangenziale Est Esterna di Milano (Milano Outer Ring Road)	30 April 2065
<b><u>Jointly controlled and associated companies – International</u></b>		
Road Link	A69 Carlisle-Newcastle (UK)	31 March 2026
Ecovia Caminho do Mar <sup>(3)</sup>	Curitiba metropolitan area – Port of Paranagua	November 2021
Ecocataratas <sup>(3)</sup>	Paraná – “triple border” (Brazil, Argentina and Paraguay)	November 2021
Ecovias dos Imigrantes <sup>(3)</sup>	Sao Paulo metropolitan area – Port of Santos	June 2026
Ecosul <sup>(3)</sup>	Pelotas – Porto Alegre and Rio Grande Port	March 2026
Eco 101 <sup>(3)</sup>	Macuri/BA Rio de Janeiro border	May 2038
Ecopistas <sup>(3)</sup>	Metropolitan São Paulo – Vale do Rio Paraíba industrial area	June 2039
Ecoponte <sup>(3)</sup>	Rio de Janeiro Niteroi – State of Rio de Janeiro	May 2045
ECO 050 <sup>(3)</sup>	Cristalina (Goiás) - Delta (Minas Gerais)	January 2044
ECO 135 <sup>(3)</sup>	Montes Claros (Minas Gerais)	June 2048
Ecovias do Cerrado <sup>(3)</sup>	Jatai (Goiás) – Uberlandia (Minas Gerais)	January 2050

<sup>(1)</sup> A management “extension” has been granted, pending the appointment of a new licensee.

<sup>(2)</sup> The expiry date at 31 December 2031 is provided for in the Additional Deed signed with the Granting Body, which provides for a cross-financing operation between SATAP and Asti Cuneo aimed at completing construction work on the A33 Asti-Cuneo stretch.

<sup>(3)</sup> Investee company via IGLI S.p.A.

As regards the profit and loss figures of the individual motorway stretches managed by the licensees, reference should be made to the information provided in the Management Report in the section “Results of Operations - Motorway Sector”.



The company **Taranto Logistica S.p.A.** operates as a licensee, by virtue of the agreement signed with the granting body, the Taranto Port Authority, for the executive design and the execution of the Taranto Port infrastructure node – Integrated Logistics Facilities, as well its management after execution.



## Explanatory Notes – Information on the balance sheet

### Note 1 – Intangible assets

#### 1.a) Goodwill

The values of "goodwill" and the changes that occurred during the year are summarised below:

Cash Generating Unit	Amount as at 31/12/2019	Increases	Reclassifications	Foreign exchange differences	Amount as at 31/12/2020
SALT p.A.	38,435	-	-	-	38,435
Autostrada dei Fiori S.p.A.	313	-	-	-	313
SATAP S.p.A.	2,907	-	-	-	2,907
Halmar International LLC	44,224	-	-	(3,451)	40,773 <sup>(1)</sup>
Sinelec S.p.A.	379	-	1,309	-	1,688
SEA Segnaletica Stradale	539	-	-	-	539
ATIVA S.p.A.	34,695	-	(32,464)	-	2,231
Tubosider S.p.A.	-	347	-	-	347
<b>Total</b>	<b>121,492</b>	<b>347</b>	<b>(31,155)</b>	<b>(3,451)</b>	<b>87,233</b>

<sup>(1)</sup> Amount converted using the exchange rate as at 31 December 2020

The "increases" item refers to the goodwill recognised in relation to Tubosider S.p.A. following the acquisition of control in July 2020.

The item "reclassifications" is attributable to the allocation of goodwill from the acquisition of control of the ATIVA Group in the previous year; in the financial statements for the year ended 31 December 2019, the Group had in fact made use of the option provided by IFRS 3 revised in order to make a provisional allocation of the cost of aggregation at fair value of the net assets acquired. The amount of goodwill relating to this acquisition is allocated on the basis of the fair values of the net assets acquired at the acquisition date, as shown below:

<b>Total ATIVA goodwill as at 31 December 2019 (A)</b>	<b>34,695</b>
Subsidiary Sinelec S.p.A. equity investment (goodwill)	1,309
Associated company SITAF S.p.A. equity investment	4,141
Other intangible assets	3,718
Deferred tax assets	23,296
<b>Total goodwill allocated (B)</b>	<b>32,464</b>
<b>ATIVA residual goodwill (A-B)</b>	<b>2,231</b>

"Foreign Exchange Differences" refer to the alignment of goodwill relating to Halmar International LLC expressed in US dollars to the exchange rates as at 31 December 2020.

Below follow the main disclosures relating to the investment in Halmar International LLC

(€ millions)

Company	Main Activity	Date of purchase	Percentage of voting rights acquired	Percentage acquired	Acquisition Cost
Halmar International LLC	Industrial holding operating in the construction sector, in the metropolitan area of New York	05/07/2017	50%	50%	56.3





The acquisition cost (inclusive of potential future payments) was calculated at EUR 56.3 million, and paid for an amount equal to EUR 51.8 million at the closing of the transaction.

	05/07/2017
<u>Determination of goodwill resulting from acquisition</u>	
Acquisition cost of Halmar International LLC	56.3
(-) Book value of the net assets and liabilities acquired - pro rata	(12.3)
Goodwill	44.0 <sup>(1)</sup>

<sup>(1)</sup> equal to EUR 40.8 million at the exchange rate as at 31 December 2020

In accordance with IAS 36, goodwill is not subject to amortisation but—since it is an intangible asset with an indefinite useful life—to an impairment test at least once a year or when events arise that may indicate impairment. For the purposes of said test, goodwill has been allocated on the cash generating units shown above. For details about the calculation methods of the impairment test as at 31 December 2020 refer to the description in the note “Impairment test”.

### 1.b) Other intangible assets

This item breaks down as follows:

	Other intangible assets		Total
	In operation	In process	
<b>Cost:</b>			
<b>as at 1 January 2019</b>	<b>48,209</b>	<b>3,171</b>	<b>51,380</b>
Change in the scope of consolidation	1,691	5,958	7,649
Investments	2,536	938	3,474
Reclassifications and other changes	2,251	(2,405)	(154)
Divestitures	(1,865)	-	(1,865)
Write-downs	-	-	-
Foreign exchange differences	2	-	2
<b>at 31 December 2019</b>	<b>52,824</b>	<b>7,662</b>	<b>60,486</b>
<b>Accumulated depreciation:</b>			
<b>as at 1 January 2019</b>	<b>(34,527)</b>	<b>-</b>	<b>(34,527)</b>
Change in the scope of consolidation	(1,543)	-	(1,543)
2019 amortisation and depreciation	(3,497)	-	(3,497)
Drawdowns	114	-	114
Foreign exchange differences	(1)	-	(1)
Other changes	486	-	486
<b>at 31 December 2019</b>	<b>(38,968)</b>	<b>-</b>	<b>(38,968)</b>
<b>Net book value:</b>			
<b>as at 1 January 2019</b>	<b>13,682</b>	<b>3,171</b>	<b>16,853</b>
<b>at 31 December 2019</b>	<b>13,856</b>	<b>7,662</b>	<b>21,518</b>



	Other intangible assets		Total
	In operation	In process	
<b>Cost:</b>			
<b>as at 1 January 2020</b>	<b>52,824</b>	<b>7,662</b>	<b>60,486</b>
Change in the scope of consolidation	4,380	-	4,380
Investments	1,249	1,294	2,543
Reclassifications and other changes	4,703	(4,220)	483
Divestitures	(1,257)	(64)	(1,321)
Foreign exchange differences	(25)	-	(25)
<b>at 31 December 2020</b>	<b>61,874</b>	<b>4,672</b>	<b>66,546</b>
<b>Accumulated depreciation:</b>			
<b>as at 1 January 2020</b>	<b>(38,968)</b>	<b>-</b>	<b>(38,968)</b>
Change in the scope of consolidation	(3,542)	-	(3,542)
2020 amortisation and depreciation	(3,684)	-	(3,684)
Drawdowns	983	-	983
Foreign exchange differences	17	-	17
Other changes	512	-	512
<b>at 31 December 2020</b>	<b>(44,682)</b>	<b>-</b>	<b>(44,682)</b>
<b>Net book value:</b>			
<b>as at 1 January 2020</b>	<b>13,856</b>	<b>7,662</b>	<b>21,518</b>
<b>at 31 December 2020</b>	<b>17,192</b>	<b>4,672</b>	<b>21,864</b>

The item "*other intangible assets*" mainly includes the capitalisation of basic and application software expenses and licences for software programmes. The increase in the period is mainly attributable to (i) the changes in the scope of consolidation (EUR 0.8 million), (ii) the investments and costs incurred for the development of an accounting and management software system and other changes (EUR +3.4 million), partially offset (iii) by the amortisation and depreciation for the period (EUR 3.6 million) and (iv) by divestitures for the period (EUR 0.3 million).



## 1. c) Concessions – non-compensated revertible assets

	Motorway in operation	Motorway under construction	Other non-compensated revertible assets under construction	Total
<b>Cost:</b>				
as at 1 January 2019	8,482,630	983,391	190,143	9,656,164
Investments	10,324	245,209	17,751	273,284
Divestitures and other changes	-	-	-	-
Reclassifications	(1,291,557)	(161,239)	-	(1,452,796)
<b>at 31 December 2019</b>	<b>7,201,397</b>	<b>1,067,361</b>	<b>207,894</b>	<b>8,476,652</b>
<b>Advances:</b>				
as at 1 January 2019	-	18,398	-	18,398
Increases	-	39,974	-	39,974
Divestitures and other changes	-	-	-	-
Reclassifications	-	(30,230)	-	(30,230)
<b>at 31 December 2019</b>	<b>-</b>	<b>28,142</b>	<b>-</b>	<b>28,142</b>
<b>Capital grants:</b>				
as at 1 January 2019	(1,201,218)	(200,065)	(147,571)	(1,548,854)
Increases	-	-	(18,640)	(18,640)
Reclassifications	69,648	-	-	69,648
<b>at 31 December 2019</b>	<b>(1,131,570)</b>	<b>(200,065)</b>	<b>(166,211)</b>	<b>(1,497,846)</b>
<b>Accumulated depreciation:</b>				
as at 1 January 2019	(5,045,427)	-	-	(5,045,427)
Reclassifications and other changes	1,143,410	-	-	1,143,410
2019 amortisation and depreciation	(294,552)	-	-	(294,552)
<b>at 31 December 2019</b>	<b>(4,196,569)</b>	<b>-</b>	<b>-</b>	<b>(4,196,569)</b>
<b>Net book value:</b>				
as at 1 January 2019	2,235,985	801,724	42,572	3,080,281
<b>at 31 December 2019</b>	<b>1,873,258</b>	<b>895,438</b>	<b>41,683</b>	<b>2,810,379</b>

	Motorway in operation	Motorway under construction	Other non-compensated revertible assets under construction	Total
<b>Cost:</b>				
as at 1 January 2020	7,201,397	1,067,361	207,894	8,476,652
Investments	9,393	237,409	9,306	256,108
Divestitures and other changes	-	-	-	-
Reclassifications	128,352	(128,352)	-	-
<b>at 31 December 2020</b>	<b>7,339,142</b>	<b>1,176,418</b>	<b>217,200</b>	<b>8,732,760</b>
<b>Advances:</b>				
as at 1 January 2020	-	28,142	-	28,142
Increases	-	33,967	-	33,967
Divestitures and other changes	-	-	-	-
Reclassifications	-	(29,167)	-	(29,167)
<b>at 31 December 2020</b>	<b>-</b>	<b>32,942</b>	<b>-</b>	<b>32,942</b>
<b>Capital grants:</b>				
as at 1 January 2020	(1,131,570)	(200,065)	(166,211)	(1,497,846)
Increases	-	-	(6,205)	(6,205)
Reclassifications	-	-	-	-
<b>at 31 December 2020</b>	<b>(1,131,570)</b>	<b>(200,065)</b>	<b>(172,416)</b>	<b>(1,504,051)</b>
<b>Accumulated depreciation:</b>				
as at 1 January 2020	(4,196,569)	-	-	(4,196,569)
Reclassifications and other changes	-	-	-	-
2020 amortisation and depreciation	(184,493)	-	-	(184,493)
<b>at 31 December 2020</b>	<b>(4,381,062)</b>	<b>-</b>	<b>-</b>	<b>(4,381,062)</b>
<b>Net book value:</b>				
as at 1 January 2020	1,873,258	895,438	41,683	2,810,379
<b>at 31 December 2020</b>	<b>1,826,510</b>	<b>1,009,295</b>	<b>44,784</b>	<b>2,880,589</b>

The gross value of the motorway network—equal to EUR 8,516 million—includes EUR 1,091.4 million of capitalised financial expenses (EUR 1,075 million as at 31 December 2019), of which EUR 16.4 million capitalised during the year.



The item “*advances*” of the motorway network, equal to EUR 32.9 million, refers to the advances paid on the works; the change during the year equal to EUR 4.8 million is the result of (i) the advances paid by the licensee companies to the suppliers during the year (EUR +34 million) and (ii) the reclassification to the “*investments*” of the advances paid in previous years (EUR -29.2 million) following execution of the works.

As specified in the “*valuation criteria*”, the calculation of the amortisation and depreciation of the non-compensated revertible assets took into account the “*terminal values*” provided for in the existing agreements and in the financial plans approved/sent to the Granting Body.

As at 31 December 2020, the item “*concessions—non-compensated revertible assets*” broke down as follows:

#### **Motorway concessions**

Licensee (€ '000s)	Motorway stretch	Net value
SATAP S.p.A.	Torino-Milano	686,009
SAV S.p.A.	Quincinetto-Aosta	270,922
SALT p.A.	La Spezia-Parma (and road link with Autostrada del Brennero)	526,363
ADF S.p.A.	Savona-Ventimiglia	192,477
ADF S.p.A.	Torino – Savona	450,509
Asti-Cuneo S.p.A.	Asti-Cuneo	369,251
Autovia Padana S.p.A.	Piacenza-Cremona-Brescia	340,274
<b>Motorway concessions – Total non-compensated revertible assets</b>		<b>2,835,805</b>

#### **Other concessions**

Licensee (€ '000s)	Concession object	Net value
Taranto Logistica S.p.A.	Logistics platform at the port of Taranto	44,784
<b>Total non-compensated revertible assets</b>		<b>44,784</b>



## Note 2 – Tangible assets

### 2.a) Property, plant, machinery and other assets

	Land and buildings	Plant and mach.	Industrial and commercial equip.	Other assets	Assets under construction and advance payments	Assets in financial lease	Total
<b>Cost:</b>							
<b>as at 1 January 2019</b>	<b>130,849</b>	<b>69,042</b>	<b>58,468</b>	<b>55,219</b>	<b>2,353</b>	<b>31,632</b>	<b>347,563</b>
Change in the scope of consolidation	2,279	5,715	3,329	1,268	-	-	12,591
Investments	2,311	5,611	9,604	3,642	10,462	-	31,630
Reclassifications and other changes	1,162	(502)	1,231	(2,121)	(2,291)	(31,709)	(34,230)
Foreign exchange differences	80	101	297	103	26	77	684
Divestitures	(453)	(4,113)	(3,295)	(1,607)	-	-	(9,468)
<b>at 31 December 2019</b>	<b>136,228</b>	<b>75,854</b>	<b>69,634</b>	<b>56,504</b>	<b>10,550</b>	<b>-</b>	<b>348,770</b>
<b>Accumulated depreciation:</b>							
<b>as at 1 January 2019</b>	<b>(42,805)</b>	<b>(56,905)</b>	<b>(46,462)</b>	<b>(45,665)</b>	<b>-</b>	<b>(25,707)</b>	<b>(217,544)</b>
Change in the scope of consolidation	(168)	(5,494)	(2,941)	(1,267)	-	-	(9,870)
2019 amortisation and depreciation	(3,125)	(3,449)	(5,334)	(2,668)	-	-	(14,576)
Reclassifications and other changes	435	942	462	560	-	25,743	28,142
Foreign exchange differences	(13)	(11)	(166)	(47)	-	(36)	(273)
Drawdowns	255	3,573	3,128	1,284	-	-	8,240
<b>at 31 December 2019</b>	<b>(45,421)</b>	<b>(61,344)</b>	<b>(51,313)</b>	<b>(47,803)</b>	<b>-</b>	<b>-</b>	<b>(205,881)</b>
<b>Net book value:</b>							
<b>as at 1 January 2019</b>	<b>88,044</b>	<b>12,137</b>	<b>12,006</b>	<b>9,554</b>	<b>2,353</b>	<b>5,925</b>	<b>130,019</b>
<b>at 31 December 2019</b>	<b>90,807</b>	<b>14,510</b>	<b>18,321</b>	<b>8,701</b>	<b>10,550</b>	<b>-</b>	<b>142,889</b>

	Land and buildings	Plant and mach.	Industrial and commercial equip.	Other assets	Assets under construction and advance payments	Total
<b>Cost:</b>						
<b>as at 1 January 2020</b>	<b>136,228</b>	<b>75,854</b>	<b>69,634</b>	<b>56,504</b>	<b>10,550</b>	<b>348,770</b>
Change in the scope of consolidation	12,752	9,821	3,373	1,484	843	28,273
Investments	531	4,786	5,826	3,576	4,741	19,460
Write-downs	(317)	(171)	(13)	-	-	(501)
Reclassifications and other changes	873	11,963	(66)	(136)	(10,487)	2,147
Foreign exchange differences	(825)	(544)	(1,948)	(455)	29	(3,743)
Divestitures	(3,694)	(7,081)	(4,080)	(2,482)	-	(17,337)
<b>at 31 December 2020</b>	<b>145,548</b>	<b>94,628</b>	<b>72,726</b>	<b>58,491</b>	<b>5,676</b>	<b>377,069</b>
<b>Accumulated depreciation:</b>						
<b>as at 1 January 2020</b>	<b>(45,421)</b>	<b>(61,344)</b>	<b>(51,313)</b>	<b>(47,803)</b>	<b>-</b>	<b>(205,881)</b>
Change in the scope of consolidation	(7,520)	(8,719)	(3,298)	(1,321)	-	(20,858)
2020 amortisation and depreciation	(3,297)	(3,875)	(5,865)	(2,956)	-	(15,993)
Reclassifications and other changes	(435)	(1,707)	173	38	-	(1,931)
Foreign exchange differences	92	122	1,092	200	-	1,506
Drawdowns	807	6,061	3,804	2,102	-	12,774
<b>at 31 December 2020</b>	<b>(55,774)</b>	<b>(69,462)</b>	<b>(55,407)</b>	<b>(49,740)</b>	<b>-</b>	<b>(230,383)</b>
<b>Net book value:</b>						
<b>as at 1 January 2020</b>	<b>90,807</b>	<b>14,510</b>	<b>18,321</b>	<b>8,701</b>	<b>10,550</b>	<b>142,889</b>
<b>at 31 December 2020</b>	<b>89,774</b>	<b>25,166</b>	<b>17,319</b>	<b>8,751</b>	<b>5,676</b>	<b>146,686</b>

In 2020, the item "change in the scope of consolidation" was mainly due to the consolidation of the Tubosider Group.

With regard to the item "land and buildings", the following mortgage guarantees have been recorded:

- in favour of UBI Banca (formerly Banca Regionale Europea) in relation to the land - on which a management centre was built - owned by SEA Segnaletica Stradale S.p.A. as guarantee for a loan, for which the residual payable as at 31 December 2020 totalled EUR 1.3 million;



- in favour of M&T Bank on land and buildings owned by Halmar International LLC to guarantee loans with a total outstanding debt of EUR 4.5 million as at 31 December 2020;
- in favour of Banca Popolare di Spoleto on the industrial complex in Terni owned by Tubosider S.p.A. as guarantee for a loan, for which the residual payable as at 31 December 2020 totalled EUR 66 thousand.

## 2.b) Rights of use

	Rights of use - Property	Rights of use - Vehicles	Rights of use - Machinery	Rights of use - Other assets	Total
<b>Cost:</b>					
Initial balance pursuant to IAS 17	3,373	3,389	15,951	8,919	31,632
Effect of first-time adoption	17,033	4,274	1,461	-	22,768
Investments	7,522	4,276	21,410	9,436	42,644
Change in the scope of consolidation	5,771	487	-	-	6,258
Divestitures	-	(92)	(4,379)	(1,228)	(5,699)
Reclassifications and other changes	-	-	-	-	-
Foreign exchange differences	(13)	(15)	-	(6)	(34)
<b>at 31 December 2019</b>	<b>33,686</b>	<b>12,319</b>	<b>34,443</b>	<b>17,121</b>	<b>97,569</b>
<b>Accumulated depreciation:</b>					
Initial balance pursuant to IAS 17	(817)	(1,556)	(14,720)	(8,614)	(25,707)
Effect of first-time adoption	-	-	-	-	-
2019 amortisation and depreciation	(4,622)	(3,490)	(2,702)	(1,258)	(12,072)
Change in the scope of consolidation	(558)	(239)	-	-	(797)
Drawdowns	-	72	2,578	1,109	3,759
Other changes	3	(4)	6	-	5
Foreign exchange differences	(2)	9	5	-	12
<b>at 31 December 2019</b>	<b>(5,996)</b>	<b>(5,208)</b>	<b>(14,833)</b>	<b>(8,763)</b>	<b>(34,800)</b>
<b>Net book value:</b>					
<b>as at 1 January 2019 (pursuant to IAS 17)</b>	<b>2,556</b>	<b>1,833</b>	<b>1,231</b>	<b>305</b>	<b>5,925</b>
<b>at 31 December 2019</b>	<b>27,690</b>	<b>7,111</b>	<b>19,610</b>	<b>8,358</b>	<b>62,769</b>

	Rights of use - Property	Rights of use - Vehicles	Rights of use - Machinery	Rights of use - Other assets	Total
<b>Cost:</b>	<b>33,686</b>	<b>12,319</b>	<b>34,443</b>	<b>17,121</b>	<b>97,569</b>
Change in the scope of consolidation	972	85	1,846	11	2,914
Investments	7,082	6,025	14,367	7,562	35,036
Divestitures	(3,127)	(1,739)	(4,234)	(7,441)	(16,541)
Reclassifications and other changes	(1,062)	(418)	(1,063)	31	(2,512)
Foreign exchange differences	(386)	(353)	(311)	(39)	(1,089)
<b>at 31 December 2020</b>	<b>37,165</b>	<b>15,919</b>	<b>45,048</b>	<b>17,245</b>	<b>115,377</b>
<b>Accumulated depreciation:</b>	<b>(5,996)</b>	<b>(5,208)</b>	<b>(14,833)</b>	<b>(8,763)</b>	<b>(34,800)</b>
Change in the scope of consolidation	(588)	(72)	(1,848)	(3)	(2,511)
2020 amortisation and depreciation	(6,721)	(4,519)	(6,065)	(2,543)	(19,848)
Drawdowns	1,353	1,605	2,608	2,957	8,523
Other changes	499	1,181	731	(33)	2,378
Foreign exchange differences	170	191	179	7	547
<b>at 31 December 2020</b>	<b>(11,283)</b>	<b>(6,822)</b>	<b>(19,228)</b>	<b>(8,378)</b>	<b>(45,711)</b>
<b>Net book value:</b>					
<b>as at 1 January 2020</b>	<b>27,690</b>	<b>7,111</b>	<b>19,610</b>	<b>8,358</b>	<b>62,769</b>
<b>at 31 December 2020</b>	<b>25,882</b>	<b>9,097</b>	<b>25,820</b>	<b>8,867</b>	<b>69,666</b>

In accordance with IFRS 16, the item "rights of use" contains the lease contracts payable that do not constitute the provision of services. The "change in the scope of consolidation" is attributable to the consolidation of the Tubosider Group.



## Note 3 – Non-current financial assets

### 3.a – Equity accounted investments

Changes during the period to investments in businesses accounted for by the "equity method" were as follows:

	31/12/2019	Purchases/Increases	Sales/Decreases	Change in the scope of consolidation	Reclass. and other changes	Adjustments to "Shareholders' equity"			Exchange differences	31/12/2020
						Profit/(loss)	Dividends	Other <sup>(*)</sup>		
<b>Equity investments:</b>										
<b>a) in jointly controlled entities</b>										
Ecorodovias Infrastruttura e Logistica S.A.	47,341	-	-	-	-	(3,081)	-	195	(13,704)	30,751
Federici Stirling Batco LLC	9,687	-	-	-	-	(9,157)	-	-	(530)	-
Primav Infrastruttura S.A.	402,983	-	-	-	-	(44,932)	-	1,722	(115,196)	244,577
Grugliasco S.c.ar.l.	6	-	-	-	-	-	-	-	-	6
CERVIT S.c.ar.l.	5	-	-	-	-	-	-	-	-	5
<b>b) in associated companies</b>										
Asci Logistik GMBH	21	-	-	-	-	(5)	-	-	-	16
ASTA S.p.A.	4,019	-	(2,723)	-	-	(1,296)	-	-	-	-
Atifon S.c.ar.l.	-	-	-	4	-	-	-	-	-	4
ATIVA Immobiliare S.p.A.	487	-	-	-	-	48	-	-	-	535
Aurea S.c.ar.l.	10	-	-	-	-	-	-	-	-	10
Autostrada Nogare Mare Adriatico S.c.p.A.	33	-	-	-	2	-	-	-	-	35
Brescia Milanoo Manutenzioni S.c.ar.l.t	4	-	-	-	-	-	-	-	-	4
CIM S.p.A.	5,813	-	-	-	(26)	-	-	-	-	5,787
CIS BETON GMBH	-	-	-	-	-	16	-	-	-	16
CMC Itinera JV S.c.p.A.	49	-	-	-	-	-	-	-	-	49
COLMETO S.c.ar.l.	5	-	-	-	-	-	-	-	-	5
Confederazione Autostrade S.p.A. in liquidation	-	-	-	-	200	(200)	-	-	-	-
CONSILFER	3	-	-	-	-	-	-	-	-	3
Consorzio Cancellio Frasso Telesino	-	-	-	-	4	-	-	-	-	4
Consorzio costruttori TEEM	4	-	-	-	-	-	-	-	-	4
Cova S.c.a.r.l.	4	-	-	-	-	-	-	-	-	4
C.T.E. Consorzio Tangenziale Engineering	84	-	-	-	-	-	-	-	-	84
D.N.C. S.c.a.r.l.	4	-	-	-	-	-	-	-	-	4
Edilrovaccio	-	-	-	-	-	-	-	-	-	-
Europa S.c.a.r.l.	5	-	-	-	-	(1)	-	-	-	4
Fondo Valle S.c.a.r.l. (in liquidation)	4	-	-	-	-	-	-	-	-	4
Formazza S.c.a.r.l.	2	-	-	-	-	-	-	-	-	2
Frasso S.c.a.r.l.	-	5	-	-	-	-	-	-	-	5
Galeazzi Impianti S.c.a.r.l.	-	3	-	-	-	-	-	-	-	3
Igea Romagna S.c.a.r.l.	4	-	-	-	-	-	-	-	-	4
Interconnessione S.c.a.r.l.	5	-	-	-	-	-	-	-	-	5
Letimbro S.c.a.r.l.	-	-	-	-	-	-	-	-	-	-
Lissone S.c.a.r.l.	5	-	-	-	-	(5)	-	-	-	-
Malco S.c.a.r.l.	5	-	-	-	-	-	-	-	-	5
Mill Basin Bridge Constructors	942	-	-	-	-	(548)	-	-	(43)	351
Mose Bocca di Chioggia S.c.a.r.l.	4	-	-	-	-	-	-	-	-	4
Mose Operae	2	-	-	-	2	-	-	-	-	4
Mose Treporti	2	-	-	-	-	-	-	-	-	2
Nichelino Village S.c.a.r.l.	5	-	(5)	-	-	-	-	-	-	-
Ponte Nord S.p.A.	755	-	-	-	(1)	-	-	-	-	754
Rivalta Terminal Europa S.p.A.	5,524	-	-	-	(1)	(144)	-	-	-	5,379
Road Link Holdings Ltd	2,705	-	-	-	-	814	(389)	-	(39)	3,091
SABROM S.p.A.	6,815	-	-	-	2	(211)	-	-	-	6,606
S.A.C. S.r.l. Consortile, in liquidation	-	-	-	-	-	-	-	-	-	-
Serravalle Village S.c.a.r.l.	5	-	(5)	-	-	-	-	-	-	-
SITAF S.p.A.	211,872	272,020	-	-	4,141	14,200	-	(3,545)	-	498,688
SITRASB S.p.A.	12,585	-	-	-	-	(467)	-	-	-	12,118
Smart Mobility System S.c.a.r.l. (SMS S.c.a.r.l.)	4	-	-	-	-	-	-	-	-	4
SP01 S.c.a.r.l.	4	-	-	-	-	-	-	-	-	4
Tangenziale Esterna S.p.A.	88,624	-	-	-	(7)	(5,706)	-	304	-	83,215
Tangenziali Esterne Milanoo S.p.A.	79,624	-	-	-	(1)	(5,682)	-	301	-	74,242
Telese S.c.a.r.l.	-	4	-	-	-	-	-	-	-	4
Tessera S.c.a.r.l.	4	-	-	-	-	-	-	-	-	4
Tuborus LLC	-	-	-	1,159	-	149	(448)	-	(228)	632
Tunnel Frejus S.c.a.r.l.	25	-	-	-	-	-	-	-	-	25
Vado Intermodal Operator S.p.A.	6,974	-	-	-	-	(101)	-	-	-	6,873
Vetivaria S.r.l.	68	-	-	-	-	-	-	-	-	68
<b>Total</b>	<b>887,135</b>	<b>272,032</b>	<b>(2,733)</b>	<b>1,163</b>	<b>4,315</b>	<b>(56,309)</b>	<b>(837)</b>	<b>(1,023)</b>	<b>(129,740)</b>	<b>974,003</b>

<sup>(\*)</sup> This mainly regards the pro-rata portion of the fair value adjustments carried out by the investee companies in relation to the IRS agreements and for the actuarial components of the Employee Severance Indemnity.

The item "purchases/increases" refers to:

- on 16 June 2020, the subsidiary Itinera S.p.A. subscribed 45.3% of the share capital of the newly incorporated company Telese S.c.a.r.l., for EUR 4 thousand;
- on 25 June 2020, the subsidiary Itinera S.p.A. subscribed 33% of the share capital of the newly incorporated company Frasso S.c.a.r.l., for EUR 5 thousand.



- on 6 August 2020, Euroimpianti S.p.A. subscribed 34% of the share capital of the newly incorporated company Galeazzi Impianti S.c.ar.l., for EUR 3 thousand;
- on 27 October 2020, ASTM S.p.A. acquired a further 2,437,637 shares of SITAF S.p.A. (equal to 19.347% of the share capital) for an overall value equal to EUR 272 million. For the reasons extensively discussed in the explanatory notes under "Changes in the scope of consolidation", the Group currently holds a total of 8,469,482 ordinary shares in SITAF, equal to 67.22% of the share capital, which guarantees it the majority of the share capital and voting rights of SITAF S.p.A., but not control in accordance with IFRS 10 and, therefore, this Company continues to be valued using the equity method.

The item "*sales/decreases*" mainly refers to the liquidation of the company ASTA S.p.A. which took place in September 2020 and was subsequently removed from the register of companies.

The item "*change in the scope*" refers to the associates of the Tubosider Group, control of which was acquired in the second half of 2020.

The item "*reclassifications and other changes*" totalling EUR 4.3 million refers for EUR 4.1 million to the allocation to the individual net assets acquired of part of the goodwill arising from the acquisition of the ATIVA S.p.A. contract, as described in the section "*Intangible assets*".

The item "*adjustments to Shareholders' equity*" incorporates the pro-rata share of the profit/loss, the dividend distribution and the adjustments posted with "Shareholders' equity" as contra-item, of the investee companies. "*Other*" includes the difference accrued in the period related to the fair value of the Interest Rate Swap agreements and the discounting of employee benefits.

The item "*exchange differences*" includes the changes during conversion, to EUR, of the financial statements of the associated companies and jointly held entities Primav Infrastruttura S.A., Ecorodovias Infrastruttura & Logistica S.A., Federici Stirling Batco LLC, Road Link Holdings Ltd., Tuborus LLC and Mill Basin Constructors LLC.

As at 31 December 2020, 107,498,423 shares of the investee company Tangenziale Esterna S.p.A. were pledged in favour of the lending banks as part of a project financing operation.

**The main income and financial data of the companies accounted for by the equity method are shown below (jointly controlled entities and associated companies)**

The investees Primav Infrastruttura S.A. and Ecorodovias Infrastruttura & Logistica S.A., as at 31 December 2020, are jointly controlled by the ASTM Group and by the CR Almeida Group by virtue of the agreements signed by ASTM S.p.A. with CR Almeida.

The company Federici Stirling Batco LLC is jointly controlled through the subsidiary Itinera S.p.A. (34.30%) and BATCO HOLDING S.A.L. - a Lebanese company (35.70%) by virtue of shareholders' agreements. In particular, on 20 October 2015, the subsidiary Itinera S.p.A. signed an agreement with BATCO HOLDING S.A.L. for the acquisition of 34.30% of the shares, representing 49% of the financial interests, of the Omani company FEDERICI STIRLING BATCO LLC with registered office in Muscat, the capital of the Sultanate of Oman, which operates in the construction industry. The remainder of the share capital (30%) is held by a company incorporated in Oman, pursuant to local regulations.





With regard to the equity-financial situation:

(€ '000s)	Assets Current		Assets non-current	Liabilities Current		Liabilities non-current	
	<i>of which cash and cash equivalents</i>			<i>of which financial</i>		<i>of which financial</i>	
Primav Infraestrutura S.A. <sup>(1) (2)</sup>	275,015	210,867	1,650,215	491,120	338,214	1,377,918	1,120,717
Ecorodovias Infraestrutura & Logística S.A. <sup>(1) (2)</sup>	274,588	210,594	1,466,000	395,183	247,685	1,336,591	1,079,390
Federici Stirling Batco LLC <sup>(1)(2)(3)</sup>	61,473	733	193	47,105	9,084	34,413	34,275
Grugliasco S.c. a r.l. <sup>(4)</sup>	1,300	51	1,290	-	-	-	-
Cervit S.c. ar.l. <sup>(4)</sup>	19,036	4,580	243	19,247	4,000	22	-

(1) Information added based on the financial statements of the companies, prepared in accordance with IFRS/IAS.

(2) Figures converted using the exchange rate as at 31 December 2020.

(3) Figures as at 31 October 2020.

(4) Figures as at 31 December 2019.

With regard to profit and loss:

	Revenue	Profit (loss) for the year	Total other comprehensive income	Dividends received
Primav Infraestrutura S.A. <sup>(1) (2)</sup>	678,585	(97,463)	(97,463)	-
Ecorodovias Infraestrutura & Logística S.A. <sup>(1) (2)</sup>	678,585	(71,932)	(71,932)	-
Federici Stirling Batco LLC <sup>(1) (2)</sup>	-	(6,258)	-	-
Grugliasco S.c. ar.l.	341	-	-	-
Cervit S.c. ar.l. <sup>(4)</sup>	26,192	-	-	-

(1) Information added based on the financial statements of the companies, prepared in accordance with IFRS/IAS.

(2) Figures converted using the average exchange rate of 2020.

(3) Figures as at 31 October 2020.

(4) Figures as at 31 December 2019.

Note also that:

- Joint venture agreements do not envisage significant restrictions or limitations on the use of resources of the companies under joint control.
- However, the agreements envisage lock up clauses (blocking the disposal of joint arrangements) and exit mechanisms from the agreements mentioned above<sup>1</sup>.

<sup>1</sup> With regard to the agreements in place at 31 December 2020 relating to the equity investments held in Primav Infraestrutura S.A. and Ecorodovias Infraestrutura & Logística S.A. and their evolution in 2021, please refer to that stated in the Management Report in the Section "BRAZIL - Agreement aimed at capitalising Ecorodovias and the subsequent consolidation of control".



Below follow the main disclosures relating to the investment in Primav Infraestrutura S.A.

Company	Main Activity	Date of purchase	Percentage of voting rights acquired	Percentage acquired	Acquisition Cost
Primav Infraestrutura S.A.	Industrial holding active in motorway company management, urban mobility, ports and logistics	04/05/2016	50%	64.10%	512,378
		25/04/2017	0%	5.00%	54,627

The cost of acquisition was paid in full at the closing of the relevant transactions and does not comprise potential future fees.

	04/05/2016	25/04/2017
<u>Determination of goodwill resulting from acquisition</u>		
Consideration paid	512,378	54,627
(-) Book value of the net assets and liabilities acquired - pro rata	(131,119)	(11,825)
difference to allocate	381,259	42,802
<u>Allocation to fair value of acquired assets</u>		
Concessions – non-compensated revertible assets	503,227	46,954
Equity investments - VEM	16,535	1,543
Deferred taxes	(171,097)	(15,964)
Allocation	348,665	32,532
<b>Goodwill (included in the value of the investment in Primav Infraestrutura S.A.)</b>	<b>32,594</b>	<b>10,270</b>
	381,259	42,802

Below follow the main disclosures relating to the investment in Ecorodovias Infraestrutura & Logística S.A.

Company	Main Activity	Date of purchase	Percentage of voting rights acquired	Percentage acquired	Acquisition Cost
Ecorodovias Infraestrutura e Logística S.A.	Industrial holding active in the management of motorway licensees, ports and logistics	2017	2.51%	2.51%	36,966
		2018	2.48%	2.48%	30,150

The cost of acquisition was paid in full at the closing of the relevant transactions and does not comprise potential future fees.

	2017	2018
<u>Determination of goodwill resulting from acquisition</u>		
Consideration paid	36,966	30,150
(-) Book value of the net assets and liabilities acquired - pro rata 2.48%	(2,776)	(3,866)
difference to allocate	34,190	26,284
<u>Allocation to fair value of acquired assets</u>		
Concessions – non-compensated revertible assets	35,402	29,719
Deferred taxes	(12,037)	(10,105)
Allocation	23,365	19,614
<b>Goodwill (included in the value of the investment in "Ecorodovias Infraestrutura &amp; Logística S.A.")</b>	<b>10,825</b>	<b>6,670</b>
	34,190	26,284



### Associated companies

The equity and economic data of the associated companies are shown below; the associated consortium companies have not been included since their inclusion is reflected in the accounts of the consortium companies.

Company	Total Assets	Total Liabilities	Total Revenues	Profit/(loss) for the year	Financial statement data as at
Asci Logistik GMBH	137	467	1,112	66	31/12/2019
ATIVA Immobiliare S.p.A.	3,424	1,328	645	49	31/12/2019
C.I.M. S.p.A.	77,940	46,901	6,199	927	31/12/2019
Cis Beton GMBH	9,591	11,674	11,756	(89)	31/12/2019
Edilrovaccio 2 S.r.l., in liquidation	570	1,154	20	(25)	31/12/2019
Mill Basin Bridge Constructors <sup>(1)</sup>	7,322	6,620	2,070	(1,095)	31/12/2020
Ponte Nord S.p.A.	3,626	2,119	34	-	31/12/2019
Rivalta Terminal Europa S.p.A.	51,550	39,980	1,164	(253)	31/12/2019
ROAD LINK Holdings Ltd. <sup>(2)</sup>	-	-	4,750	4,750	31/03/2020
SA.BRO.M. S.p.A.	44,848	19,919	158	(488)	31/12/2019
SITAF S.p.A.	1,694,351	1,301,125	178,457	32,835	31/12/2019
SITRASB S.p.A.	49,148	14,240	11,278	1,762	31/12/2019
Tangenziale Esterna S.p.A.	1,442,396	1,160,724	51,622	(15,001)	31/12/2020
Tangenziali Esterne di Milano S.p.A.	231,307	318	115	(494)	31/12/2020
Tuborus LLC	1,306	42	3,618	576	31/12/2020
Vetivaria S.r.l.	1,402	1,224	1,193	5	31/12/2019
Vado Intermodal Operator S.p.A.	35,170	26,631	3,521	367	31/12/2019

<sup>(1)</sup> Figures translated to USD using the exchange rate as at 31 December 2020

<sup>(2)</sup> In thousands of GBP



### 3.b – Other equity investments

Changes to investments in “other equity investments” during the period were as follows:

	31 December 2019			Changes during the period					31 December 2020		
	Original value	Adjustments to “fair value”	Total	Purchases/Increases	Sales/Decreases	Change in the scope of consolidation	Reclassifications and other changes	Adjustments To “fair value”	Original value	Adjustments to fair value	Total
Restart SIIQ	6,532	(5,474)	1,058	-	-	-	-	(275)	6,532	(5,749)	783
AEDES SIIQ S.p.A.	-	1,837	1,837	-	-	-	-	(768)	-	1,069	1,069
Assicurazioni Generali S.p.A.	4,013	2,335	6,348	-	-	-	-	(1,427)	4,013	908	4,921
Banca CA.RI.GE. S.p.A.	29	(29)	-	-	-	-	-	-	29	(29)	-
Banco BPM S.p.A.	301	(80)	221	-	-	-	-	(24)	301	(104)	197
PLC S.p.A.	152	(72)	80	-	-	-	-	(12)	152	(84)	68
Webuild S.p.A. (former Impregilo S.p.A. Risparmio)	4,668	(209)	4,459	-	(52)	-	-	(715)	4,616	(924)	3,692
Mediobanca S.p.A.	1,333	1,610	2,943	-	-	-	-	(682)	1,333	928	2,261
<b>Total Level 1</b>	<b>17,028</b>	<b>(82)</b>	<b>16,946</b>	<b>-</b>	<b>(52)</b>	<b>-</b>	<b>-</b>	<b>(3,903)</b>	<b>16,976</b>	<b>(3,985)</b>	<b>12,991</b>
ABESCA EUROPA S.r.l.	158	-	158	-	-	-	-	-	158	-	158
Atlantia (former Autostrade S.p.A.)	-	-	-	-	-	-	-	-	-	-	-
Agenzia di Pollenzo S.p.A.	1,349	-	1,349	-	-	-	-	-	1,349	-	1,349
Argentea Gestioni S.c.p.A.	-	-	-	-	-	-	-	-	-	-	-
Astaldi S.p.A.	-	-	-	-	-	1	-	-	1	-	1
Autostrade Centro Padane S.p.A.	9,328	-	9,328	-	-	-	-	(17)	9,328	(17)	9,311
Banca Alpi Marittime Credito Cooperativo CARRU'	10	-	10	-	-	-	-	-	10	-	10
C.A.F. dell'Industria dell'Emilia-Romagna S.p.A.	-	-	-	-	-	-	-	-	-	-	-
CE.P.I.M. S.p.A.	14	-	14	-	-	-	-	-	14	-	14
Codelfa S.p.A.	2,513	2,088	4,601	-	-	-	-	-	2,513	2,088	4,601
Compagnia Aerea Italiana S.p.A.	-	-	-	-	-	-	-	-	-	-	-
Confederazione Autostrade S.p.A. in liquidation.	1,237	(1,237)	-	200	-	-	(1,437)	1,237	-	-	-
Consorzio Autostrade Italiane Energia	17	-	17	-	-	-	-	-	17	-	17
Cons. Costr. Veneti San Marco	14	-	14	-	-	-	-	-	14	-	14
C.R.S. S.r.l. in liquidation	3	-	3	-	-	-	-	-	3	-	3
CSI Consorzio Servizi Ingegneria	1	-	1	-	-	-	-	-	1	-	1
DAITA S.c.a.r.l.	8	-	8	-	-	-	-	-	8	-	8
Eurolink S.c.p.A.	3,000	-	3,000	-	-	-	-	-	3,000	-	3,000
Form Consult S.p.A. (former IRI Management)	-	-	-	-	-	-	-	-	-	-	-
Interporto Rivalta Scrivia S.p.A.	576	-	576	-	-	-	-	-	576	-	576
Interporto Toscano A. Vespucci S.p.A.	77	-	77	-	-	-	-	-	77	-	77
Milano Serravalle-Milano Tangenziali S.p.A.	65,873	198	66,071	-	(65,873)	-	-	(198)	-	-	-
Milano Depur S.p.A.	-	-	-	-	-	-	-	-	-	-	-
MN 6 S.c.a.r.l.	1	-	1	-	-	-	-	-	1	-	1
Nuova Codelfa S.p.A.	3,705	4,989	8,694	-	-	-	-	(1,989)	3,705	3,000	6,705
Ione Solutions S.r.l.	2	-	2	-	-	-	-	-	2	-	2
Part.SAV AQ Scarl	-	-	-	-	-	1	-	-	1	-	1
PARTECIPAZIONE ALES TECH S.r.l.	-	-	-	-	-	15	-	-	15	-	15
Passante Dorico S.p.A.	2,623	(2)	2,621	-	-	-	-	(6)	2,623	(8)	2,615
Pedelombarda S.c.p.A.	550	-	550	-	-	-	-	-	550	-	550
Parco Scientifico e Tecnologico in Valle Scrivia S.p.A. - P.S.T. S.p.A.	166	-	166	-	-	-	-	-	166	-	166
SEVESO SCARL, in liquidation	-	-	-	-	-	-	-	-	-	-	-
Società cooperativa elettrica Gignod	-	-	-	-	-	-	-	-	-	-	-
Siteco BG ODD	10	-	10	-	-	-	-	-	10	-	10
SO.GE.A.P. S.p.A.	189	(47)	142	-	-	-	-	(26)	189	(73)	116
SPEDIA S.p.A., in liquidation	376	-	376	-	-	-	-	-	376	-	376
Tunnel Gest S.p.A.	75	-	75	-	-	-	-	-	75	-	75
TRA.DE.CIV Consorzio tratta Determinate Città Vitale	-	-	-	-	-	-	-	-	-	-	-
UirNET S.p.A.	10	-	10	-	-	-	-	-	10	-	10
Vettabbia S.c.a.r.l.	-	-	-	-	-	-	-	-	-	-	-
<b>Total Level 3</b>	<b>91,885</b>	<b>5,989</b>	<b>97,874</b>	<b>200</b>	<b>(65,873)</b>	<b>17</b>	<b>(1,437)</b>	<b>(999)</b>	<b>24,792</b>	<b>4,990</b>	<b>29,782</b>
<b>Total</b>	<b>108,913</b>	<b>5,907</b>	<b>114,820</b>	<b>200</b>	<b>(65,925)</b>	<b>17</b>	<b>(1,437)</b>	<b>(4,902)</b>	<b>41,768</b>	<b>1,005</b>	<b>42,773</b>

#### Fair value measurement hierarchy

**Level 1:** fair value calculated on the basis of the security listing on active markets.

**Level 2:** (not present) fair value determined based on different inputs other than the listing price described for Level 1, which can be directly (price) or indirectly (price derivatives) observed on the market.

**Level 3:** fair value, not based on observable market data, determined based on the price reflected in recent appraisals or transactions, cost, Shareholders' equity, models/financial plans.

The main changes during 2020 mainly refer to:

- the sale of the entire equity investment held in Milano Serravalle - Milano Tangenziali S.p.A. for a total amount of EUR 85.6



million, thus achieving a capital gain<sup>1</sup> of EUR 19.6 million;

- the transaction that took place in January 2020, following the zeroing and re-establishment of the share capital, resolved on 3 December 2019, by Confederazione Autostrade S.p.A. in liquidation, in which the subsidiaries SALT p.A. and SATAP S.p.A. respectively subscribed 12.50% of the share capital for a total value of EUR 0.2 million. Following this acquisition, the company is classified as an associate and consequently the equity investment was reclassified among equity accounted investments;
- the sale of 8,150 shares of Webuild S.p.A. savings shares equal to 0.001651% of the share capital, for EUR 49 thousand;
- the change in the scope following the consolidation of the Tubosider Group;
- the fair value adjustment of equity investments based on market prices.

As at 31 December 2020, the value of the “other equity investments” included a total positive amount of adjustments to fair value (Group and minority interests) of approximately EUR 1 million (EUR 5.9 million as at 31 December 2019) which related to the fair value adjustment of the investments.

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<sup>1</sup> This capital gain complies with the provisions of IFRS 9 and is recognised in the Shareholders’ equity, in the “retained earnings”, net of costs incurred for the sale.



### 3.c – Other non-current financial assets

This item is formed of:

	31 December 2020	31 December 2019
<b>Loans:</b>		
• Loans to investees and other loans	139,458	137,790
<b>Receivables:</b>		
• financial receivables due from the Granting Body for "minimum guaranteed amounts"	1,678	2,321
• from INA	7,532	8,576
• as collateral on fidejussory policies	20,872	20,922
• from suppliers as security deposits	4,445	3,706
<b>Other financial assets:</b>		
• insurance policies	154,562	184,886
• takeover	-	561,596
• other financial assets	23,715	28,159
<b>Total</b>	<b>352,262</b>	<b>947,956</b>

"Loans to investees and other loans" mainly refer to (i) the interest-bearing loans granted to Tangenziale Esterna S.p.A. (EUR 115.7 million), to Federici Stirling Batco LLC (EUR 10.5 million), to Sa.Bro.M. S.p.A. (EUR 5.3 million), and Edilrovaccio 2 S.r.l. in liquidation (EUR 0.2 million) and (ii) the non-interest bearing loans granted to Tunnel Frejus S.c.a r.l. (EUR 3.3 million), to Interconnessione S.c.ar.l. (EUR 0.8 million) and to Colmeto S.c.ar.l. (EUR 0.9 million). The increase in this item of about EUR 1.7 million is due mainly to (i) new disbursements to investee companies (EUR 6 million), (ii) the repayment of loans (EUR 3.3 million), (iii) negative changes in the exchange rates of loans to foreign investees (EUR 1.8 million), (iv) the write-down of loans receivable (EUR 7 million) and (iv) for the remainder to interest accrued during the period (EUR 7.8 million).

In accordance with IFRIC 12, the item "financial receivables due from the Granting Body for minimum guaranteed amounts" represents the present value of the medium-long term portion of the minimum amount guaranteed by the Granting Body to Euroimpianti S.p.A.

"Receivables from INA" represent the provisions during previous periods to the employee severance indemnity of motorway companies.

The item "receivables as collateral on fidejussory policies" represents the value of the pledge issued against fidejussory policies by the Insurance Institutes on behalf of Autostrada Asti-Cuneo S.p.A., with regard to the bidding competition for the Asti-Cuneo concession.

The item "insurance policies" refers to capitalisation policies with single premium and guaranteed capital. The capital appreciates according to the higher of minimum guaranteed return (where provided for by the contract) and the return of the separate management of the underlying fund to which the policy refers. In particular, the amount of EUR 154.6 million relates to capitalisation policies taken out by the subsidiary SATAP S.p.A. with Credit Agricole Vita, Reale Mutua Assicurazioni, Compagnia Italia di previdenza and Unipol Sai Assicurazioni. The change in the year is attributable to repayments/redemptions of insurance policies (EUR -32.7 million) and income on the capitalisation policies (EUR +2.4 million).

Said amount includes the interests accrued and not yet collected as at the reporting date.

These agreements represent a temporary investment of excess liquidity and expire beyond next year. However, there is the option of turning the investment into cash in the short term.

The item "takeover" fell to zero after reclassification of the balance to the item "current financial assets". The change in "other financial assets" is due to: (i) the disposal of investment funds (EUR -5.2 million), (ii) the fair value adjustment at 31 December 2020 of investment funds (EUR +0.5 million) and (iii) other minor changes (EUR +0.3 million).



## Note 4 – Deferred tax assets

This item totalled EUR 212,101 thousand (EUR 175,436 thousand as at 31 December 2019). For the breakdown and changes to this item, please refer to Note 38 – Income taxes.

## Note 5 - Inventories and contract assets

These consist of:

	31 December 2020	31 December 2019
Raw materials, ancillary materials and consumables	44,367	33,402
Work in progress and semi-finished goods	3,974	7,554
Contract work in progress – Contract assets	257,469	222,708
Finished products and merchandise	6,277	4,340
Advance payments	49,709	18,092
<b>Total</b>	<b>361,796</b>	<b>286,096</b>

The contract work in progress breaks down as follows:

	31 December 2020	31 December 2019
Gross value of the orders	2,728,171	1,889,334
Advance payments on work progress	(2,375,776)	(1,610,516)
Advance payments on reserves and price changes	(24,077)	(22,855)
Provisions to guarantee work in progress	(70,849)	(33,255)
<b>Net value</b>	<b>257,469</b>	<b>222,708</b>

The increase to “*inventories and contract assets*” is substantially attributable to the higher production in the EPC sector. The most significant amounts refer to Italian worksites, worksites related to the Middle East, Botswana, Europe and the United States.

The adjusting provisions are against possible risks on some entries in the assets due to ongoing lawsuits with clients and losses that may be incurred as the works continue on some orders undergoing completion; their amount is considered consistent with the risks and potential liabilities that could be incurred in relation to the value of the orders.

## Note 6 – Trade receivables

Trade receivables totalled EUR 262,896 thousand (EUR 284,840 thousand as at 31 December 2019), net of the provision for bad debts of EUR 7,978 thousand (EUR 5,875 thousand as at 31 December 2019). The receivables derive from normal operations within the scope of the activities carried out by the group, mainly relating to the EPC sector, the execution of works, the supply of materials, technical and administrative services and other services.

## Note 7 – Current tax assets

This item totalled EUR 36,566 thousand (EUR 30,459 thousand as at 31 December 2019) and refers to receivables for VAT, regional production tax (IRAP), corporate income tax (IRES) and other tax credits. The change in this item is mainly due to the increase in the VAT credit.



## Note 8 – Other receivables

This item breaks down as follows:

	31 December 2020	31 December 2019
Advances to suppliers	7,751	30,760
Receivables due from others	77,710	76,788
Prepaid expenses	22,542	18,007
<b>Total</b>	<b>108,003</b>	<b>125,555</b>

The change in the item *“advances to suppliers”* is mainly due to the use of advances following work carried out by suppliers in the EPC sector.

The receivables item *“receivables due from others”* refers to receivables due from Letimbro S.c.ar.l. in liquidation (EUR 18.4 million), Rivalta Terminal Europa S.p.A. (EUR 17 million), Aurelia S.r.l. (EUR 2.1 million), Vado Intermodal Operator S.p.A. (EUR 1.4 million) and to the residual receivable for the sale of the equity investment held in Milano Serravalle-Milano Tangenziali S.p.A. (EUR 7.3 million); the latter was collected in January 2021.

## Note 9 – Current financial assets

The current financial assets consist of:

	31 December 2020	31 December 2019
From connected companies	201,931	259,059
Receivables from ANAS for capital grants	281	281
Reserve and Deposit accounts - <i>“pledged current accounts”</i>	9,210	79,414
Other financial receivables	33,027	37,150
Financial receivables for <i>“minimum guaranteed amounts”</i>	85	56
Takeover	729,687	-
Other current financial assets	4,469	13,315
<b>Total</b>	<b>978,690</b>	<b>389,275</b>

The item *“receivables from connected companies”* refers to receivables from connected companies for tolls collected on behalf of Group licensees, which had not yet been allocated by the end of the period.

The item *“Reserve and Deposit accounts - ‘pledged current accounts’”*, amounting to EUR 9.2 million (EUR 79.4 million as at 31 December 2019), refer exclusively to the *“reserve account”* servicing the debt linked to a loan subscribed by the subsidiary Autostrada dei Fiori S.p.A. (A6 Stretch). The change during the year was due to the release of the disposal of liquidity tied up in the previous year by the subsidiary SALT p.A.

*“Other financial receivables”*, totalling EUR 33 million (EUR 37.1 million at 31 December 2019), refer (i) for EUR 27.1 million to temporary cash investments made by the Halmar Group and by Itinera Construcões LTDA and (ii) for EUR 5.4 million, to the loan issued by the subsidiary IGLI S.p.A. to the jointly held subsidiary Primav Infraestrutura SA. The change seen during the period results from redemption of cash investments made in previous years (EUR -9.5 million) and the issuing of the aforementioned loan in favour of the jointly held subsidiary Primav Infraestrutura S.A (EUR +5.4 million including interest as at 31 December 2020 of EUR 0.4 million).

The item *“takeover”* refers to receivables relative to the value of motorway investments not depreciated as of the expiration date of the concessions of the subsidiaries ATIVA S.p.A., SATAP S.p.A. (A21 Stretch), SALT p.A. (A12 Stretch), as well as receivables accrued for investments made after the expiration of the same which must be paid to the outgoing concession holder by the incoming one. The recognition of the terminal value is provided for in the tender documents issued by the MIT for the renewal of the above-





mentioned concessions, which were recently awarded. Despite the fact that both tenders, as already mentioned, were awarded to companies/consortia belonging to the ASTM Group on the basis of the bids submitted, takeover receivables have been maintained as an item of net financial indebtedness following the stalemate in the tender award procedure as a result of both the appeal filed with the Regional Administrative Court of Lazio (TAR) by the competing consortium concerning the result of the A12-A10 tender, and the appeal filed with the Council of State by our Consortium against said TAR's judgment 620 of 15 January 2021.

In detail, this item as of 31 December 2020 is composed as follows:

- terminal value related to the A21 Torino-Piacenza Stretch for EUR 198.6 million of which EUR 107.9 million for the value of the works as at 30 June 2017 (concession expiry date) subject to the takeover and EUR 90.7 million for investments and advances to suppliers made after that date;
- terminal value related to the A12 Sestri Levante-Livorno, Viareggio-Lucca and Fornola-La Spezia Stretch for EUR 335.5 million of which EUR 241.8 million for the value of the works as at 31 July 2019 (concession expiry date) subject to the takeover and EUR 93.7 million for investments and advances to suppliers made after that date;
- terminal value related to the ATIVA concession "Tangenziale di Torino (Torino bypass), Torino-Quincinetto, Ivrea-Santhià and Torino-Pinerolo" for EUR 195.6 million of which around EUR 100 million for the value of the works as at 31 August 2016 (concession expiry date) subject to the takeover and EUR 95.6 million for investments and advances to suppliers made after that date.

"Other current financial assets"—equal to EUR 4.5 million (EUR 13.3 million as at 31 December 2019)—refers to the balance of the Brazilian Bank Deposit Certificate (BDC) inclusive of the interest accrued as at 31 December 2020. The change in the item, totalling EUR 8.8 million, is the result of (i) the redemption of the BDCs subscribed in previous years (EUR -15.7 million), (ii) subscription of new CDBs (EUR +8.4 million), (iii) interest for the period (EUR +0.1 million) and (iv) exchange rate fluctuations (EUR -1.6 million).

## Note 10 – Cash and cash equivalents

These consist of:

	31 December 2020	31 December 2019
Bank and postal deposits	869,731	1,182,948
Cheques	243	34
Cash and cash equivalents on hand	9,029	14,555
<b>Total</b>	<b>879,003</b>	<b>1,197,537</b>

For a detailed analysis of the changes in this item, please see the consolidated cash flow statement.



## Note 11 – Shareholders' equity

### 11.1 – Share capital

As at 31 December 2020, the share capital consisted of 140,514,895 ordinary shares with no nominal value, for a total value of EUR 70,257 thousand, entirely subscribed and paid in.

The share capital includes an amount of EUR 11.8 million consisting of revaluation reserves pursuant to Italian Law 72/83. In case of distribution, these reserves will represent the Company's income, pursuant to current tax regulations.

Pursuant to IAS 1, the nominal value of Treasury Shares is posted as an adjustment to the Share capital. The balance as at 31 December 2020 is provided in the table below:

	No. of shares	Nominal value (in EUR)	% Share Capital	Average unit value (in EUR)	Total countervalue (thousands of EUR)
<b>31 December 2019</b>	<b>9,964,936</b>	<b>4,982,468</b>	<b>7.09%</b>	<b>13.41</b>	<b>133,584</b>
Purchases	777,012	388,506	0.55%	15.00	11,658
<b>31 December 2020</b>	<b>10,741,948</b>	<b>5,370,974</b>	<b>7.64%</b>	<b>13.52</b>	<b>145,242</b>

With regard to the above-mentioned aspects, the share capital as at 31 December 2020 is as follows (€ '000s):

<b>Share capital</b>	<b>70,257</b>
Treasury Shares held	(4,285)
Treasury Shares held by SINA S.p.A.	(1,075)
Treasury Shares held by ATIVA S.p.A.	(11)
<b>"Adjusted" Share capital</b>	<b>64,886</b>

### 11.2 – Reserves and earnings

#### 11.2.1 – Share premium reserve

This item totalled EUR 147,361 thousand (EUR 147,361 thousand as at 31 December 2019).

#### 11.2.2 – Revaluation reserves

This item totalled EUR 9,325 thousand (EUR 9,325 thousand as at 31 December 2019).

The revaluation reserves, in the event of distribution, will contribute to the income of the shareholders of the Parent Company.

#### 11.2.3 – Legal reserve

The legal reserve amounted to EUR 14,051 thousand (EUR 10,538 thousand at 31 December 2019), increased during the year by EUR 3,513 thousand, following the allocation of 2019 profits. At 31 December 2020, it had reached one-fifth of the share capital required by Article 2430 of the Italian Civil Code.

#### 11.2.4 – Reserve for the purchase of Treasury Shares

This "unavailable" reserve was created to purchase Treasury Shares, in execution of Shareholders' Meetings resolutions. It totalled EUR 108,002 thousand (EUR 96,344 thousand as at 31 December 2019). This reserve was constituted by reclassifying the item "Retained earnings (losses)".



### 11.2.5 – Purchased Treasury Shares

This item represents the contra-item paid by the Parent Company to purchase Treasury Shares. As illustrated in the "Valuation criteria", this amount, totalling EUR 103,717 thousand, adjusts the Shareholders' equity reserves (net of the nominal value of Treasury Shares, amounting to EUR 5,371 thousand, which is deducted directly from the "share capital").

### 11.2.6 – Reserve for revaluation at fair value

This item was essentially established and moved as a direct contra-entry to the fair value measurement of equity investments and other financial assets. As at 31 December 2020, this reserve totalled a negative EUR 927 thousand, net of the related deferred tax effect (a positive EUR 4,897 thousand as at 31 December 2019).

### 11.2.7 – Cash flow hedge reserve

This item was established and moved as a direct contra-entry to the fair value measurement of interest rate swap agreements and the foreign exchange hedge derivatives. As at 31 December 2020, this item showed a positive balance of EUR 12,491 thousand, net of the related deferred tax effect (positive balance of EUR 17,653 thousand as at 31 December 2019). This amount also reflects the pro-rata share of amounts related to companies consolidated using the "equity method", for which reference is made to by the comments in Note 3 "other equity investments" and "Other non-current financial assets". More specifically, the change in the year, amounting to EUR 5,162 thousand, is detailed below:

(€ '000s)

Adjustment to IRS (Companies consolidated on a "line-by-line basis")	(4,721)
IRS adjustment (consolidated companies accounted for by the equity method)	(2,335)
Tax effect on IRS adjustment (Companies consolidated on a "line-by-line basis")	(880)
<b>Total</b>	<b>(7,936)</b>
Of which:	
Share attributable to minorities	(2,774)
<b>Share attributable to Shareholders</b>	<b>(5,162)</b>
<b>Total</b>	<b>(7,936)</b>

### 11.2.8 – Exchange rate difference reserve

This reserve was negative EUR 193,226 thousand (negative for EUR 54,522 thousand as at 31 December 2019) and includes the foreign exchange differences relative to Itinera S.p.A. and its subsidiaries, the jointly controlled investees Primav Infraestructura S.A. and Ecorodovias Infraestructura e Logística S.A. and to the associated company Road Link Holdings Ltd and other companies valued on a line-by-line basis. Specifically, the change during the period, amounting to EUR 138,704 thousand, is attributable for EUR 24 thousand to the change in the scope of consolidation and for EUR 138,680 thousand as detailed below:

(€ '000s)

Foreign exchange adjustment effect Primav Infraestructura S.A. and Ecorodovias Infraestructura e Logística S.A.	(128,900)
Foreign exchange adjustment effect Road Link Holdings Ltd.	(38)
Foreign exchange adjustment effect Itinera Group	(14,221)
Foreign exchange adjustment effect (other companies accounted for on a line-by-line basis)	(101)
Tax effect on foreign exchange adjustment	1,631
<b>Total</b>	<b>(141,629)</b>
Of which:	
Share attributable to minorities	(2,949)
<b>Share attributable to Shareholders</b>	<b>(138,680)</b>
<b>Total</b>	<b>(141,629)</b>



### 11.2.9 – Reserve for discounting employee benefits

This reserve – which is negative for an amount of EUR 2,151 thousand (negative balance equal to EUR 2,126 thousand as at 31 December 2019) – includes the actuarial differences arising from the remeasurement of liabilities relating to “Employee benefits”.

### 11.2.10 – Retained earnings

This item totals EUR 2,399,035 thousand (EUR 2,324,286 thousand as at 31 December 2019). It includes the prior-year profits/losses of consolidated companies and also includes amounts related to the differences in accounting treatment that arose on the date of transition to IFRS (1 January 2004), which can be traced to the adjustments made to the financial statements that were prepared up to that date in compliance with national accounting standards.

The increase in this item - EUR 74.7 million - is attributable to (i) the allocation of the pro-rata share of the net profit for 2019 (EUR 72.8 million), (ii) the purchase of Treasury Shares and the consequent reclassification to “Reserve for the purchase of Treasury Shares” (EUR -11.7 million), (iii) the purchases/sales of minorities and other changes (EUR -3.3 million), (iv) the change in the scope of consolidation (EUR -0.7 million) and (v) to capital gains on the sale of equity investments (EUR +17.6 million).

### 11.3 – Profit (loss) for the year

This item refers to profit/loss for the period equal to EUR 108,837 thousand (EUR 76,279 thousand in 2019).

### 11.4 – Reconciliation statement of the Shareholders’ equity and the profit/loss for the period of ASTM S.p.A. and the corresponding values of the ASTM Group

(€ millions)	Shareholders' equity	Profit/(loss)
<b>ASTM S.p.A. as at 31 December 2019</b>	<b>2,634.8</b>	<b>167.8</b>
Shareholders' equity and profit of the consolidated companies	2,505.7	59.1
Book value of the consolidated companies	(2,537.6)	-
Reversal of dividends collected from the subsidiaries/associated companies	-	(150.7)
Reversal of write-down of subsidiaries	-	0.1
<b>Equity attributable to the Group as at 31 December 2019</b>	<b>2,602.9</b>	<b>76.3</b>

(€ millions)	Shareholders' equity	Profit/(loss)
<b>ASTM S.p.A. as at 31 December 2020</b>	<b>2,728.8</b>	<b>92.4</b>
Shareholders' equity and profit of the consolidated companies	2,369.7	110.3
Book value of the consolidated companies	(2,534.5)	-
Reversal of dividends collected from the subsidiaries/associated companies	-	(93.9)
Reversal of write-down of subsidiaries	-	-
<b>Equity attributable to the Group as at 31 December 2020</b>	<b>2,564.0</b>	<b>108.8</b>



### 11.5 – Equity attributable to minorities

As at 31 December 2020, this item totalled EUR 369,359 thousand (EUR 357,016 thousand as at 31 December 2019).

The increase during the period - equal to EUR 12.3 million - is due to: (i) the result for the period (EUR 34.9 million), (ii) the purchase of minorities and other changes (EUR +3.5 million), (iii) the change in the scope of consolidation (EUR 1.2 million) and (iv) capital gains on the sale of equity investments (EUR +1.3 million) partially offset by (i) the distribution of dividends (totalling EUR -22.7 million), (ii) the pro-quota share of the IRS valuation reserve (EUR -2.8 million), (iii) the pro-rata share of the "foreign exchange differences" reserve (EUR -2.9 million) and (iv) changes in fair value and employee benefits (EUR -0.2 million).

A reconciliation between the profit for the period attributed to minorities and the comprehensive income ("share attributed to minority interests") is provided below.

(€ '000s)

Minority interests' profit	34,885
Cash flow hedge – IRS, pro-rata share	(2,774)
Capital gains on sale of investments	1,263
Provisions for foreign exchange differences - other companies	(2,949)
Employee benefits actuarial components, pro-rata share	(60)
Adjustment to fair value, pro-rata share	(130)
<b>Comprehensive profit attributable to minorities</b>	<b>30,235</b>

The *Shareholders' equity of third parties* including significant minority interests are shown in detail below:

(€ millions)	% attributed to minority interests		Reserves	Profit/(loss)	Shareholders' Equity
	directly-held	mediated			
Autostrada dei Fiori S.p.A.	27.00	30.40	114.0	10.7	124.7
Società di Progetto Autovia Padana S.p.A.	49.00	49.07	76.5	(0.9)	75.7
SAV S.p.A.	28.73	30.44	43.6	1.2	44.8
SALT p.A.	4.77	4.77	35.6	3.9	39.5
Halmar Group	50.00	50.42	15.4	16.1	31.5
ATIVA S.p.A.	27.66	27.66	23.8	3.5	27.3
Autostrada Asti-Cuneo S.p.A.	35.00	37.90	19.2	(0.5)	18.7
Other companies	-	-	6.4	0.8	7.2
<b>Total</b>			<b>334.5</b>	<b>34.9</b>	<b>369.4</b>

The above-mentioned equity investments were deemed significant on the basis of quantitative parameters (impact of the related minority quota on the Shareholders' equity of third parties at the reporting date) and qualitative parameters.

As more extensively illustrated in the Management Report, (to which reference should be made), the main economic-financial figures of the subsidiaries with significant minority interests are summarised below:

(€ '000s)	Autostrada dei Fiori S.p.A.	Autovia Padana S.p.A.	SAV S.p.A.	SALT p.A.	Halmar Group	ATIVA S.p.A.	Autostrada Asti-Cuneo S.p.A.
Net toll revenue <sup>(1)</sup>	173,614	49,628	51,094	220,511	-	99,215	15,604
Other motorway sector revenue <sup>(2)</sup>	4,653	559	786	6,347	-	2,936	24
EPC sector revenue	-	-	-	-	378,524	-	-
Other revenues	13,756	1,958	6,825	9,720	662	3,675	1,829
<b>Turnover (A)</b>	<b>192,023</b>	<b>52,145</b>	<b>58,705</b>	<b>236,578</b>	<b>379,186</b>	<b>105,8256</b>	<b>17,457</b>
Operating costs <sup>(1)(2)</sup> (B)	(101,755)	(35,123)	(30,193)	(121,607)	(343,758)	(57,402)	(18,821)
<b>EBITDA (A-B)</b>	<b>90,268</b>	<b>17,022</b>	<b>28,512</b>	<b>114,971</b>	<b>35,428</b>	<b>48,424</b>	<b>(1,364)</b>

<sup>(1)</sup> Amounts net of the fee/additional fee payable to ANAS

<sup>(2)</sup> Amounts net of revenue and costs for construction activities of non-compensated revertible assets



(€ '000s)	Autostrada dei Fiori S.p.A.	Autovia Padana S.p.A.	SAV S.p.A.	SALT p.A.	Halmar Group	ATIVA S.p.A.	Autostrada Asti-Cuneo S.p.A.
A) Cash	28,693	3,984	1,784	90,647	41,804	60,221	851
B) Financial receivables	99,698	14,233	10,176	376,746	19,872	216,630	3,697
C) Short-term borrowings	(22,948)	(979)	(12,513)	(8,302)	(13,822)	(4,172)	(199,541)
<b>D) Current net cash (A) + (B) + (C)</b>	<b>105,443</b>	<b>17,238</b>	<b>(553)</b>	<b>459,091</b>	<b>47,854</b>	<b>272,679</b>	<b>(194,993)</b>
E) Long-term borrowings	(189,835)	(185,820)	(40,012)	(300,815)	(10,789)	(2,959)	(50,032)
<b>F) Net financial indebtedness (D) + (E)</b>	<b>(84,392)</b>	<b>(168,582)</b>	<b>(40,565)</b>	<b>158,276</b>	<b>37,065</b>	<b>269,720</b>	<b>(245,025)</b>

With reference to the provisions of paragraphs 12 and 13 of IFRS 12 and taking into account the fact that the concession assets are governed by specific contractual arrangements with the Granting Body (as indicated in the paragraph "Concessions" in the explanatory notes) there are no significant restrictions or limitations to report on the use of certain assets or the settlement of liabilities.

The articles of association of a number of the motorway companies envisage qualifying majority approval for extraordinary transactions (transformation, merger, share capital increases, etc.).

## Note 12 – Provisions for risks and charges

This item, equal to EUR 396,116 thousand (EUR 374,452 thousand as at 31 December 2019) is formed as follows:

	31 December 2020	31 December 2019
Provision for restoration or replacement of non-compensated revertible assets	130,558	133,509
Other provisions	265,558	240,943
<b>Total provisions for risks and charges and employee benefits</b>	<b>396,116</b>	<b>374,452</b>

### 12.1 Provision for restoration or replacement of non-compensated revertible assets.

The change in the "provision for restoration or replacement of non-compensated revertible assets" is the result of the allocation for 2020 of EUR 98.5 million and the use of EUR 101.5 million.

### 12.2 Other provisions

This item equal to EUR 265.6 million (EUR 240.9 million as at 31 December 2019) mainly moved due to (i) changes in the scope of consolidation (EUR +0.6 million), (ii) provisions for the period (EUR +38.5 million) and (iii) drawdowns (EUR -14.5 million).

For the amount of EUR 243.8 million (EUR 216.5 million as at 31 December 2019), the item "other provisions" relates to the so-called "provision for concession risks", which refers to the risk related to lawsuits in process or that might arise with the Granting Body including with reference to the management of motorway stretches that has expired for the period between the expiry date of the individual concessions and the reporting date.

To that end, as already indicated in the Management Report of these financial statements, as at 31 December 2020, in the wake of the identification of a new licensee and at the request of the Granting Body, the following subsidiaries continue to manage their concessions under an extension (continuing to apply the concession agreements): ATIVA S.p.A. (of which the concession expired on 31 August 2016), SATAP S.p.A. - A21 Stretch (of which the concession expired on 30 June 2017) and SALT p.A. - A12 Stretch (of which the concession expired on 31 July 2019).

The aforementioned subsidiaries therefore assessed, with support from their legal, administrative and technical consultants, and taking into account the contractual obligations in force, the risks related to said current and potential lawsuits with the Granting Body. Having assessed these risks as "probable", the companies in question then quantified them and allocated specific provisions in



their respective financial statements.

In addition, given that this is an assessment made by the individual companies with support from their own consultants and with no cross-examination with the counterparty, and considering the estimate as adequate for the existing risk, there is still a possibility of incurring additional charges on top of the amounts of the provisions posted.

The remaining part, equal to approximately EUR 21.8 million, refers mainly to provisions (i) for EUR 9.1 million set aside by the subsidiary Itinera S.p.A. for risks in relation to investee companies and for legal proceedings, (ii) for EUR 5.4 million for bonuses, including contributions, related to the “managerial incentive scheme” and (iii) the remainder for amounts set aside for ongoing disputes, charges related to various taxes and lawsuits for risks in relation to work carried out.

## Note 13 – Employee benefits

As at 31 December 2019, this item totalled EUR 42,323 thousand (EUR 43,980 thousand as at 31 December 2019). Changes during the period were as follows:

<b>1 January 2019</b>	<b>43,980</b>
Change in the scope of consolidation	1,073
Period contributions <sup>(*)</sup>	1,573
Indemnities advanced/liquidated during the period	(4,489)
Transfers from other companies not in the scope of consolidation	-
Reclassifications and other changes	186
<b>31 December 2020</b>	<b>42,323</b>

<sup>(\*)</sup> inclusive of the actuarial profit posted to the statement of comprehensive income equal to approximately EUR 25 thousand.

The tables below show the economic/financial and demographic assumptions respectively used for the actuarial appraisal of these liabilities.

### Economic/financial assumptions

Annual discount rate	0.53% <sup>(1)</sup>
Annual inflation rate	0.80%
Annual rate of increase in severance pay	2.10%
Annual rate of salary increases (for Companies with less than 50 employees)	From 1% to 2.5%

### Demographic assumptions

Mortality	RG 48 tables
Disability	INPS tables by age and gender
Retirement age	100% of requirements met
% of frequency of advances	From 1% to 4%
Revenues	From 1% to 10%

(1) In line with the requirements of the Order of Actuaries, the discounting process used the annual rate deriving from the *iBoxx Euro Corporate Bond index with “A” rating* as per the previous financial year, since it is considered most representative of the reality in which the ASTM Group operates. If the Group Companies had used the *iBoxx Euro Corporate Bond index with “AA” rating*, the payable for the “employee benefits” would be lower than around EUR 0.3 million, with an effect on the Shareholders’ equity (Group and minority interests) equal to around EUR 0.2 thousand net of the related tax effect.

Through its American subsidiaries and associated companies operating in the construction sector, the Group contributes to Multi-Employer Pension Plans that use the aggregate of the assets contributed to the plan in order to provide benefits to the employees of the various entities, determining the levels of contributions and benefits independently of the identity of the entity that employs the employees. As envisaged by IAS 19, the Group accounts for these plans in the same way as the defined contribution plans.



## Note 14 – Trade payables (non-current)

The item “*non-current trade payables*”, for EUR 40 thousand (zero as at 31 December 2019) includes medium/long-term trade payables.

## Note 15 – Other payables and contractual liabilities (non-current)

These consist of:

	31 December 2020	31 December 2019
To ANAS – Central Guaranty Fund	108,645	117,272
Deferred income related to discounting the payable to ANAS – Central Guaranty Fund	43,541	51,554
To others	35,991	36,997
<b>Total</b>	<b>188,177</b>	<b>205,823</b>

The item payable “*to ANAS - Central Guaranty Fund*” refers to operations undertaken by the parties in question in favour of the licensees SALT p.A. (A15 Stretch) and SAV S.p.A to make instalment payments and for payables to suppliers. The amount of the payable has been discounted based on the repayment plans set out in the respective agreements.

The breakdown by licensee of payables discounted as at 31 December 2020 and their developments until fully repaid is as follows:

(€ millions)	2020	2021	2022	2023	2024	2025	2026	2027
SAV	68.7	56.8	43.8	29.9	15.2	-	-	-
SALT- A15 Stretch	56.6	59.6	62.7	66.1	69.7	73.5	74.0	26.4
<b>TOTAL</b>	<b>125.3 (*)</b>	<b>116.4</b>	<b>106.5</b>	<b>96.0</b>	<b>84.9</b>	<b>73.5</b>	<b>74.0</b>	<b>26.4</b>

(\*) of which EUR 108.7 million as the non-current portion and EUR 16.6 million as the current portion (Note 21)

The item “*deferred income related to discounting the payable to ANAS – Central Guaranty Fund*” collects the difference between the original amount of the payable and its discounted value. The charge from the discounting process is imputed to the income statement among “financial expenses”. At the same time, the amount previously deferred is posted to the item “other income”.

The item payables “*to others*” includes – for EUR 35.8 million (EUR 36.6 million as at 31 December 2019) – advances on works, from clients in accordance with law and to be recovered on the issue of interim payment certificates in proportion to the percentage of the work order carried out, only after 31 December 2020. The change in this item is attributable for EUR 6.2 million to recoveries made following the issue of interim payment certificates and for EUR 5.4 million to changes in the scope of consolidation.

The payables shown above are broken down by maturity as follows:

	Between one and five years	Beyond five years	Total
Payables to ANAS – Central Guaranty Fund	37,080	71,565	108,645
Deferred income related to discounting the payable to ANAS – Central Guaranty Fund	32,795	10,746	43,541
Other payables	35,991	-	35,991
<b>Total</b>	<b>105,866</b>	<b>82,311</b>	<b>188,177</b>





## Note 16 – Bank debt (non-current)

Bank debt amounted to EUR 1,015,355 thousand (EUR 952,502 thousand at 31 December 2019); the change compared to the previous year is detailed below:

31 December 2019	Changes					31 December 2020
	Disbursements	Early repayments	Transfers to current portion	Delta area	Accruals/deferrals/foreign exchange differences	
952,502	463,067	(50,000)	(349,606)	19	(627)	1,015,355

The tables below show bank debt as at 31 December 2020 and 31 December 2019, indicating the related balance due (current and non-current portion) and summarising the principal conditions applied to each liability.

31 December 2020								
Lending bank	Company	Maturity	Initial amount	Interest rate	Balance as at 31 December 2020	Within 1 year	1 to 5 years	Beyond 5 years
Pool Unicredit, BNL, Caixa, Credit Agricole, BBVA, BPM	About ASTM	30/06/2024	234,099	Variable	234,099	53,843	180,256	-
BPM	About ASTM	14/11/2024	100,000	Variable	100,000	-	100,000	-
Pool Unicredit, Credit Agricole, BNL, BPM	About ASTM	09/10/2025	230,000	Variable	230,000	23,000	207,000	-
BPM	About ASTM	30/04/2021	30,000	Variable	30,000	30,000	-	-
BPM	About ASTM	30/04/2021	20,000	Variable	20,000	20,000	-	-
UBI	About ASTM	14/05/2021	50,000	Variable	50,000	50,000	-	-
BNL	About ASTM	03/11/2021	50,000	Variable	50,000	50,000	-	-
CAIXA	About ASTM	02/05/2022	50,000	Variable	50,000	-	50,000	-
Unicredit Intesa Cariparma pool	About ASTM	15/12/2033	180,000	Variable/IRS	180,000	-	21,960	158,040
Mediobanca, UniCredit and UBI (BEI funding)	About ASTM	15/12/2024	24,500	Variable	14,000	3,500	10,500	-
Mediobanca, UniCredit and UBI	About ASTM	15/12/2024	143,500	Variable/IRS	82,000	20,500	61,500	-
BEI	About ASTM	15/12/2024	77,000	Variable	44,000	11,000	33,000	-
Banca Intesa	About ASTM	06/03/2023	150,000	Variable	150,000	-	150,000	-
M&T	HALMAR	Various	2,002 (*)	Variable	1,631	409	1,055	167
M&T	HALMAR	Various	1,322 (*)	Variable	1,077	579	495	4
M&T	HALMAR	02/08/2029	5,900 (*)	Variable	4,488	240	721	3,526
M&T	HALMAR	14/04/2022	7,350 (*)	Variable	5,990	3,963	2,027	-
M&T	HALMAR	02/04/2023	5,000 (*)	Variable	1,901	815	1,086	-
Banca Passadore	ITINERA	30/12/2022	10,000	Variable	4,022	2,007	2,015	-
Banca Bper	ITINERA	15/12/2021	30,000	Variable	7,500	7,500	-	-
Banca UBI	ITINERA	23/12/2022	30,000	Variable	22,500	7,500	15,000	-
Banca BPM	ITINERA	31/01/2021	20,000	Variable	20,000	20,000	-	-
SEA								
Banca Regionale Europea	Segnaletica Stradale	10/04/2022	8,000	Variable	1,321	876	445	-
Popolare di Spoleto	TUBOSIDER	10/05/2022	300	Variable	66	47	19	-
Banca Intesa Sanpaolo (formerly OPI)	SATAP	15/06/2024	75,000	Variable/IRS	16,936	4,839	12,097	-
Mediobanca (BEI funding)	SATAP	31/12/2022	15,000	Variable/IRS	1,800	1,200	600	-
Mediobanca (BEI funding)	SATAP	15/06/2024	59,450	Variable/IRS	13,423	3,835	9,588	-
Mediobanca	SATAP	15/12/2021	400,000	Variable/IRS	80,000	80,000	-	-
Mediobanca	SATAP	31/12/2021	180,000	Variable/IRS	54,000	54,000	-	-
<b>Total</b>					<b>1,470,754</b>	<b>449,653</b>	<b>859,364</b>	<b>161,737</b>
<b>Net accruals and deferrals</b>					<b>(5,540)</b>	<b>206</b>	<b>(4,829)</b>	<b>(917)</b>
<b>Total</b>					<b>1,465,214</b>	<b>449,859</b>	<b>854,535</b>	<b>160,820</b>
<b>Total bank debt (non-current)</b>							<b>1,015,355</b>	

(\*) Original amount in USD

Almost all the medium- and long-term loan contracts in place as at 31 December 2020 entered into by the Italian companies require compliance with certain economic and financial parameters (covenants) that are normal for loans of this type. These parameters, up to 31 December 2020, were met.

The interest on the loans is essentially tied to the EURIBOR (i.e. the reference IRS) plus an average weighted spread of 1.129% for an average residual duration of the payable of approximately 4 years and 4 months.



The table below shows the average spread broken down between fixed rate borrowings (IRS parameter for the period) and variable rate borrowings (Euribor parameter for the period).

	Average spread
Fixed-rate borrowings	1.267
Variable-rate borrowings	1.082

As part of the financial structure that involves the centralisation of the Group's funding activities under the Parent Company ASTM S.p.A., the debt contracted by ASTM S.p.A., and subsequent transfer to the subsidiaries, is supported by a special security package in order to guarantee its creditors effective access to the operating companies benefiting from the intercompany loans.

The note "Other information – Financial risk management" contains the description of the financial risks of the Group and the management policies for them.

31 December 2019								
Lending bank	Company	Maturity	Initial amount	Interest rate	Balance as at 31 December 2019	Within 1 year	1 to 5 years	Beyond 5 years
Pool Unicredit, BNL, Caixa, Credit Agricole, BBVA, BPM	About ASTM	28/06/2024	234,099	Variable	234,099	-	234,099	-
BPM	About ASTM	14/11/2024	100,000	Variable	100,000	-	100,000	-
CAIXA	About ASTM	01/11/2020	50,000	Variable	50,000	50,000	-	-
BPM	About ASTM	30/04/2021	30,000	Variable	30,000	-	30,000	-
BPM	About ASTM	30/04/2021	20,000	Variable	20,000	-	20,000	-
BNL	About ASTM	16/06/2020	50,000	Variable	50,000	50,000	-	-
UBI	About ASTM	30/06/2020	50,000	Variable	50,000	50,000	-	-
Unicredit Intesa Cariparma pool	About ASTM	15/12/2033	154,000	IRS	154,000	-	8,624	145,376
Mediobanca, UniCredit and UBI (BEI funding)	About ASTM	15/12/2024	24,500	Variable	17,500	3,500	14,000	-
Mediobanca, UniCredit and UBI	About ASTM	15/12/2024	143,500	Variable/IRS	102,500	20,500	82,000	-
BEI	About ASTM	15/12/2024	77,000	Variable	55,000	11,000	44,000	-
BEI	About ASTM	15/12/2020	25,000	IRS	4,167	4,167	-	-
Mediobanca, UniCredit and UBI (BEI funding)	About ASTM	15/12/2020	15,000	Variable	2,500	2,500	-	-
Banca Passadore	ITINERA	30/12/2022	10,000	Variable	6,022	2,000	4,022	-
Banca Bper	ITINERA	15/12/2021	30,000	Variable	15,000	7,500	7,500	-
Banca BPM	ITINERA	31/01/2021	20,000	Variable	20,000	-	20,000	-
Banca UBI	ITINERA	23/12/2022	30,000	Variable	30,000	7,500	22,500	-
SEA								
Banca Regionale Europea	Segnaletica Stradale	10/04/2022	8,000	Variable	2,177	856	1,321	-
M&T Bank	HALMAR	02/08/2029	5,900(*)	Variable	5,165	263	1,050	3,852
M&T Bank	HALMAR	01/04/2023	5,000(*)	Variable	2,967	890	2,077	-
G&M Bank	HALMAR				2,134	699	1,435	-
Banca Intesa Sanpaolo (formerly OPI)	SATAP	15/06/2024	75,000	Variable/IRS	21,774	4,839	16,935	-
Mediobanca (BEI funding)	SATAP	15/03/2022	15,000	Variable/IRS	3,000	1,200	1,800	-
Mediobanca (BEI funding)	SATAP	15/06/2024	59,450	Variable/IRS	17,259	3,835	13,424	-
Mediobanca	SATAP	15/12/2021	400,000	Variable/IRS	160,000	80,000	80,000	-
Mediobanca	SATAP	31/12/2021	180,000	Variable/IRS	90,000	36,000	54,000	-
Cassa Depositi e Prestiti	SATAP	31/12/2025	60,000	Variable	60,000	10,000	40,000	10,000
Total					1,305,264	347,249	798,787	159,228
Accruals and deferrals						368	(3,806)	(1,707)
Total						347,617	794,981	157,521
Total bank debt (non-current)							952,502	

(\*) Original amount in USD

## Note 17 – Hedging derivatives (non-current)

This item amounts to EUR 17,065 thousand (EUR 20,729 thousand as at 31 December 2019) and refers to the fair value as at 31 December 2020 of the Interest Rate Swap contracts concluded by Group companies in order to prevent the risk deriving from changes in interest rates.

Note that on 22 January 2020, the subsidiary Società di Progetto Autovia Padana S.p.A., stipulated three Interest Rate Swap contracts with major credit institutions for a nominal value of EUR 137 million, to prevent risks deriving from interest rate changes.



## Note 18 – Other financial liabilities (non-current)

This item, equal to EUR 1,087,462 thousand (EUR 1,084,980 thousand as at 31 December 2019) is formed as follows:

	31 December 2020	31 December 2019
2014-2024 bond	498,182	497,638
2018-2028 bond	543,447	542,590
Other payables	45,833	44,752
<b>Total</b>	<b>1,087,462</b>	<b>1,084,980</b>

The item “2014-2024 bond” refers to the senior secured bond of EUR 500 million issued in February 2014. The bonds issued have a minimum unit of EUR 100 thousand and were placed at an issue price (“below par”) of EUR 99.466 only with qualified investors. These bonds are governed by English law and traded at the Irish Stock Exchange.

In compliance with IFRS, this item was posted net of the cost incurred for the issue/listing and of the issue discounts.

The bonds have the following principal features:

- duration: 10 years;
- coupon: 3.375% per year, gross;
- redemption: bonds will be redeemed upon maturity (13 February 2024) in a lump sum at par value.

The item “2018-2028 bond” refers to the senior secured bond of EUR 550 million issued in February 2018. The bonds issued have a minimum unit of EUR 100 thousand and were placed at an issue price (“below par”) of EUR 98.844 only with qualified investors. These bonds are governed by English law and traded at the Irish Stock Exchange.

In compliance with IFRS, this item was posted net of the cost incurred for the issue/listing and of the issue discounts.

The bonds have the following principal features:

- duration: 10 years;
- coupon: 1.625% per year, gross;
- redemption: bonds will be redeemed upon maturity (8 February 2028) in a lump sum at par value.

The item “other payables” can mainly be attributed to the non-current portion of payables relative to leasing contracts recognised in compliance with IFRS 16. The change is the result of new contracts signed during the period and the reclassification to current of the portion coming due in the next twelve months.

## Note 19 – Deferred tax liabilities

This item totalled EUR 4,762 thousand (EUR 50,553 thousand as at 31 December 2019). For the breakdown of this item, please refer to Note 38 – Income taxes.

## Note 20 – Trade payables (current)

Trade payables totalled EUR 582,047 thousand (EUR 447,864 thousand as at 31 December 2019).



## Note 21 – Other payables and contract liabilities (current)

These consist of:

	31 December 2020	31 December 2019
Advances/Advance payments	129,254	119,286
Payables to welfare organisations	18,609	18,178
Payables due to employees	31,363	32,613
Payables for concession fees	19,434	27,072
Payables to ANAS – Central Guaranty Fund	16,640	11,900
Payables for cross charges from consortium companies	85,656	73,332
Payables to Autostrada dei Fiori shareholders for option	10,341	10,341
Deferred income	9,298	8,975
Other payables	45,102	43,516
<b>Total</b>	<b>365,697</b>	<b>345,213</b>

The item *“advances/advance payments”* includes advances received from buyers in accordance with the law and intended to be recovered based on the progress of the work. The change from the previous year mainly reflects the increase to the advance payments received from the EPC sector companies on overseas works.

*“Payables for concession fees”* represent the payable related to the concession fees to be paid to ANAS and to the Ministry of Economy and Finance, calculated on the motorway tolls and on the royalties received from service area operators. The change with respect to 31 December 2019 reflects the decrease in traffic volumes as a consequence of the Covid -19 pandemic.

The item *“payables to ANAS – Central Guaranty Fund”* represents the portion of the payable maturing in the next accounting period.

*“Payable for cross charges from consortium companies”* refers to the cross charge made by the consortium companies of the EPC sector and is posted net of the invoiced advance payments.

As part of the share capital increase of the subsidiary Autostrada dei Fiori S.p.A., which was approved by the Shareholders' Meeting on 23 October 2012, the subsidiary Salt p.A. granted a put option to some shareholders of Autostrada dei Fiori S.p.A. on 1,988,585 shares (equal to 2.45% of the share capital) subscribed by them. The item *“payables to Autostrada dei Fiori shareholders for option”* represents the estimate of the price to be paid to the shareholders if the latter decide to exercise the put option for the above-mentioned shares.

The *“deferred income”* mainly refers to easement payments, grants received by SATAP S.p.A. from TAV S.p.A. and RFI S.p.A., and grants received by SAV S.p.A. from RAV S.p.A. and the Autonomous Region Valle d'Aosta.

With regard to *“other payables”*, the change during the year is mainly attributable to the change in the scope of consolidation and the residual debt for the purchase of the equity investment in the Tubosider Group.



## Note 22 – Bank debt (current)

These consist of:

	31 December 2020	31 December 2019
Current account overdrafts and advances	204,806	146,984
Short-term loans	1,387	54
Maturing portion of medium- and long-term loans	449,859	347,617
<b>Total</b>	<b>656,052</b>	<b>494,655</b>

The change to the item *"current account overdrafts and advances"* is mainly attributable to the use, by Autostrada Asti-Cuneo S.p.A., SAV S.p.A., Halmar International LLC, Storstrøm Bridge JV I/S and Itinera S.p.A. of the available credit lines.

The change in the item *"short-term loans"* is mainly due to new loans obtained by the company Halmar International LLC (EUR +1.4 million).

The *"maturing portion of medium- and long-term loans"* amounted to EUR 449,859 thousand as at 31 December 2020 (EUR 347,617 thousand as at 31 December 2019). The changes compared to the previous financial year are shown below:

31 December 2019	Changes					31 December 2020
	Disbursements	Reimbursements	Transfers to current portion	Delta area	Accruals/deferrals /foreign exchange differences	
<b>347,617</b>	100,000	(348,338)	349,606	47	927	<b>449,859</b>

## Note 23 – Hedging derivatives (current)

This item amounted to EUR 8,318 thousand as at 31 December 2020 (zero as at 31 December 2019); the balance as at 31 December 2020 relates to the fair value as at 31 December 2020 of two Non Deliverable Forward contracts, entered into by the subsidiary IGLI S.p.A. in July 2020, in order to prevent the risk arising from changes in exchange rates.

## Note 24 – Other financial liabilities (current)

These consist of:

	31 December 2020	31 December 2019
SIAS 2010-2020 bond	-	503,349
SIAS 2014-2024 bond	14,892	14,887
SIAS 2018-2028 bond	8,010	8,007
Payables to connected companies	8,972	11,955
Other payables	44,592	32,864
<b>Total</b>	<b>76,466</b>	<b>571,062</b>

The *"2010-2020 Bond"* was repaid on 26 October 2020.

The items *"2014-2024 bond"* and *"2018-2028 bond"* refer to the payable to the bondholders for the interest accrued as at 31 December 2020.

The item *"payables to connected companies"* refers to payables to connected companies not belonging to the Group for tolls collected



on behalf of Group licensees, which had not yet been allocated by the end of the period.

The item “*other payables*” mainly refers to (i) the payable related to the higher contribution received by the subsidiary Autostrada dei Fiori S.p.A. (A6 Torino-Savona Stretch) related to Law 662/96 for investments in non-compensated revertible assets (EUR 14.1 million), (ii) the current portion of the financial payable relating to the rights of use pursuant to IFRS 16 (EUR 20.9 million) and (iii) to the payable of the subsidiary Itinera S.p.A. related to the portion of non-interest-bearing loan disbursed by third-party shareholders to JO Arge H51.

## Note 25 – Current tax liabilities

Current tax liabilities totalled EUR 40,926 thousand (EUR 46,466 thousand as at 31 December 2019) and refer to liabilities for corporate income tax (IRES), regional production tax (IRAP), VAT and personal income tax (IRPEF) withholding agent, substitute taxes and direct overseas taxes related mainly to Halmar International LLC and its subsidiaries. The change in this item is attributable to (i) lower VAT payables (EUR -8.5 million), (ii) lower IRES payables (EUR -7.6 million), (iii) higher substitute tax payables (EUR +7.7 million), (iv) higher foreign tax payables (EUR +1.8 million) and (v) higher other taxes (EUR +1.1 million).



## Explanatory Notes – Information on the income statement

In the comparative analysis of the figures for 2020 and those for 2019, it is necessary to take into account that with effect from 1 January 2020, the ATIVA Group's income statement figures were consolidated and with effect from 1 July 2020, the Tubosider Group's income statement figures were consolidated.

In order to allow the effects of this last change to be assessed, when these are significant specific notes have been added below.

### Note 26 – Revenue

#### 26.1 – Motorway sector revenue – operating activities

This item breaks down as follows:

	2020	2019
Net toll revenue	949,028	1,123,659
Fee/additional fee payable to ANAS	76,142	85,682
<b>Gross toll revenue</b>	<b>1,025,170</b>	<b>1,209,341</b>
Other accessory revenues	20,430	31,721
<b>Total motorway sector revenue</b>	<b>1,045,600</b>	<b>1,241,062</b>

The decrease seen in “*net toll revenue*” - equal to EUR 174.6 million (-15.5%) - is the result of decreased traffic volumes due to the COVID 19 pandemic (EUR -276.1 million) counteracted by (i) the increase due to consolidation as of the current half of toll revenues from ATIVA S.p.A.. (EUR +99.2 million) and (ii) the increase due to recognition as at 1 January 2020 of toll adjustments (EUR +2.3 million) limited to Autovia Padana S.p.A.

The change seen in the item “*fee/additional fee payable to ANAS*” (EUR -9.5 million) is the result of (i) the decrease in traffic on the stretches managed by other concession holder companies (-19.6 million) and (ii) the fee/additional fee to be paid to ANAS by the concession holder ATIVA S.p.A. (EUR +10.1 million). Based on the fact that the fees had been collected on behalf of ANAS, this decrease wholly affected the item “*operating costs*”.

“*Other accessory revenues*”, mainly refers to rental income for service areas and crossing fees. The reduction seen in the item in question is due to a decrease in traffic volumes and toll revenue (EUR -14.2 million) as well as the change in the scope of consolidation following the inclusion of the income statement figures of ATIVA S.p.A. as of 1 January 2020 (EUR +2.9million).

#### 26.2 – Motorway sector revenue – planning and construction activities IFRIC 12

This item totalled EUR 392,213 thousand (EUR 265,278 thousand in 2019) and refers to the “planning and construction” activity of non-compensated revertible assets that – according to IFRIC 12 – are booked among revenue with regards to both the portion obtained by Group companies and that of Third Parties. A similar amount of costs was booked against these revenues under the item “*Other costs for services*”.



### 26.3 – EPC sector revenue

This revenue breaks down as follows:

	2020	2019
Revenue for works and planning and changes in contract work in progress	924,570	782,425
Other revenues	26,975	30,924
<b>Total</b>	<b>951,545</b>	<b>813,349</b>

The change to the item “*revenue for works and planning and changes in contract work in progress*” is mainly attributable to the considerable growth in volumes of activities carried out overseas by the Itinera Group. In particular, in 2020 the overseas production of the EPC sector was equal to EUR 812.2 million (EUR 612 million in 2019), of which EUR 379.2 million in the United States (through the American subsidiaries of the Halmar Group), EUR 210.2 million in Europe, EUR 182.5 million in the Middle East, EUR 19.7 million in Brazil and EUR 20.6 million in Africa.

This amount was posted net of the intercompany “production” related to maintenance and expansion services performed on the motorway network by the mentioned companies for the Group motorway companies.

### 26.4 – EPC sector revenue – planning and construction activities IFRIC 12

This item totalled EUR 9,306 thousand (EUR 17,751 thousand in 2019) and refers to the “planning and construction activities” of the Taranto port platform (infrastructure node of the Port of Taranto – Logistics Platform) that – according to IFRIC 12 – is recognised among revenues with regards to both the portion implemented internally and that implemented by Third Parties. A similar amount of costs was booked against these revenues.

### 26.5 – Technology sector revenue

This revenue breaks down as follows:

	2020	2019
Revenues and change in contract work in progress, work in progress, semi-finished products, finished goods and other	16,177	23,021
Other revenues	210	133
<b>Total</b>	<b>16,387</b>	<b>23,154</b>

This is the total amount of “production” carried out for third parties by the subsidiaries Sinelec S.p.A. and Safe Road S.c.ar.l., of which approximately EUR 0.8 million carried out overseas. The above-mentioned amounts are recognised net of intergroup “production” related to maintenance and enhancement activities for the motorway network, which were carried out by said Companies in favour of the Group’s motorway companies.

The decrease in the item “technology sector revenue” with respect to the same period the previous year is mainly attributable to lower work carried out for third parties by the subsidiary Sinelec S.p.A. This reduction also included the reversal of production carried out in 2020 for the ATIVA Group, following the entry of the latter in the scope of consolidation.





## 26.6 – Other revenues

This revenue breaks down as follows:

	2020	2019
Claims for damages	15,372	16,204
Recovery of expenses and other income	34,059	50,435
Share of income resulting from the discounting of the payable due to the Central Guarantee Fund and ANAS	8,013	8,242
Works on behalf of third parties and cost reversal	8,082	8,802
Operating grants	1,744	666
<b>Total</b>	<b>67,270</b>	<b>84,349</b>

The item *"claims for damages"* includes the refunds – by insurance companies – of the costs incurred by the motorway companies for repair to the motorway network following accidents and other damages, as well as the requests made by the construction companies with reference to existing contracts.

The item *"recovery of expenses and other income"* mainly relates to recovery of collection costs, recovery of exceptional transit costs, capital gains from disposals and contingent assets; the change is due to the recognition of fewer contingent assets than in the previous year.

The item *"share of income resulting from the discounting of the payable due to the Central Guarantee Fund and ANAS"* refers to the share related to the difference – which was previously deferred – between the original amount of the payable and its present value.

The decrease in the item *"works on behalf of third parties"* is mainly due to lower revenues from consortium companies recorded by motorway licensee companies.

## Note 27 – Payroll costs

This item can be broken down as follows:

	2020	2019
Salaries and wages	315,081	272,763
Social security contributions	76,444	71,144
Allocations to payroll provisions	40,168	30,795
Other costs	10,406	11,570
<b>Total</b>	<b>442,099</b>	<b>386,272</b>

The overall increase in "payroll costs" was due to (i) the change in the scope of consolidation resulting from the income statement figures of the ATIVA Group and the Tubosider Group (EUR +27.5 million), (ii) the increase in the number of employees in the EPC, technology and services sectors (EUR +40.7 million) offset by (iii) the decrease in the cost of personnel in the licensee company sector (EUR -12.4 million).

Average employee staffing breaks down by category as follows:

	2019	Change in the scope of consolidation	Other changes	2020
Executives	171	12	5	188
Middle managers	285	18	17	320
Office workers	2,925	319	162	3,406
Workers	1,683	130	162	1,975
<b>Total</b>	<b>5,064</b>	<b>479</b>	<b>346</b>	<b>5,889</b>



## Note 28 – Costs for services

This expense item breaks down as follows:

	2020	2019
Maintenance of non-compensated revertible assets	49,267	44,802
Other costs related to non-compensated revertible assets	21,015	18,298
Subcontracting	392,134	300,164
Overhead on consortium costs	73,141	87,349
Works on behalf of third parties	91,944	73,757
Technical design activities	47,097	30,944
Seconded personnel and contract workers	25,385	27,927
Other payroll costs	14,592	16,388
Transport	13,180	13,733
Insurance	19,789	19,712
Utilities	22,446	20,823
Costs for construction activities carried out by third parties non-compensated revertible assets (IFRIC 12)	205,577	133,646
Other costs for services	132,299	108,193
<b>Total</b>	<b>1,107,866</b>	<b>895,736</b>

The change seen in “costs for services” with respect to the previous year is mainly due (i) to greater costs paid by companies in the EPC sector due to the increase in related production, (ii) greater costs for construction activity for non-compensated revertible assets (IFRIC 12) and (iii) consolidation of the income statement figures of the ATIVA Group as from 1 January 2020 and of the Tubosider Group as from the second half of 2020.

The item “*maintenance of non-compensated revertible assets*” is recognised net of intercompany “production” carried out by Group companies operating in the “construction” and “technology” sectors in favour of motorway companies. The total amount of **maintenance and other costs related to non-compensated revertible assets** carried out in the reporting period (gross of intergroup eliminations) amounted to **EUR 194 million** (EUR 174.2 million in 2019); the final increase compared to the same period last year was due to both the consolidation of ATIVA S.p.A. and the different scheduling of operations of the other motorway licensee companies.

## Note 29 – Costs for raw materials

This expense item breaks down as follows:

	2020	2019
Raw materials	159,092	154,243
Consumables	75,600	60,421
Changes in inventories of raw materials, consumables and merchandise	(2,862)	(3,802)
<b>Total</b>	<b>231,830</b>	<b>210,862</b>

This item refers to production materials, ancillary materials and consumables and mainly relates to the subsidiaries forming part of the EPC and Technology sectors. The increase compared to the previous year is related to the higher volumes of production carried out and to the change in the scope of consolidation.



## Note 30 – Other costs

This expense item breaks down as follows:

	2020	2019
Concession fee pursuant to Article 1, para. 1020 of Italian Law No. 296/06	23,049	27,339
Fee pursuant to Article 19, para. 9-bis of Italian Law Decree no. 78/09	76,142	85,682
Sub-concession fee	4,049	6,285
Leases and rental expenses	21,575	16,669
Other operating expenses	29,201	24,770
<b>Total</b>	<b>154,016</b>	<b>160,745</b>

The item “*concession fee pursuant to article 1, paragraph 1020 of Italian Law no. 296/06*” has been calculated according to 2.4% of “net toll revenue”; the change in the item is the result of the decrease in toll revenue and the greater concession fee for the licensee ATIVA S.p.A. (EUR +2.4 million).

The item “*fee pursuant to article 19, paragraph 9 of Italian Law Decree No. 78/09*” has been calculated according to EUR 0.0060 vehicle/km for light vehicles and EUR 0.0180 vehicle/km for heavy vehicles; the change compared to the previous year was due to both the decrease in traffic on the stretches operated by the licensees and the concession fee for the licensee ATIVA S.p.A. (EUR +10.1 million).

The change in the “*sub-concession fee*” - calculated on the royalties received from service areas - was mainly due to the decrease in royalty income.

Following the application of the new IFRS 16 (Lease), the “*leases and rental expenses*” only refer to contracts with a duration of less than 12 months or to contracts for which the underlying assets are configured as low-value assets. The change compared to the previous year is due to the change in the scope of consolidation (EUR +1.3 million) and to the new short-term rental contracts signed mainly by the subsidiaries operating in the EPC sectors (EUR +3.6 million).

The change in “*other operating expenses*” compared to the previous year is attributable (i) for EUR 3.1 million to the disbursement made by the Group in favour of the Piedmont Region in order to support the COVID-19 health emergency and the donation of two ambulances to the Italian Red Cross, (ii) for EUR 1.7 million to the change in the scope of consolidation, (iii) for EUR 1.9 million to higher contingent liabilities offset (iv) for EUR 2.3 million by the reduction in other operating expenses.

## Note 31 – Capitalised costs on fixed assets

This item, amounting to EUR 1,274 thousand (EUR 1,071 thousand in 2019), refers to internal works carried out within the Group and capitalised as an increase to tangible assets.



## Note 32 – Amortisation, depreciation and write-downs

This item breaks down as follows:

	2020	2019
Intangible assets:		
• Other intangible assets	3,684	3,497
• Non-compensated revertible assets	184,493	294,552
Tangible assets:		
• Buildings	3,297	3,125
• Plant and machinery	3,875	3,449
• Industrial and commercial equipment	5,865	5,334
• Other assets	2,956	2,668
• Rights of use	19,848	12,072
<b>Total amortisation and depreciation</b>	<b>224,018</b>	<b>324,697</b>
Write-down of goodwill and other write-downs	3,161	480
<b>Total amortisation, depreciation and write-downs</b>	<b>227,179</b>	<b>325,177</b>

Depreciation of non-compensated revertible assets is associated with expected development in traffic on managed stretches. The reduction with respect to the previous year reflects both the decrease in traffic during the 2020 financial year and the lack of depreciation related to the SALT A12 stretch, since its concession expired on 31 July 2019.

The change in the item "*write-down of goodwill and other write-downs*" of EUR 2.7 million is attributable (i) for EUR 0.8 million to the change in the scope of consolidation and (ii) for EUR 1.9 million to higher provisions for write-downs made mainly by companies operating in the EPC sector.

## Note 33 – Adjustment of the provision for restoration/replacement of non-compensated revertible assets

The adjustment of the provision for restoration/replacement of non-compensated revertible assets is detailed as follows:

	2020	2019
Drawdown of provision for restoration/replacement of non-compensated revertible assets	(101,481)	(116,454)
Allocation to provision for restoration/replacement of non-compensated revertible assets	98,530	102,926
<b>Net adjustment of the provision for restoration and replacement of non-compensated revertible assets</b>	<b>(2,951)</b>	<b>(13,528)</b>

Drawdown of the provision for restoration, replacement or maintenance of non-compensated revertible assets represents all maintenance costs incurred during the period by motorway licensees whose concessions have not yet expired. The provision includes the amount needed to update the fund to meet scheduled maintenance programmes in the financial plans attached to the individual concessions in later accounting periods, in order to ensure the appropriate functionality and safety of the respective infrastructures. The net adjustment of the provision for restoration and replacement of non-compensated revertible assets reflects, among other things, the change in the maintenance work programme.

## Note 34 – Other provisions for risks and charges

The provisions for risks and charges in the 2020 financial year totalled approximately EUR 30.2 million (EUR 92 million in 2019); for an amount equal to EUR 27.3 million, this item refers to the provisions made during the year for the "concession risk", which refers to the risk related to lawsuits in process or that might arise with the Granting Body including with reference to the management of



motorway stretches that has expired for the period between the expiry date of the individual concessions and the reporting date. To that end, as already indicated in previous sections of these financial statements, as at 31 December 2020, in the wake of the identification of a new licensee and at the request of the Granting Body, the licensees SATAP S.p.A. (A21 Stretch), SALT p.A. (A12 Stretch) and A.T.I.V.A. S.p.A. (Tangenziale di Torino, Torino-Quincinetto, Ivrea-Santhià and Torino-Pinerolo) continue to manage the sections whose license has expired (continuing to apply the concession agreements).

For the remaining part, equal to approximately EUR 2.9 million, this item refers to provisions made by companies operating in the EPC sector.

## Note 35 – Financial income

This item breaks down as follows:

	2020	2019
<b>Income from unconsolidated investments:</b>		
• dividends from other businesses	807	1,771
• capital gains on sale of investments	-	-
<b>Total</b>	<b>807</b>	<b>1,771</b>
<b>Interest income and other financial income</b>		
• from credit institutions	765	629
• from financial assets	12,053	12,121
• from exchange differences	1,348	1,292
• other	3,757	23,132
<b>Total</b>	<b>17,923</b>	<b>37,174</b>

The item *"dividends from other businesses"* mainly refers to dividends received from Società per Azioni Autostrade Centropadane (EUR 0.4 million), Assicurazioni Generali S.p.A. (EUR 0.2 million) and Webuild S.p.A. (EUR 0.2 million).

The item interest income *"from credit institutions"* refers to interest income accrued on the cash holdings at credit institutions.

The item *"interest and income from financial assets"* includes income from insurance policies of EUR 3 million (EUR 3.8 million in 2019), interest income on loans granted to investee companies of EUR 8.4 million (EUR 7.4 million in 2019) and interest from financial assets of EUR 0.7 million (EUR 0.9 million in 2019).

The item *"other"* in 2019 included EUR 19.5 million related to the recognition to the income statement of the positive difference between the fair value, at the acquisition date, of the non-controlling interest previously held in ATIVA S.p.A. and its carrying value.



## Note 36 – Financial expenses

This item breaks down as follows:

	2020	2019
<b>Interest expense:</b>		
• on loans	13,092	12,538
• on current accounts	1,022	610
<b>Miscellaneous interest expense:</b>		
• from interest rate swap agreements	12,749	17,299
• from financial discounting	8,281	8,807
• from SIAS 2010-2020 bond	19,151	23,396
• from SIAS 2014-2024 bond	17,424	17,400
• from SIAS 2018-2028 bond	9,798	9,780
• from financial lease contracts	1,194	894
• capitalised financial expenses <sup>(1)</sup>	(16,425)	(15,164)
<b>Total interest expense</b>	<b>66,286</b>	<b>75,560</b>
• Exchange differences	8,006	1,436
• other financial expenses	12,852	2,170
<b>Total other financial expenses</b>	<b>20,858</b>	<b>3,606</b>

<sup>1</sup>As reported in Note 1 – Intangible assets/Concessions of non-compensated revertible assets, an amount equal to EUR 16.4 million was capitalised in 2020 under the item “non-compensated revertible assets”.

The increase in the item “*interest expense on loans*” is due to the lower “average” debt to credit institutions compared to 2019.

Interest expense related to “*financial discounting*” of non-current liabilities refers for EUR 8 million to payables to the Central Guaranty Fund and ANAS, and for EUR 0.3 million to the “financial component” of the provision for employee benefits.

The interest expense on the “*2010-2020 bond*” represents the expenses accrued during the year on the bond issued on 19 October 2010 and redeemed in October 2020.

The interest expense on the “*2014-2024 bond*” represents the expenses accrued in the year on the bond issued by SIAS, on 6 February 2014.

The interest expense on the “*2018-2028 bond*” represents the expenses accrued in the year on the bond issued by SIAS, in February 2018.

The change seen in the item “*exchange differences*” is due, (i) for EUR 1.9 million, to exchange losses realised after the disposal of Brazilian Deposit Certificates, (ii) for EUR 1.5 million to losses realised by the EPC sector and (iii) for EUR 3.2 million to the adjustment of foreign currency items to the exchange rate of 31 December 2020.

The change seen in the item “*other financial expenses*” is mainly due (i) to the write-down of receivables for loans to investee companies (EUR 7 million), (ii) to the reversal of accessory expenses, suspended in previous years, on the Cassa Depositi e Prestiti loan repaid in advance by the subsidiary Satap S.p.A. (EUR 1.6 million), (iii) the loss realised following the disposal of the JP Morgan investment fund from the subsidiary SALT p.A. (EUR 0.2 million), (iv) change in the scope of consolidation (EUR 0.4 million) and (v) higher other expenses (EUR +1.5 million).



## Note 37 – Profit (loss) of companies accounted for by the equity method

The details of this item are as follows:

	2020	2019
· Asci Logistik GMBH	(5)	5
· Asta S.p.A.	(1,296)	(137)
· Ativa S.p.A.	-	2,549
· Ativa Immobiliare S.p.A.	48	19
· SABROM S.p.A.	(211)	(145)
· CIM S.p.A.	-	(301)
· Cis Beton GMBH	37	(37)
· Confederazione Autostrade S.p.A. in liquidation	(200)	-
· Ecorodovias Infraestrutura e Logistica S.A.	(3,081)	(7,507)
· Europa S.c.ar.l.	(1)	-
· Federici Stirling Batco LLC	(9,157)	(519)
· Letimbro S.ca.r.l. in liquidation	-	(804)
· Lissone S.c.ar.l. in liquidation	(5)	-
· Mill Basin Bridge Constructors	(548)	(4,667)
· Primav Infraestrutura S.A.	(44,932)	(83,522)
· Road Link Holding Ltd.	814	1,136
· Rivalta Terminal Europa S.p.A.	(144)	(145)
· SITAF S.p.A.	14,200	12,039
· SITRASB S.p.A.	(467)	500
· Tangenziale Esterna S.p.A.	(5,706)	(4,493)
· Tangenziali Esterne di Milano S.p.A.	(5,682)	(4,360)
· Tuborus LLC	149	-
· Vado Intermodal Operator S.c.p.a.	(101)	(115)
<b>Total</b>	<b>(56,288)</b>	<b>(90,504)</b>

For the pro-rata portion, this item includes the results achieved by the investee companies measured using the equity method and includes an amount equal to EUR 21 thousand relating to the release of the provision for risks in relation to the investee company Cis Beton GMBH allocated prudentially last year.



## Note 38 – Taxes

This item can be broken down as follows:

	2020	2019
<b>Current taxes:</b>		
• IRES	63,220	111,518
• IRAP	14,720	24,556
• International taxes	2,154	2,358
	<b>80,094</b>	<b>138,432</b>
<b>Taxes (prepaid)/deferred:</b>		
• IRES	(51,972)	(33,704)
• IRAP	(5,478)	(32)
• International taxes	2,120	176
	<b>(55,330)</b>	<b>(33,560)</b>
<b>Taxes related to prior years</b>		
• IRES	848	(16,687)
• IRAP	(688)	(104)
	<b>160</b>	<b>(16,791)</b>
<b>Total</b>	<b>24,924</b>	<b>88,081</b>

As regards the amount of "income taxes", note that the 2020 figure includes an amount of EUR 7.7 million attributable to the substitute tax for the realignment of differences between tax values and statutory values resulting from merger and/or contribution transactions of previous years. These realignments – made pursuant to Article 110, paragraph 7 of Decree-Law No. 104 of 14 August 2020 – allowed the recognition of deferred tax credits/release of deferred tax provisions previously allocated for a total of EUR 72.5 million.

Note that the amount of "income taxes" includes an additional 3.5% corporate income tax (IRES) deriving from activities carried out on the basis of the motorway concessions, provided by Italian Law 160 of 27.12.2019. Note also that the 2019 figure benefited – for an amount equal to EUR 17.1 million – from the positive outcome of an "ACE" tax clearance application in the years 2013-2018.

During the period, with "Shareholders' equity" as contra-item, "deferred taxes" were credited for approximately EUR 0.9 million related to the fair value measurement of both "financial assets" and "interest rate swaps", as well as the actuarial components related to the Employee Severance Indemnity and foreign exchange adjustment.

In compliance with paragraph 81 (c) of IAS 12, we provide below the reconciliation of the ("effective" and) "theoretical" income taxes posted to the financial statements as at 31 December 2020 and 2019.

	2020		2019	
<b>Period income before taxes</b>	<b>168,646</b>		<b>257,973</b>	
<b>Effective income taxes</b>	<b>15,522</b>	<b>9.20%</b>	<b>80,348</b>	<b>31.15%</b>
<b>Lower taxes (compared to the theoretical rate):</b>				
• lower taxes on dividends	184	0.11%	404	0.16%
• other changes and realignments resulting from the application of Article 110, paragraph 7 of Legislative Decree No. 104 of 14 August 2020	64,811	38.43%	11,405	4.42%
• change of control effect	-	-	4,677	1.81%
• net effect of international taxes	4,274	2.53%	(2,534)	-0.98%
<b>Higher taxes (compared to the theoretical rate):</b>				
• Taxes on intercompany dividends, non-deductible write-downs and other changes	(1,608)	-0.95%	(3,060)	-1.19%
• effect of increased concession rate	(8,877)	-5.26%	(7,606)	-2.95%
• adjustment of equity accounted investments	(13,564)	-8.04%	(21,721)	-8.42%
• non-deductible write-downs and other changes	(20,266)	-12.02%	-	-
<b>Theoretical income taxes</b>	<b>40,476</b>	<b>24.00%</b>	<b>61,913</b>	<b>24.00%</b>

Reconciliation between "effective" and "theoretical" rates (regional production tax (IRAP)):





	2020		2019	
<b>Value added (Regional production tax taxable base - IRAP)</b>	<b>293,348</b>		<b>388,698</b>	
<b>Effective income taxes</b>	<b>9,242</b>	<b>3.15%</b>	<b>24,524</b>	<b>6.31%</b>
<b>Higher/Lower taxes (compared to the theoretical rate):</b>				
• Net miscellaneous deductible expenses	2,199	0.75%	(9,365)	-2.41%
<b>Theoretical income taxes</b>	<b>11,441</b>	<b>3.90%</b>	<b>15,159</b>	<b>3.90%</b>

The table below shows the total amount of deferred tax income and expenses (posted to the income statement and statement of comprehensive income) and the total deferred tax credits and liabilities (posted to the statement of financial position).

	31 December 2019	Changes entered in the income statement (*)	Changes entered in the statement of comprehensive income	Difference in scope and other changes	31 December 2020
<b>Deferred tax credits related to: (**)</b>					
• intangible assets not capitalised in accordance with IAS/IFRS	4	(70)	-	66	-
• provisions to tax deferral reserves	27,401	41	-	22,456	49,898
• maintenance costs exceeding deductible share	4,421	(294)	-	(14)	4,114
• Valuation of financial assets and IRS at fair value	5,125	11	(727)	-	4,409
• effects of the recalculation of amortisation of non-compensated revertible assets (IFRIC 12)	51,834	(8,442)	-	-	43,392
• maintenance costs restoration provision (IRES)	44,670	(5,070)	-	-	39,600
• maintenance costs restoration provision (regional production tax - IRAP)	8,000	-	-	-	8,000
• actuarial appraisal of the Employee Severance Indemnities Reserve	819	70	37	15	941
• leased assets (IFRS 16)	23	52	-	47	122
• other	33,139	24,427	1,424	2,635	61,625
<b>Total deferred tax assets (Note 4)</b>	<b>175,436</b>	<b>10,726</b>	<b>734</b>	<b>25,205</b>	<b>212,101</b>
<b>Deferred tax liabilities related to: (**)</b>					
• leased assets (IFRS 16)	(998)	(14)	-	51	(961)
• valuation of work in progress	(1,790)	620	-	-	(1,170)
• valuation of financial assets at fair value	(250)	36	191	-	(23)
• actuarial appraisal of the Employee Severance Indemnities Reserve	(635)	(49)	13	(26)	(697)
• effects of the recalculation of amortisation of non-compensated revertible assets (IFRIC 12)	(45,284)	44,130	-	450	(704)
• other	(1,596)	(119)	-	508	(1,207)
<b>Total deferred tax liabilities (Note 19)</b>	<b>(50,553)</b>	<b>44,604</b>	<b>204</b>	<b>983</b>	<b>(4,762)</b>
<b>Total</b>		<b>55,330</b>			

(\*) Deferred tax income and expenses are accounted for based on tax rates in effect at the time their "repayment" is expected.

(\*\*) Deferred tax credits and liabilities are accounted for based on tax rates in effect at the time that their "repayment" is expected.



## Note 39 – Earnings per share

In accordance with IAS 33, earnings per share are calculated by dividing the Group share of net profit/loss by the average number of outstanding shares during the period. The average number of shares is calculated taking into account the average number of Treasury Shares held by the Parent Company and its Subsidiaries.

(€ '000s)	2020	2019
Profit for the period attributable to the Group	108,837	76,279
Average number of outstanding shares during the period	132,142,174	91,317,700
<b>Earnings per share (euro per share)</b>	<b>0.824</b>	<b>0.835</b>
Number of ordinary shares	140,514,895	98,998,600
Weighted average of Treasury Shares held during the period	(8,372,721)	(7,680,900)
Weighted average of ordinary shares in circulation during the period	132,142,174	91,317,700

During the 2020 and 2019 financial years, no options, warrants or equivalent financial instruments on dilutive “potential” ordinary shares were recorded.

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## Note 40 – Information on the cash flow statement

### Change in the scope of consolidation

	2020	2019
<u>Consolidation</u>		
<i>Tubosider Group</i>	7,669	-
<i>Ativa Group</i>	-	65,800
<u>De-consolidation</u>		
<i>BMM S.c.ar.l.</i>	-	(226)
<b>Total change in the scope of consolidation</b>	<b>7,669</b>	<b>65,574</b>

## Note 41 – Significant non-recurring events and transactions

Without prejudice to the effects deriving from the Covid-19 pandemic, outlined in the Management Report, 2020 was not affected by significant non-recurring events and transactions, as defined in Consob Communication DEM/6064293<sup>1</sup>.

## Note 42 – Atypical and/or unusual transactions

Pursuant to Consob Communication no. DEM/6064296 of 28 July 2006, in 2020 the Group did not carry out any atypical and/or unusual transactions, as defined in the Communication, according to which an atypical and/or unusual transaction is one for which the significance/materiality, nature of the counterparty, subject matter of the transaction, transfer pricing mechanism used and timing of the event (e.g. close to year end) could raise doubts about: the accuracy/completeness of information in the financial statements, conflict of interest, asset protection and the protection of minority interests.

<sup>1</sup> Significant non-recurring transactions are transactions or events that are not frequently repeated as part of normal business activities.



## Other information

Information is shown below with regard to (i) the commitments undertaken by the Group Companies, (ii) fair value measurement, (iii) financial risk management, (iv) related-party transactions, (v) Ecorodovias Infrastruttura e Logistica S.A. and (vi) public disbursement transparency disclosure. For information about the Group, “**Significant subsequent events**”, the “**Business outlook**” and the “**Allocation of profits proposal**”, please see the “Management Report”.

### (i) Commitments undertaken by the Companies of the Group

In this regard, please note the following:

#### Operating guarantees

- Performance bonds, equal to EUR 115.6 million, issued by several banks and insurance companies, in the interest of motorway companies<sup>1</sup> in favour of the Ministry of Infrastructures and Transport to guarantee the good management of concession operating activities, as provided for by the current Standard Agreements. The amount of these performance bonds, initially 3% of the total monetary operating costs included in the financial plans annexed to said agreements, is untied on an annual basis with regards to the amount of the pro-rata of each year of the concession.
- The performance bond, equal to EUR 1.1 million, issued by several insurance companies on behalf of SALT p.A. (A15 Stretch) in favour of the Ministry of Infrastructures and Transport to guarantee the proper execution of the final design under the Standard Agreement of 3/03/2010.
- Performance bonds amounting to EUR 1.2 million issued by SATAP S.p.A. in favour of Concessioni Autostradali Lombarde in the interest of Aurea S.c.ar.l., to guarantee the commitments undertaken by it.
- The performance bond, amounting to EUR 7.9 million (pro-rata share), issued in favour of SACE BT Credit & Surety, through which SATAP S.p.A. guarantees - pro-rata - the commitments undertaken by the associated company S.A.Bro.M. S.p.A. following the signing of the agreement related to the Broni-Mortara motorway stretch on 16 September 2010.
- The performance bond, amounting to EUR 0.1 million, issued in favour of the Municipality of Pero by SATAP S.p.A. as a guarantee for the environmental reclamation and safety measures of areas subject to expropriation.
- The performance bond, amounting to EUR 1.6 million, issued in favour of the Piedmont Region by SATAP S.p.A. as a guarantee for the work of filling in and environmental restoration of the Cerano quarry.
- The performance bond, amounting to EUR 1.1 million, issued by SATAP S.p.A. in favour of the Piedmont Region to guarantee the interventions in terms of environmental monitoring and territorial input, environmental protection, mitigation and compensation in the Torino – Novara Est motorway stretch.
- Performance bonds issued by Autostrada Asti-Cuneo S.p.A., Sinelec S.p.A., Ativa S.p.A., Euroimpianti S.p.A., Autostrada dei Fiori S.p.A., SALT p.A. (A15 La Spezia - Parma Stretch), Società di Progetto Autovia Padana S.p.A., SAV S.p.A., Sina S.p.A., SATAP S.p.A., Consorzio Sintec S.c.ar.l. and Siteco Informatica S.r.l., to guarantee the proper execution of the works for EUR 112.2 million.
- The performance bond issued by an insurance company on behalf of the company SAV S.p.A. in favour of the Autonomous Region of Valle d'Aosta in accordance with the concession 168/2010 – for the permanent occupation of areas in the public domain for EUR 0.1 million.
- The performance guarantee issued by ASTM S.p.A. in favour of the Danish client *The Danish Road Directorate* on behalf of the subsidiary Itinera S.p.A. for works for the construction of the Storstrøm Bridge for a total amount of DKK 172 million; as at 31 December 2020, based on the progress of work, the commitment amounted to DKK 111.8 million (equal to EUR 15 million

<sup>1</sup> With regard to Autostrada Asti-Cuneo S.p.A., as indicated in “Note 3.c – Other non-current financial assets”, financial receivables include the receivable for the pledge amounting to EUR 20 million against fidejussory policies by insurance institutes with reference to the bidding competition for the Asti-Cuneo concession.



converted at the exchange rate of 7.4409 as at 31 December 2020). This guarantee, issued for the good execution of the works, is reduced according to the progress of the works, subject to achievement of the milestones defined within the contract.

- The Itinera Group issued, through credit and insurance institutions, commercial guarantees (trade finance) for a maximum risk of EUR 620 million to clients for the good execution of works (performance bonds), contract advances (advance bonds), release of guarantee withholdings (retainment bonds) and instalments for settlement and clearance of tender-related expenses (bid bonds) as part of its ordinary business operations and sales activities.
- Itinera S.p.A. and ASTM S.p.A., the latter in its capacity as ultimate parent company, have both assumed an obligation to indemnify and have jointly acted as guarantors for the US insurance companies supporting Halmar International LLC in the issue of commercial bonds (bid bonds, performance bonds, etc.), in relation to the latter's operating performance and have respectively signed specific "Indemnity Agreements" in the case of Itinera, for a total of USD 1.731 million (EUR 1,410 million at the exchange rate of 1.2271 as at 31 December 2020) as at 31 December 2020, the portion of work still to be carried out amounting to EUR 422.2 million (at the exchange rate of 1.2271 as at 31 December 2020) and in the case of ASTM limited to a portion of USD 500 million (EUR 407.5 million) used as at 31 December 2020 for USD 318 million (EUR 259 million at the exchange rate of 1.2271 as at 31 December 2020).
- Itinera Infraestructura and Concessions INC issued a Standby letter of credit for EUR 5 million as bid bond in favour of the client Maryland Transportation Department, as part of the tender procedure called by the same client for the modernisation, construction of new additional toll traffic lanes and subsequent management for 50 years of the so-called Capital Beltway, a motorway system connecting to the city of Washington and ASTM stepped in as guarantor. In February 2021 following the tender process the Standby letter was returned as the tender was awarded to a third party.
- Within the framework of the tender procedure for the concession of management activities of the A21 and A5 motorway sections and of the "Sistema Autostradale Tangenziale Torinese", as well as safety enhancement works on the existing infrastructure, planning, construction and management of the same, a bid bond was issued on behalf of the group comprising, among others, SALT p.A., Itinera S.p.A., Euroimpianti S.p.A. and Sinelec S.p.A., pursuant to Art. 93, paragraph 1 of Legislative Decree 50/2016, in favour of the Ministry of Infrastructure and Transport, amounting to EUR 12 million, with the commitment, in the event of the awarding of the aforesaid tender procedure, to issue the fidejussory policy pursuant to Article 103, paragraph 1 of the same Legislative Decree 50/2016.
- As part of the tender procedure for the concession of the management of the A12, A11/A12, A15 and A10 motorway sections, as well as the design, construction and management of the safety measures for the existing infrastructure, a bid bond was issued on behalf of Itinera S.p.A., pursuant to Art. 93, paragraph 1 of Legislative Decree 50/2016, in favour of the Ministry of Infrastructure and Transport, amounting to EUR 15.6 million, with the commitment, in the event of the awarding of the aforesaid tender procedure, to issue the fidejussory policy pursuant to Article 103, paragraph 1 of the same Legislative Decree 50/2016.

#### Other commitments and guarantees

- Following the agreements for investments in the Sistema Tangenziale Esterna, the subsidiaries ASTM S.p.A. and SATAP S.p.A. issued to the benefit of Tangenziale Esterna S.p.A., in the form of autonomous first demand performance bonds, EUR 33.5 million to guarantee their commitments pursuant to the Equity Contribution Agreement, including the increase in equity reserve guarantees.
- The Itinera Group has issued pro-rata and non-solidary corporate guarantees to financial institutions for credit lines amounting to EUR 80.7 million, net of the debt already expressed in the financial statements. As at 31 December 2020, the actual commitment/use on behalf of operating companies that are not subsidiaries amounted to EUR 17.5 million. Financial lines of credit in favour of third parties, net of the debt already expressed in the financial statements, amount to EUR 11.4 million.



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*Commitments undertaken with the Revenue Office regarding payment of Group VAT*

ASTM S.p.A. provided guarantees to the Revenue Office—for a total amount of EUR 49.5 million—related to the excess credit recognised as a result of the Group's VAT payment in the prior year with regard to Società di Progetto Autovia Padana S.p.A.

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On 3 December 2004, an “additional agreement” was signed between ANAS, ASTM S.p.A. and SATAP S.p.A. according to which – following the transfer to SATAP of the agreement for the “Torino-Milano” stretch – over time ASTM S.p.A. would maintain shareholding control of SATAP S.p.A. and would assume a guarantee towards ANAS S.p.A. equal to EUR 75.1 million, which corresponds to the value of the assets in the ASTM cash funds that are not included in the business segment being allocated, exceeding 10% of the Shareholders’ equity of ASTM as stated in the financial statements as at 31 December 2004”.

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*Euroimpianti S.p.A.*

The agreement for the sale in 2017 of the equity investment held by Euroimpianti S.p.A. in Aton S.r.l. includes - as per industry practices - the possibility for the purchaser to resell the equity investment to Euroimpianti S.p.A. in the five years following the purchase, if the feed in tariff from GSE based on an ongoing agreement, is permanently withdrawn due to causes attributable to the previous operator.

## **(ii) Assessing the fair value: additional information**

Concerning the valuation of the fair value of financial instruments, we specify the following in compliance with IFRS 7:

*Assets*

- |   |  |
|---|--|
| • non-current financial assets:           | the value posted to the financial statements represents their fair value |
| • cash and cash equivalents:              | the value posted to the financial statements represents their fair value |
| • equity investments in other businesses: | the value posted to the financial statements represents their fair value |

*Liabilities*

- |                        |  |
|------------------------|--|
| • variable rate loans: | the value posted to the financial statements represents their fair value |
| • trade payables:      | the value posted to the financial statements represents their fair value |



The “2014-2024 bond”, issued on 6 February 2014, is posted to the Financial Statements at nominal value net of issue charges. As this involves a listed financial instrument, shown below is a comparison between its market value and the corresponding values posted to the financial statements:

2014-2024 bond (€ millions)	31 December 2020	31 December 2019
• value posted to the financial statements	513 <sup>(1)</sup>	513
• official market listing	544	551

(1) Payable: EUR 498 million + interest: EUR 15 million

The “2018-2028 bond”, issued on 8 February 2018, is posted to the Financial Statements at nominal value net of issue charges. As this involves a listed financial instrument, shown below is a comparison between its market value and the corresponding values posted to the financial statements:

2018-2028 bond (€ millions)	31 December 2020	31 December 2019
• value posted to the financial statements	551 <sup>(1)</sup>	551
• official market listing	571	551

(1) Payable: EUR 543 million + interest: EUR 8 million



## Derivatives

### - Hedging derivative - IRS-based hedge

As at 31 December 2020, hedging transactions were in place (IRS-based). These contracts, signed by the subsidiaries SATAP S.p.A. and Società di Progetto Autovia Padana S.p.A., were classified as hedging instruments because the relationship between the derivative and the subject of the coverage (maturity, rates) is formally documented. These financial instruments are valued at fair value and changes are imputed completely to a specific reserve in Shareholders' equity.

The fair value of derivatives is determined by discounting the expected net cash, using the market interest rate curves for the date of reference. The features of the derivative contracts in place as at 31 December 2020 and the related fair value are summarised below:

(€ '000s)

Company	Type	Purpose of hedge	Counterparties	Currency	Duration of the derivative contract		31/12/2020		Hedged financial liability		
					From	To	Notional reference	Fair Value	Description	Nominal amount	Maturity
SATAP	Interest Rate Swap	Interest rate risk	Mediobanca	EUR	30/06/2009	13/12/2021	25,000	-899	Loan	80,000	13/12/2021
SATAP	Interest Rate Swap	Interest rate risk	Mediobanca	EUR	30/06/2009	13/12/2021	22,000	-633	Loan		13/12/2021
SATAP	Interest Rate Swap	Interest rate risk	Morgan Stanley	EUR	30/06/2009	31/12/2021	22,000	-643	Loan		31/12/2021
SATAP	Interest Rate Swap	Interest rate risk	Mediobanca	EUR	30/06/2009	31/12/2021	11,000	-320	Loan		13/12/2021
SATAP	Interest Rate Swap	Interest rate risk	Morgan Stanley	EUR	15/06/2009	15/06/2024	13,424	-1,047	Loan	13,424	15/06/2024
SATAP	Interest Rate Swap	Interest rate risk	Morgan Stanley	EUR	15/06/2009	15/06/2024	16,935	-1,363	Loan	1,363	15/06/2024
SATAP	Interest Rate Swap	Interest rate risk	Morgan Stanley	EUR	30/06/2009	31/12/2021	54,000	-1,944	Loan	1,944	31/12/2021
SATAP	Interest Rate Swap	Interest rate risk	Morgan Stanley	EUR	15/06/2009	15/03/2022	1,800	-48	Loan	1,800	15/03/2022
SATAP	Interest Rate Swap	Interest rate risk	Mediobanca	EUR	07/05/2012	15/12/2024	12,000	-657	Intercompany loan	24,000	15/12/2024
SATAP	Interest Rate Swap	Interest rate risk	Unicredit	EUR	11/05/2012	15/12/2024	12,000	-641	Intercompany loan		15/12/2024
SATAP	Interest Rate Swap	Interest rate risk	SOGE	EUR	05/07/2012	15/12/2024	8,000	-410	Intercompany loan	16,000	15/12/2024
SATAP	Interest Rate Swap	Interest rate risk	NOMURA	EUR	18/10/2012	15/12/2024	8,000	-378	Intercompany loan		15/12/2024
SATAP	Interest Rate Swap	Interest rate risk	BNP PARIBAS	EUR	15/12/2014	15/12/2024	22,000	-638	Intercompany loan	22,000	15/12/2024
AUTOVIA PADANA	Interest Rate Swap	Interest rate risk	Credit Agricole	EUR	22/01/2020	15/12/2033	15,070	-813	Intercompany loan	15,070	15/12/2033
AUTOVIA PADANA	Interest Rate Swap	Interest rate risk	Banca Intesa	EUR	22/01/2020	15/12/2033	52,000	-2,806	Intercompany loan	52,000	15/12/2033
AUTOVIA PADANA	Interest Rate Swap	Interest rate risk	Unicredit	EUR	22/01/2020	15/12/2033	69,930	-3,825	Intercompany loan	69,930	15/12/2033
Total								-17,065			



### - Derivative Instruments - Non Deliverable Forward

As at 31 December 2020, there were non-deliverable forward transactions underwritten by the subsidiary Igli S.p.A., in order to prevent the risk arising from changes in exchange rates. These contracts were classified as hedging instruments because the relationship between the derivative and the subject of the coverage (maturity, rates) is formally documented. These financial instruments are valued at fair value and changes are imputed completely to a specific reserve in Shareholders' equity.

Company	Type	Purpose of hedge	Counterparties	Currency	Duration of the derivative contract		31/12/2020		Hedged financial liability		
					From	To	Notional reference	Fair Value	Description	Nominal amount	Maturity
IGLI	Non Deliverable Forwards	Foreign exchange risk	BNP PARIBAS ITALIA	EUR/BRL	30/07/2020	11/01/2021	150,000	(4,196)	Acquisition of equity investment	150,000	11/01/2021
IGLI	Non Deliverable Forwards	Foreign exchange risk	BNP PARIBAS ITALIA	EUR/BRL	31/07/2020	11/01/2021	185,648	(4,122)	Acquisition of equity investment	185,648	11/01/2021
<b>Total</b>								<b>(8,318)</b>			

### (iii) Financial risk management

In compliance with IFRS 7, we specify that in the normal conduct of its business operations, the ASTM Group is potentially exposed to the following financial risks:

- "market risk" mainly from exposure to interest rate fluctuations and to the changes in foreign exchange rates;
- "credit risk" deriving from the exposure to potential losses arising from the failure of the counterparty to meet its obligations;
- "liquidity risk" from a lack of financial resources suitable for business operations and repayment of liabilities assumed in the past.

The risks cited above are broken down below:

#### Market risk – Fluctuation of interest rates

With regard to the risks connected with the *fluctuation of interest rates*, the ASTM Group strategy has been designed to contain this risk mainly by carefully monitoring the dynamics associated with interest rates. More specifically, this risk has been strongly reduced by signing "hedging agreements": at present, about 56% of the medium/long-term debt of the Group is at "fixed rate/hedged".

With regard to the above, the "sensitivity analysis" concerning the changes in interest rates is not significant.

#### Market risk – Counterparty creditworthiness risk for hedging agreements

As reported above, the Group licensees signed hedging transactions with major financial institutions in order to prevent the risks arising from the changes in the benchmark interest rates.

With regard to these transactions, note that there could be risks related to the strength/creditworthiness of the counterparties with which said hedging agreements were signed.

#### Market risk – Fluctuation of exchange rates

The Group is exposed to foreign exchange risk arising from various factors including (i) cash inflows and outflows in currencies other than the functional currency (economic foreign exchange risk); (ii) net invested capital in investees whose functional currency is not the Euro (translation exchange rate risk); (iii) deposit and/or financing transactions in currencies other than the functional currency (transaction exchange rate risk).

The Group implements a hedging policy against exchange rates fluctuations by making use of the financial instruments available on the market.

Moreover, as at 31 December 2020, foreign exchange hedging transactions are in place in connection with the corporate reorganisation of Primav Infrastruttura S.A. and Ecorodovias Infrastruttura e Logística S.A., of which IGLI S.p.A. will gain sole control through the subscription of two share capital increases for an amount currently estimated at R\$ 2.1 billion. The time elapsing





between the signing of the agreements and the closing of the Transaction, as well as the high volatility of the Brazilian reais, are such as to expose IGLI S.p.A. to the risk of fluctuations in the EUR/BRL exchange rate. Therefore, in order to allocate this exchange rate risk, on 30 and 31 July 2020 IGLI SpA signed two derivative instruments known as Non-Deliverable Forwards (NDF) through which IGLI SpA fixed the EUR/BRL forward rate at an average value of 6.16717. Upon maturity of the NDF contract, the Bank and IGLI settled the in-flows and out-flows depending on the actual conditions that will occur in the market at the time of maturity of the NDF, with simultaneous delivery at the spot rate of the reais.

#### Credit risk

Credit risk is the Group's exposure to potential losses arising from the failure of the counterparty to meet its obligations.

This risk can derive both from factors of a strictly technical-commercial or administrative-legal nature and from factors of a typically financial nature, i.e. the "credit standing" of the counterparty. In particular, the type of clients in the EPC sector essentially includes public entities, which are creditworthy by nature, and public and private clients with a high credit standing. This leads to the consideration that default risk is unlikely, whereas cases of extension to collection times beyond the contractual terms and requests for dilution of debt are more likely and in practice, much more frequent. Also note that for the construction companies the credit risk exposure analysis based on the overdue payments is scarcely significant since the receivables are measured jointly with the other working capital items that represent the net exposure to clients in relation to all ongoing works (inventories of works in progress, advance payments, any advances, etc.) and in particular to the payables due to sub-contractors and suppliers in general as a result of which, as part of the management of the operating leverage, the maturities were aligned as much as possible with collection from the clients.

Nevertheless, all companies forming part of the Group constantly monitor the trade receivables and write down positions for which partial or total default is identified. The amount of the write-downs takes account of an estimate of the recoverable cash flows and the related collection date, future expenses and costs for recovery and the value of guarantees and deposits received from customers. For a breakdown of the provision for write-downs of trade receivables, refer to note 6. Unfortunately, it should be noted that in recent years, the number of financial defaults and related collective procedures involving companies operating in the construction sector and the related supply chain has increased considerably, including companies of primary credit standing.

Unfortunately, this has affected a number of companies operating in partnerships with the subsidiary Itinera S.p.A. on a number of works contracts, with inevitable negative consequences in operating terms, as well as economic and financial terms considering the many commercial relationships and the related accounting entries of receivables and liabilities that arise in particular with regard to the consortium companies in Italy and the JVs overseas, which are typical operating instruments used for the joint execution of works. Credit risk arising from open positions in financial derivative transactions can be considered marginal as the counterparties used are primary credit institutions.

Individual write-downs are instead made for credit positions which are individually significant and show objective status of partial or complete uncollectibility.



### Liquidity risk

The "liquidity risk" is the risk that financial resources available may be insufficient to cover maturing obligations. The ASTM Group believes that the generation of cash flow, together with the planned diversification of financing sources and the current debt maturity, guarantee being able to satisfy scheduled financial requirements. The table below shows the breakdown of financial liabilities in place as at 31 December 2020 by maturity date. The amounts shown below also include interest payments (we clarify that the interest on variable-rate loans is calculated based on the last available rate as at the reference date, keeping it constant to maturity).

Company	Total financial flows (**)		Maturity (*)					
	Capital	Interest	Within 1 year		2 to 5 years		Beyond 5 years	
			Capital	Interest	Capital	Interest	Capital	Interest
About ASTM	234,099	2,158	53,843	894	180,256	1,264	-	-
About ASTM	100,000	1,868	-	604	100,000	1,264	-	-
About ASTM	230,000	10,339	23,000	2,975	207,000	7,364	-	-
About ASTM	30,000	60	30,000	60	-	-	-	-
About ASTM	20,000	40	20,000	40	-	-	-	-
About ASTM	50,000	84	50,000	84	-	-	-	-
About ASTM	50,000	272	50,000	272	-	-	-	-
About ASTM	50,000	291	-	196	50,000	95	-	-
About ASTM	180,000	28,763	-	2,784	21,960	11,355	158,040	14,624
About ASTM	14,000	429	3,500	181	10,500	248	-	-
About ASTM	82,000	1,402	20,500	566	61,500	836	-	-
About ASTM	44,000	1,475	11,000	605	33,000	870	-	-
About ASTM	150,000	-	-	-	150,000	-	-	-
HALMAR	1,631	93	409	50	1,055	22	167	21
HALMAR	1,077	45	579	28	495	16	4	1
HALMAR	4,488	742	240	85	721	328	3,526	328
HALMAR	5,990	106	3,963	43	2,027	63	-	-
HALMAR	1,901	60	815	40	1,086	20	-	-
ITINERA	4,022	19	2,007	13	2,015	6	-	-
ITINERA	7,500	13	7,500	13	-	-	-	-
ITINERA	22,500	157	7,500	82	15,000	75	-	-
ITINERA	20,000	9	20,000	9	-	-	-	-
SEA SEGNALETICA STRADALE	1,321	-	876	-	445	-	-	-
TUBOSIDER	66	1	47	1	19	-	-	-
SATAP	16,936	1,384	4,839	648	12,097	736	-	-
SATAP	1,800	50	1,200	45	600	5	-	-
SATAP	13,423	1,063	3,835	498	9,588	565	-	-
SATAP	80,000	2,422	80,000	2,422	-	-	-	-
SATAP	54,000	2,320	54,000	2,320	-	-	-	-
	<b>1,470,754</b>	<b>55,665</b>	<b>449,653</b>	<b>15,558</b>	<b>859,364</b>	<b>25,133</b>	<b>161,737</b>	<b>14,974</b>
2014–2024 bond	500,000	67,500	-	16,875	500,000	50,625	-	-
2018–2028 bond	550,000	71,504	-	8,938	-	35,750	550,000	26,816
	<b>1,050,000</b>	<b>139,004</b>	<b>-</b>	<b>25,813</b>	<b>500,000</b>	<b>86,375</b>	<b>550,000</b>	<b>26,816</b>
Payables for IFRS 16 Leases loans	66,650	3,402	20,871	1,229	40,177	1,745	5,602	428
	<b>2,587,404</b>	<b>198,071</b>	<b>470,524</b>	<b>42,600</b>	<b>1,399,541</b>	<b>113,253</b>	<b>717,339</b>	<b>42,218</b>

(\*) Distribution upon maturity is based on current residual contract duration.

(\*\*) The above-mentioned hedging agreements on interest rate fluctuations have been included when calculating the flow of interest on loans.

It is worth highlighting that the payable due to ANAS - Central Guaranty Fund as at 31 December 2020 amounts to EUR 168.8 million. The discounted value of said payable totals EUR 125.3 million (this payable is not included in the data provided above).

Details are provided below of the amount payable to ANAS – Central Guaranty Fund and its developments until fully repaid. In relation to the discounted value of this payable, reference should be made to the illustration provided in Note 15 – Other payables for liabilities (non-current):

(€ millions)	2020	2021	2022	2023	2024	2025	2026	2027
SAV	82.1	65.9	49.3	32.8	16.2	-	-	-
SALT A15 Stretch	86.8	86.3	85.8	85.3	84.8	84.3	80.2	28.0
<b>TOTAL</b>	<b>168.8</b>	<b>152.2</b>	<b>135.1</b>	<b>118.0</b>	<b>100.9</b>	<b>84.3</b>	<b>80.2</b>	<b>28.0</b>



The **credit lines** of the ASTM Group companies can essentially be broken down as follows:

1. Bond issued as part of the EMTN Programme;
2. Medium- and long-term loans used as investment support;
3. Uncommitted credit lines referring to current account overdraft/receivables conversion facilities to support working capital needs;
4. Committed credit lines to cover the operating needs of the companies.

With reference to the bonds issued as part of the EMTN Programme, reference should be made to the description in *Note 18 – Other financial liabilities (non-current)* and *Note 24 – Other financial liabilities (current)*.

The “medium- and long-term loans” of Group companies had all been disbursed as at the reporting date, except for:

- a loan granted to ASTM S.p.A. by UniCredit S.p.A., Intesa SanPaolo S.p.A. and Credit Agricole S.p.A.;
- a loan granted to the ASTM S.p.A. by Cassa Depositi e Prestiti S.p.A.;
- a loan granted to ASTM S.p.A. by Caixa Bank S.A.;
- a loan granted to ASTM S.p.A. by Unicredit S.p.A. and Ubi Banca S.p.A.;
- a loan granted to ASTM S.p.A. by UniCredit S.p.A..

For each ASTM Group company, the following table illustrates the total of “medium- and long-term loans” granted, with an indication of (i) the amount used (book value) and (ii) the amount available, not yet disbursed as at 31 December 2020.

Company	Medium/long-term financing (€ '000so)		
	Loan amount	Amount used	Amount available
ASTM S.p.A.	2,294,099	1,234,099	1,060,000
Halmar International LLC	15,087	15,087	-
Itinera S.p.A.	54,022	54,022	-
SATAP S.p.A.	166,159	166,159	-
Sea Segnaletica Stradale S.p.A.	1,321	1,321	-
Tubosider S.p.A.	66	66	-
<b>Total</b>	<b>2,530,754</b>	<b>1,470,754</b>	<b>1,060,000</b>

For each ASTM Group company, the following table illustrates the total of uncommitted credit lines – set up mainly for revolving current account overdrafts – with an indication of (i) the amount used (book value) and (ii) the amount available as at 31 December 2020.

Company	Uncommitted credit lines (€ '000so)		
	Assigned	Amount used	Amount available
ASTM S.p.A.	85,000	-	85,000
Autostrada Asti Cuneo S.p.A.	30,000	18,084	11,916
Autostrada dei Fiori S.p.A.	33,500	-	33,500
Società di Progetto Autovia Padana S.p.A.	10,000	-	10,000
Diga Alto Cadrino S.c.ar.l.	100	-	100
Euroimpianti S.p.A.	4,355	-	4,355
Halmar International LLC	25,994	5,462	20,532
Società Autostrada Ligure Toscana p.A.	33,000	-	33,000
Itinera S.p.A.	227,630	150,472	77,158
Marcallo S.c.ar.l.	75	-	75
SATAP S.p.A.	30,100	-	30,100
SAV S.p.A.	40,000	11,100	28,900
Sea Segnaletica Stradale S.p.A.	7,500	-	7,500
Sina S.p.A.	1,400	-	1,400
Siteco Informativa S.r.l. unipersonale	150	-	150
Storstrøm Bridge JV	20,159	17,624	2,535
Torre d'Isola S.c.ar.l.	1,500	1,396	104
Tubosider S.p.A.	16,629	55	16,574
Urbantech S.p.A. with single shareholder	2,000	2,000	-
<b>Total "uncommitted" credit lines on current account overdrafts and advances</b>	<b>569,092</b>	<b>206,193</b>	<b>362,899</b>



Moreover, the table below shows the detail for each company of the ASTM Group of the total amount of "uncommitted" credit lines, consisting exclusively of lines on lease contracts, with an indication of (i) the amount used (the balance is included in other financial liabilities) and (ii) the amount available, still to be paid as at 31 December 2020:

Company	Uncommitted credit lines (€ '000so)		
	Assigned	Amount used	Amount available
Halmar International LLC	2,236	2,236	-
Itinera S.p.A.	8,000	3,424	4,576
Halmar International Truc	446	446	-
HINNS	150	150	-
Storstrøm Bridge JV	13,439	11,801	1,638
<b>Total uncommitted credit lines on leasing contracts</b>	<b>24,271</b>	<b>18,057</b>	<b>6,214</b>

**(iv) Related-party transactions**

The main transactions of the Company with related parties, identified according to criteria set out in the related-party transactions procedure, in compliance with Article 2391-bis of the Italian Civil Code/IAS 24 and the Regulation adopted by Consob with resolution No. 17221 of 12 March 2010 as amended, are described below. This procedure, which is published in the sector "Procedures and documents" available on the website [www.astm.it](http://www.astm.it), sets out the rules governing the approval, management and public disclosure of related-party transactions carried out by the ASTM Group, directly or through Subsidiaries, in order to guarantee the transparency and procedural and substantive fairness of transactions.

The table below shows the commercial and financial income statement figures arising from related-party transactions.



## BALANCE SHEET

(€ '000s)	31 December 2020	Parent companies	Subsidiaries of parent companies	Jointly controlled and associated companies	Other related parties (1)	TOTAL RELATED PARTIES	% IMPACT OF FINANCIAL STATEMENT ITEMS
<b>Assets</b>							
<b>Non-current assets</b>							
Intangible assets							
goodwill	87,233	-	-	-	-	-	0.0%
other intangible assets	21,864	-	-	-	-	-	0.0%
concessions – non-compensated revertible assets	2,880,589	-	-	-	-	-	0.0%
<b>Total intangible assets</b>	<b>2,989,686</b>						
Tangible assets							
property, plant, machinery and other assets	146,686	-	-	-	-	-	0.0%
rights of use	69,666	1,707	3,764	4,658	-	10,129	14.5%
<b>Total tangible assets</b>	<b>216,352</b>						
Non-current financial assets							
equity accounted investments	974,003	-	-	-	-	-	0.0%
other equity investments	42,773	-	-	-	-	-	0.0%
other non-current financial assets	352,262	-	-	138,953	-	138,953	39.4%
<b>Total non-current financial assets</b>	<b>1,369,038</b>						
Deferred tax assets	212,101	-	-	-	-	-	0.0%
<b>Total non-current assets</b>	<b>4,787,177</b>						
<b>Current assets</b>							
Inventories and contract assets	361,796	-	65	20,746	162	20,973	5.8%
Trade receivables	262,896	180	10,001	56,982	2,121	69,284	26.4%
Current tax assets	36,566	-	-	-	-	-	0.0%
Other receivables	108,003	2,141	230	37,842	-	40,213	37.2%
Current financial assets	978,690	-	-	5,902	-	5,902	0.6%
<b>Total</b>	<b>1,747,951</b>						
Cash and cash equivalents	879,003	-	-	-	-	-	0.0%
<b>Total current assets</b>	<b>2,626,954</b>						
<b>Total assets</b>	<b>7,414,131</b>						
<b>Shareholders' equity and liabilities</b>							
<b>Shareholders' equity</b>							
Equity attributable to the Group							
share capital	64,886	-	-	-	-	-	0.0%
reserves and earnings	2,499,080	-	-	-	-	-	0.0%
<b>Equity attributable to the Group</b>	<b>2,563,966</b>						
Equity attributable to minorities	369,359	-	-	-	-	-	0.0%
<b>Total Shareholders' equity</b>	<b>2,933,325</b>						
<b>Liabilities</b>							
<b>Non-current liabilities</b>							
Provisions for risks and charges	396,116	-	-	-	917	917	0.2%
Employee benefits	42,323	-	-	-	-	-	0.0%
Trade payables	40	-	-	-	-	-	0.0%
Other payables and contract liabilities	188,177	-	-	-	-	-	0.0%
Bank debt	1,015,355	-	-	-	-	-	0.0%
Hedging derivatives	17,065	-	-	-	-	-	0.0%
Other financial liabilities	1,087,462	1,277	3,351	4,400	-	9,028	0.8%
Deferred tax liabilities	4,762	-	-	-	-	-	0.0%
<b>Total non-current liabilities</b>	<b>2,751,300</b>						
<b>Current liabilities</b>							
Trade payables	582,047	2	8,090	31,693	795	40,580	7.0%
Other payables and contract liabilities	365,697	-	9,476	86,314	262	96,052	26.3%
Bank debt	656,052	-	-	-	-	-	0.0%
Hedging derivatives	8,318	-	-	-	-	-	0.0%
Other financial liabilities	76,466	484	505	687	-	1,676	2.2%
Current tax liabilities	40,926	-	-	-	-	-	0.0%
<b>Total current liabilities</b>	<b>1,729,506</b>						
<b>Total liabilities</b>	<b>4,480,806</b>						
<b>Total Shareholders' equity and liabilities</b>	<b>7,414,131</b>						

(1) Amounts include relations with Directors, Statutory Auditors and other key management personnel of the Group



The main relationships between the companies of the Group, arranged by items in the financial statements, are the following:

- right of use recognised of property relating to the parent company Aurelia S.r.l. for EUR 1.7 million, towards companies subject to the control of the parent company for EUR 3.8 million (mainly towards Appia S.r.l. for EUR 1.9 million, Codelfa S.p.A. for EUR 1.3 million and Argo Finanziaria S.p.A. for EUR 0.4 million) and relating to the associated company Ativa Immobiliare S.p.A. for EUR 4.7 million;
- receivables recognised as non-current financial assets from jointly controlled and associated companies for EUR 139 million; in particular from Tangenziale Esterna S.p.A. for EUR 115.7 million against loans granted by ASTM S.p.A. and SATAP S.p.A., from Federici Stirling Batco LLC for EUR 10.5 million, from Tunnel Frejus S.c.ar.l. for EUR 3.3 million and from Colmeto S.c.ar.l. for EUR 0.9 million against loans granted by Itinera S.p.A. and from SABROM S.p.A. against loans granted by the Group companies for an overall EUR 5.3 million;
- inventories and contract assets for EUR 21 million, of which EUR 20.7 million to joint ventures and associates, in particular Consorzio Cannello-Frasso Telesino for EUR 15.6 million and SITAF S.p.A. for EUR 3.8 million;
- trade receivables for EUR 69.3 million, specifically:
  - for services provided by Itinera S.p.A. to companies controlled by parent companies for EUR 5.4 million of which EUR 2.4 million from Baglietto S.p.A. and EUR 1.9 million from Codelfa S.p.A.;
  - trade receivables for services provided by Sinelec S.p.A. to companies controlled by parent companies for EUR 3.4 million in particular from Truck Rail Container S.p.A. for EUR 1.3 million, from ASG S.c.ar.l. for EUR 0.8 million and from Autosped G for EUR 0.5 million;
  - trade receivables for services provided by Itinera S.p.A. to jointly controlled and associated companies for EUR 34.1 million, of which EUR 7.8 million from Aurea S.c.ar.l., EUR 7.6 million from Letimbro S.c.ar.l., EUR 4.3 million from Consorzio Costruttori TEEM S.c.ar.l., EUR 2.8 million from Consorzio Cannello-Frasso Telesino, EUR 2.3 million from Cervit S.c.ar.l., EUR 1.7 million from Federici Stirling Batco LLC, EUR 1.5 million from SP01 S.c.ar.l., EUR 1.2 million from SITAF S.p.A., EUR 1 million from Malco S.c.ar.l. and EUR 1 million from Ponte Nord S.p.A.;
  - trade receivables for services to SATAP S.p.A. from the associated companies, in particular Aurea S.c.ar.l. for EUR 6.1 million;
  - trade receivables recognised by Halmar International LLC to the associated company Mill Basin Bridge Constructors for EUR 3.2 million;
  - trade receivables for services provided by Lambro S.c.ar.l. to Consorzio Costruttori TEEM for EUR 4.3 million;
  - trade receivables from the associated company SITAF S.p.A. for EUR 1.9 million for services mainly provided by Euroimpianti S.p.A., Sina S.p.A. and Sinelec S.p.A.;
  - trade receivables for services provided by Itinera S.p.A. to other related parties for EUR 2.1 million, of which EUR 2 million from Sviluppo Cotorossi S.p.A.;
- other receivables for EUR 40.2 million, specifically:
  - receivables from the parent company Aurelia S.r.l. for EUR 2.1 million, of which EUR 1.5 million from ASTM S.p.A. and EUR 0.5 million from SINA S.p.A.;
  - other receivables to Itinera S.p.A. from the associated company Letimbro S.c. a r.l. for EUR 18.4 million;
  - receivables for loans granted by Autostrada dei Fiori S.p.A. to Rivalta Terminal Europa S.p.A. for EUR 17 million and Vado Intermodal Operator S.p.A. for EUR 1.4 million;
- current financial assets relative to jointly held and associated companies for EUR 5.9 million, of which around EUR 5.4 million relative to the loan granted by the subsidiary IGLI S.p.A. to the jointly held Primav Infrastruttura SA and for EUR 0.5 million relative to the loan granted by ASTM S.p.A. to Ativa immobiliare S.p.A.;



- other financial liabilities attributable to the application of the IFRS 16 accounting standard to the leasing contracts existing with the parent company Aurelia S.r.l. (EUR 1.3 million long-term portion and EUR 0.5 million for the short-term portion) and with the companies subject to the control of the parent companies for an overall EUR 3.9 million (EUR 3.4 million long term and EUR 4.4 million short term), as well as with jointly controlled and associated companies for a total of EUR 5.1 million (EUR 4.7 million long term and EUR 0.7 million short term);
- trade payables for a total of EUR 40.6 million related to:
  - services provided by the company subject to the control of the parent companies Autosped G S.p.A. to ASTM Group companies totalling EUR 4.8 million;
  - services provided to Itinera S.p.A. by companies controlled by parent companies for EUR 2.2 million, of which EUR 1.5 million from Gale S.r.l.;
  - services provided to Itinera S.p.A. by jointly controlled and associated companies for EUR 14.5 million, of which EUR 12.7 million from Consorzio Cannello-Frasso Telesino and EUR 1.3 million from Tunnel Frejus S.c.ar.l.;
  - amounts posted by Società Attività Marittime S.p.A. to the associated company Darsene Nord Civitavecchia S.c. a r.l. for EUR 3.9 million;
  - amounts posted by SATAP S.p.A. for EUR 5.4 million to the associated company Aurea S.c. a r.l.;
  - services provided to Autostrada dei Fiori S.p.A. by joint ventures and associated companies for EUR 4.6 million, of which EUR 3.4 million from Tecnositaf S.p.A. and EUR 1.2 million from RO.S.S. - Road Safety Services S.r.l. (formerly OK-GOL S.r.l.);
  - services provided by the jointly controlled company Consorzio Costruttori TEEM to the associated company Lambro S.c.ar.l for EUR 1.5 million;
- other payables and contract liabilities for EUR 96.1 million, of which:
  - EUR 9.3 million related to debt positions of Itinera S.p.A. towards the company subject to the control of the parent company Argo Finanziaria S.p.A. for the acquisition of the equity investment in Tubosider S.p.A.;
  - EUR 78.7 million related to payables of Itinera S.p.A. to jointly controlled and associated companies (EUR 19.8 million to CMC Itinera JV S.c.p.A., EUR 19.2 million to Letimbro S.c.ar.l., EUR 7.5 million to Cervit S.c.ar.l., EUR 7.4 million to Tunnel Frejus S.c.ar.l., EUR 5.5 million to Aurea S.c.ar.l., EUR 5.3 million to Consorzio Cannello-Frasso Telesino, EUR 5.1 million to Consorzio Costruttori TEEM, EUR 4.2 million to Malco S.c.ar.l., EUR 1.9 million to SP01 S.c. a r.l. and EUR 1.2 million to Colmeto S.c.ar.l.);
  - EUR 4.5 million related to payables of Società Attività Marittime S.p.A. to the associated companies (in particular to Mose Bocca di Chioggia for EUR 2.9 million and Mose Treporti for EUR 1.2 million);
  - EUR 1.3 million related to payables of Itinera Construcoes Ltda to Concessionaria das Rodovias Ayrton Senna e Carvalho Pinto S.A. - Ecopistas, Concessionaria Ecovias dos Imigrantes S.A. and Concessionaria Ponte Rio-Niteroi SA - Ecoponte, subsidiaries of Ecorodovias Infraestrutura e Logistica S.A.





## INCOME STATEMENT

(€ '000s)	2020	Parent companies	Subsidiaries of parent companies	Jointly controlled and associated companies	Other related parties (1)	TOTAL RELATED PARTIES	% IMPACT OF FINANCIAL STATEMENT ITEMS
<b>Revenue</b>							
motorway sector – operating activities	1,045,600	-	-	-	-	-	0.0%
motorway sector – planning and construction activities	392,213	-	-	-	-	-	0.0%
EPC sector	951,545	-	4,739	72,377	2,557	79,673	8.4%
EPC sector – planning and construction activities	9,306	-	-	-	-	-	0.0%
Technology sector	16,387	-	1,464	1,414	-	2,878	17.6%
Other	67,270	82	213	11,457	56	11,808	17.6%
<b>Total Revenues</b>	<b>2,482,321</b>						
Payroll costs	(442,099)	-	-	-	(1,696)	(1,696)	0.4%
Costs for services	(1,107,866)	-	(3,861)	(81,598)	(3,369)	(88,828)	8.0%
Costs for raw materials	(231,830)	-	(7,300)	(15)	(210)	(7,525)	3.2%
Other Costs	(154,016)	(3)	(198)	(51)	(3)	(255)	0.2%
Capitalised costs on fixed assets	1,274	-	-	-	-	-	0.0%
Amortisation, depreciation and write-downs	(227,179)	(489)	(525)	(559)	-	(1,573)	0.7%
Adjustment of the provision for restoration/replacement of non-compensated revertible assets	2,951	-	-	-	-	-	0.0%
Other provisions for risks and charges	(30,208)	-	-	-	-	-	0.0%
Financial income:							
from unconsolidated investments	807	-	-	-	-	-	0.0%
other	17,923	-	1	8,725	-	8,726	48.7%
Financial expenses:							
interest expense	(66,286)	(60)	(131)	(144)	-	(335)	0.5%
other	(20,858)	-	-	-	-	-	0.0%
Profit (loss) of companies accounted for by the equity method	(56,288)	-	-	-	-	-	0.0%
<b>Profit (loss) before taxes</b>	<b>168,646</b>						
Taxes	(24,924)	-	-	-	-	-	0.0%
<b>Profit (loss) for the year</b>	<b>143,722</b>						

(1) Amounts inclusive of the relationships and fees related to the Directors, Auditors and other key management personnel of the Group as described in the "Report on Remuneration".

More specifically, the main relationships between the companies of the Group, arranged by items in the financial statements, are the following:

- EPC sector services provided by the Group totalling EUR 79.7 million, including:
  - to companies subject to the control of the parent companies for EUR 4.7 million, provided by Itinera S.p.A., in particular to Codelfa S.p.A. (for EUR 4.1 million) and to Baglietto S.p.A. (for EUR 0.6 million);
  - to jointly controlled and associated companies for EUR 44.9 million provided by Itinera S.p.A., in particular to Consorzio Canello-Frasso Telesino for EUR 23.1 million, to Aurea S.c.ar.l. for EUR 12.1 million, to SITAF S.p.A. for EUR 3.2 million, to SP01 S.c. a r. l. for EUR 1.8 million, to Cervit S.c. a r.l. for EUR 1.6 million and to Tessera S.c. a r.l. for EUR 1.4 million;
  - to joint ventures and associates for EUR 5.4 million provided by Euroimpianti S.p.A., in particular to Tessera S.c. a r.l. for EUR 2.1 million, to Cervit S.c. a r.l. for EUR 1.5 million and to IGEA Romagna S.c. a r.l. for EUR 1 million;
  - to joint ventures and associates for EUR 19.6 million provided by Itinera Construcões LTDA, in particular to Concessionaria Ponte Rio-Niteroi SA - Ecoponte for EUR 7.4 million, to Concessionaria de Rodovias Minas Gerais Goias S.A. (MGO) for EUR 5.4 million, to Concessionaria Ecovias dos Imigrantes S.A. for EUR 4.7 million and to Concessionaria das Rodovias Ayrton Senna e Carvalho Pinto S.A. - Ecopistas for EUR 1.7 million;
  - to jointly controlled and associated companies (for EUR 2 million) provided by SINA S.p.A., in particular to Aurea S.c.ar.l., SITAF S.p.A. and Colmeto S.c.ar.l.;
  - to other related parties for EUR 2.6 million provided by Itinera S.p.A., in particular to Sviluppo Cotorossi S.p.A.
- IT support services provided by Sinelec S.p.A. (technology sector) for EUR 2.9 million, of which EUR 0.7 million to ASG S.c.ar.l. and EUR 0.7 million to SITAF S.p.A.;
- other services totalling EUR 11.8 million, of which:



- EUR 6.7 million related to services provided by SATAP S.p.A. to the associated company Aurea S.c.ar.l.;
- EUR 4.8 million relating to services provided by group companies or cross charges to joint ventures and associates (Cervit S.c. a r.l. for EUR 0.9 million, CMC Itinera JV S.c.p.A. for EUR 0.7 million, EcoRodovias Infraestrutura e Logística S.A. for EUR 0.6 million, Tessera S. c.ar.l. for EUR 0.4 million, Tunnel Frejus S.c.ar.l. for EUR 0.4 million, SITRASB S.p.A. for EUR 0.3 million, Ecorodovias Concessões e Serviços S.A. for EUR 0.3 million, Consorzio Cancell-Frasso Telesino for EUR 0.3 million and SITAF S.p.A. for EUR 0.2 million);
- costs for services for EUR 88.8 million mainly related to:
  - provision of services provided by the companies controlled by the Parent Company for EUR 3.9 million, of which EUR 3.5 million from Autosped G S.p.A.;
  - services from jointly controlled and associated companies totalling EUR 81.6 million, in particular from Consorzio Cancell-Frasso Telesino (EUR 21.5 million), Cervit S.c.ar.l. (EUR 11.4 million) and Tessera S.c.ar.l. (EUR 8 million), from Aurea S.c.ar.l. (EUR 5.5 million), from Tunnel Frejus S.c.ar.l. (EUR 4.3 million), from CMC Itinera JV (EUR 3.9 million), from SP01 S.c. a r. l. (EUR 3.3 million) and from Malco S.c.ar.l. (EUR 2.6 million) in favour of Itinera S.p.A.; from Tecnositaf S.p.A. (EUR 3.4 million) and RO.S.S. - Road Safety Services S.r.l. (formerly Ok-Gol S.r.l.) (EUR 3.3 million) in favour of Autostrada dei Fiori S.p.A.; from Aurea S.c.ar.l. in favour of SATAP S.p.A. for EUR 5.4 million; from IGEA Romagna S.c. a r.l. (EUR 1.7 million) and from Galeazzi Impianti S.c. a r.l. (EUR 1.7 million) in favour of Euroimpianti S.p.A.; Smart Mobility Systems s.c. a r.l. (EUR 1.1 million) in favour of Sinelec S.p.A.
- costs incurred for the purchase of raw materials from companies subject to the control of the parent companies for EUR 7.3 million for purchases by Group companies, mainly from Gale S.r.l. for EUR 3.4 million and from Autosped G S.p.A. for EUR 1.8 million and Tubosider S.p.A. for EUR 1.7 million (regarding costs incurred in the first half of 2020);
- financial income from related parties for a total of EUR 8.7 million of which EUR 7.4 million from Tangenziale Esterna S.p.A.

In addition to the above, note that costs for services includes expenses incurred by the ASTM Group for insurance premiums brokered by the related company PCA. S.p.A. totalling EUR 18.4 million.

It should be noted that, as reported in the paragraph on "changes in the scope of consolidation", the ASTM Group acquired the Tubosider Group in the second half of 2020; the income statement figures of the related parties therefore show any costs and revenues that the companies belonging to the ASTM Group incurred with regard to the companies belonging to the Tubosider Group during the first half of 2020.

#### Other related-party transactions

- the company Itinera S.p.A. purchased 9,000,000 shares of Tubosider S.p.A. from Argo Finanziaria S.p.A. (equal to 90% of the share capital), for a countervalue of EUR 11.9 million;
- the company Sinelec S.p.A. sold a property owned for a total value of EUR 2.5 million to the leasing company Alba Leasing S.p.A., which granted it on a finance lease basis to OMT S.p.A.

It is also noted that the subsidiaries SINA S.p.A. and ATIVA S.p.A. held 2,149,408 and 21,500 shares respectively of the Parent Company ASTM S.p.A. as at 31 December 2020.

In addition to what is shown above, there are relationships between the businesses of the Group concerning transactions in the system that interconnects motorway tolls.

The transactions indicated above were carried out under normal market conditions.



Pursuant to Art. 2391-bis of the Civil Code, note that – on the basis of the general principles indicated by CONSOB as well as corporate governance laws – related party transactions (carried out directly, or through subsidiaries) are carried out on the basis of rules which ensure transparency, as well as substantial and procedural correctness.

#### **(v) Ecorodovias Infraestrutura e Logística S.A.**

With reference to investments in the motorway sector in Brazil as at 31 December 2020, ASTM holds, directly and indirectly (through the company Primav Infraestrutura S.A.), 49.21% of Ecorodovias Infraestrutura e Logística S.A. (“EcoRodovias”). In the Consolidated Financial Statements of the ASTM Group, these investments are accounted for using the “equity method”.

##### **(a) Ecovia – Ecocataratas | State of Paraná**

###### *Leniency agreement with the MPF-PR and other significant events*

Following the police investigation No. 5002963-9.2015.404.7013 conducted by the Federal Prosecutor’s Office of the State of Parana (“MPF-PR”), which merged into the criminal proceeding No. 5003165-06.2019.4.04.7000 before the 23rd Federal Court of Curitiba concerning unlawful conduct committed prior to ASTM’s entry into the share capital of the Brazilian investee by certain former managers and executives of EcoRodovias and its subsidiaries Ecovia Caminho do Mar (“Ecovia”) and Rodovia das Cataratas - Ecocataratas (“Ecocataratas”), on 12 August 2019, the Brazilian investee, Ecovia and Ecocataratas signed a leniency agreement (“*acordo de leniência*”) with the MPF-PR, the terms of which have already been described in ASTM’s 2018 and 2019 Financial Statements (to which reference should be made for details).

In relation to the same, with the publication of the results for the year ended 31 December 2020, EcoRodovias informed the market that the obligations deriving from the leniency agreement had been strictly complied with and that it is about to start carrying out the works that the Brazilian investee and its two subsidiaries had undertaken to carry out; however, in relation to certain works, execution has not yet started solely because the issue of environmental licences is pending. The tariff reduction negotiated with MPF-PR has also been implemented for the full period required and, as a result, tariffs will now revert to contract values. In addition, on 13 January 2021, in a judgment rendered within Case No. 5072227-36.2019.4.04.7000, the 1st Federal Court of Curitiba ratified the leniency agreement; the Brazilian investee, Ecovia and Ecocataratas are therefore only waiting for the terms for a possible appeal to expire in order to be able to consider it *res iudicata*.

Following the signing of the leniency agreement with the MPF-PR, on 31 October 2019, Ecorodovias received a notification from the office of the Comptroller General of the State of Parana (“GCE-PR”) informing it of the commencement of administrative proceedings against it aimed at establishing the liability of the Brazilian investee for unlawful acts committed against the public administration; equal notifications were then received by Ecovia on 1 November 2019 and by Ecocataratas on 4 November 2019. As already reported in ASTM’s 2019 Financial Statements, following these notifications, (i) EcoRodovias and its subsidiaries filed their preliminary defenses; (ii) the MPF-PR received a letter from the GCE-PR requesting it to share the annexes of the leniency agreement; (iii) the MPF-PR, in response to this letter, argued that it was impossible to use the information contained in the leniency agreement to impose sanctions - or in any case other penalties that could have a collateral effect on the companies’ employees - to an extent greater than that already identified in the agreement itself, and therefore requested the State of Parana to confirm in its entirety the terms and conditions of the leniency agreement. With the publication of the results for the year ended 31 December 2020, EcoRodovias reported that, in relation to this proceeding, the companies were informed about the decision of the Accountability Process Committee which, in summary, decided to (i) request the Comptroller General to extend the deadlines for the conclusion of the proceeding; (ii) close the evidence gathering phase so as to be able to formally formulate the charges against the companies



involved; (iii) bring legal proceedings against the companies so as to learn about the technical analysis prepared on the defenses. On 22 June 2020, a motion was filed to object to the closing of the evidence collection phase without the GCE-PR specifying what unlawful conduct was attributable to the companies, let alone indicating the amount of the government's alleged losses. EcoRodovias and its subsidiaries reiterate that the allegations currently made by the GCE-PR are general and based on facts admitted by other concession companies and, for this reason, they will continue to defend themselves in the administrative proceedings.

As already reported in ASTM's 2019 Financial Statements, although the administrative proceedings just described are ongoing, Ecorodovias and its subsidiary Ecorodovias Concessões e Serviços S.A. ("ECS") informed the market on 7 January 2020 (i) that they had become aware of the publication of GCE Resolution No. 67/19, issued by the GCE-PR, by which the temporary suspension of the rights of Ecovia and Ecocataratas to participate in new tenders and to enter into contracts with the public administrations of the State of Parana was ordered; and that (ii) Ecovia and Ecocataratas therefore filed a preliminary injunction to counter GCE Resolution No. 67/19, in view of the impossibility of applying sanctions without the prior conduct of an administrative process that guaranteed the full rights of defense and cross-examination. In relation to this decision of the GCE-PR, with the publication of the results for the year ended 31 December 2020, EcoRodovias announced that the preliminary injunction of Ecovia and Ecocataratas was rejected by the competent judge on the basis that (i) the arguments in support of GCE Resolution No. 67/19 are not imprecise and generic, (ii) the companies involved - in signing the leniency agreement with the MPF-PR - have acknowledged that they have committed illegal acts and (iii) the allegations are based on a criminal investigation conducted by the MPF-PR during which evidence of criminally relevant conduct was collected, thus considering the prerequisites for the GCE-PR's decision to be present. Also with the publication of the results for the year ended 31 December 2020, the Brazilian investee informed the market that, on the one hand, Ecovia and Ecocataratas will appeal the judge's decision and, on the other hand, on 11 December 2020, GCE Resolution No. 78/20 was published in the Official Diary of the State of Parana, by which GCE Resolution No. 67/19 revoked, imposing a temporary suspension of the rights of Ecovia and Ecocataratas to enter into contracts with the State of Parana.

Still in the Financial Statements for the year ended 31 December 2020, and again in relation to developments following the signing of the leniency agreement with the MPF-PR, EcoRodovias disclosed that in August 2020 an ordinary action - this is, specifically, No. 5040685-63.2020.4.04.7000 before the Federal Court of Curitiba - was brought by Ecovia and Ecocataratas in order to challenge the methodology used by the Department of Parana Highway ("DER-PR") in the adoption of "tax assessment notices", based on Resolution No. 003/2019, in order to regulate concession agreements Nos. 076/07 and 073/97. Given the urgent nature of the request by Ecovia and Ecocataratas, a preliminary injunction was obtained against the DER-PR preventing the imposition of any sanction on the concession companies as a result of the tax assessment notices issued, on the basis that there is no doubt in relation to the unreasonable change in the inspection criteria that does not allow the concession companies to take the time necessary to deal with any non-compliance. The preliminary injunction also provides that concession companies may postpone the deposit of penalties already imposed by the authority until after the injunction is issued and that such deposit may be replaced by an insurance guarantee. The DER-PR filed a precautionary appeal against the injunction favourable to the licensee companies; that request was denied. The DER-PR and the State of Parana have therefore filed appeals and the concession companies are currently waiting to be cited to respond to the grounds of appeal.

Also in relation to the scope of contractual regulation of Ecovia and Ecocataratas, in September 2020 two additional actions were initiated - specifically, Ecovia's is No. 5044213-08.2020.4.04.7000 and Ecocataratas' is No. 5044220-97.2020.4.04.7000 and are both pending before the Federal Court of Curitiba - for the purpose of rebalancing the toll losses resulting from the suspension of collection in relation to the suspended axles, in view of the fact that Brazilian Law No. 13103/2015 (so-called Truckers Law) was amended in May 2018 for the purpose of establishing new toll exemptions. Article 17 of the Act now exempts "cargo vehicles that run empty [...] by tolling on axles that remain suspended," expressly providing that this measure "covers federal, state, district, and municipal roads."



Ecovia and Ecocataratas initiated the two actions in view of the fact that this is a supervening and unforeseeable change with direct and immediate effects on the concession agreements granted to them.

Again in relation to the same factual context, in the financial statements for the year ended 31 December 2020, EcoRodovias also disclosed that on 10 November 2020, the Regulatory Agency for Public Delegated Infrastructure Services of Paraná ("AGEPAR") published two decisions in two administrative proceedings, one concerning Ecovia and the other Ecocataratas. In these measures, AGEPAR stated that the current toll values were exceeded and decided (i) to suspend future adjustments; (ii) to cancel the latest contractual amendments; (ii) that it is necessary for the DER-PR to conduct studies aimed at reducing tolls; and (iv) to inform other state authorities and supervisory bodies. Thus, AGEPAR intends to prevent the toll adjustment scheduled for December 2020 and in any event wants to drastically reduce rates to a minimum. Ecovia and Ecocataratas brought proceedings against AGEPAR, alleging (i) the existence of violations in the administrative procedure; (ii) lack of respect for due process of law; (iii) disregard for opponents and failure to comply with the duty to assess administrative decisions; (iv) AGEPAR's lack of jurisdiction to annul contractual rules and the existence of legal obstacles to questioning acts that have already been perfected; (v) the existence of *res iudicata* in several actions that already exist between the parties; (vi) the prescription of the action; (vii) the prohibition of contradictory conduct; (viii) errors in the assessment of the merits of the matter, since the revision envisaged by AGEPAR is based on unreasonable assumptions, which do not take into account the Internal Rate of Return, the contractual provisions and the legal and constitutional provisions related to the intangibility of the economic-financial equation. In the opinion of the concession companies, the Authority's reasoning is also vitiated by serious technical and accounting flaws, which have already been pointed out in various opinions but have not been taken into account by AGEPAR.

Specifically, in the lawsuit filed by Ecocataratas against AGEPAR (and the State of Paraná) - specifically, process No. 5057801-82.2020.4.04.7000 pending before the Federal Court of Curitiba - the concession company was granted an emergency stay of the decision and of all actions that may result from it. In summary, all effects of the decision taken by internal reviews are suspended, including those relating to the need to calculate a new toll base, the request for suspension of toll adjustments and the request for suspension of contractual adjustments. The decision was taken by the competent judge on the basis of the argument that AGEPAR does not have the competence to revise the Internal Rate of Return, because (i) it did not sign the contractual amendments it intends to cancel; (ii) it did not point out any error when it was consulted; (iii) the effects of the additional conditions are substantial and go beyond the setting of the Internal Rate of Return, thus falling outside the scope of its competence; (iv) there is no legal basis to change the contractual structure, the authority having only the task of checking whether the toll adjustment or revision is due; (v) even if it had jurisdiction, AGEPAR should have observed the principle of adversarial proceedings and ensured the defence and should have informed the concession granting authority of its decision.

In the case brought by Ecovia against AGEPAR (and the State of Paraná) - namely process No 5057980-16.2020.4.04.7000 pending before the Federal Court of Curitiba - the concession company obtained a suspension of part of the authority's decision by internal review. Specifically, Ecovia was able to prevent the reduction of the current tolls of the motorways under concession - on the basis of the same legal arguments that supported Ecocataratas' obtaining the injunction - but not the suspension of the annual toll adjustment since the increase in these amounts will produce effects that will directly burden motorway users and increase any toll "surplus".

#### Civil action by the State of Paraná

In the same press release published on 12 August 2019 in which the Brazilian investee informed the market and its shareholders of the signing of the leniency agreement with the MPF-PR, EcoRodovias reported that it had learned of the existence of a civil action initiated on 11 July 2019 by the State of Paraná – through the *Procuradoria General do Estado* ("PGE") – and the State Department of Highways of Paraná against Ecorodovias, Ecovia, ECS, Primav Infraestrutura S.A., Primav Construções e Comércio S.A., C.R. Almeida



S/A Engenharia e Construções, Participare – Administração e Participações LTDA and the *Associação Brasileira de Concessionárias de Rodovias*.

As already reported in ASTM's 2019 Financial Statements (to which reference is made for full details), in this civil action the State of Paraná contests a series of illegal acts allegedly committed before the entry of ASTM into the share capital of EcoRodovias, largely overlapping with those of the leniency agreement signed by EcoRodovias with the MPF-PR, and formulates the following requests: (a) nullity of (i) the process of assigning the concessions that took place in 1997; (ii) concession agreement No. 076/97 of Ecovia; and (iii) all amendments to the same made thereafter; (b) review of the contracts due to an excessive expense that motorway users had to bear, through the payment of damages; (c) reimbursement of the damages deriving from the failure to comply with the contractual obligations; (d) joint and several conviction of the companies summoned to court deriving from the failure to comply with the contractual obligations; and (e) payment of non-material damage.

Specifically, the state authorities identified the total sums of BRL 4,945,904,000.00<sup>1</sup> – as an estimate of the material damages allegedly caused by the illegal conduct, which, according to the line of reasoning of the plaintiff authorities, would correspond to the total revenues made by Ecovia throughout the entire concession – and of BRL 500,000,000.00<sup>2</sup> – as non-material damage – that the companies summoned to court would be required to pay jointly and severally where the Federal Court of Curitiba ruled the accusations made by the State of Paraná as proven. Injunctive measures were also requested against all companies summoned in order to guarantee the future payment of the sums.

In relation to these emergency precautionary requests, EcoRodovias disclosed with the publication of its results for the year ended 31 December 2020 that the MPF-PR intervened in the civil proceedings by filing a memorandum in which it argued that, although the leniency agreement signed with EcoRodovias could not extinguish the civil lawsuit, in any case the information and evidence emerging from the same could not be used against the Brazilian investee and its subsidiaries and that the leniency agreement must prevent unnecessary repressive actions by other authorities. As a result, the MPF-PR opposed the precautionary application against the companies involved and emphasised the need to possibly subtract the value of the leniency agreement in the event that they were unsuccessful in court in the future. Also as a result of this, the judge hearing the case rejected the state authorities' request for injunctive measures, endorsing the arguments of Ecovia (and the other companies involved) and the MPF-PR. In particular, the judge denied the injunctive requests on the basis that the leniency agreement signed by EcoRodovias, its subsidiaries and the MPF-PR, together with the collaborative approach adopted by the concession companies, must be taken into account. The State of Paraná has lodged an appeal against this decision and Ecovia (together with the other companies involved) will now have to present its defence.

As already reported in ASTM's 2019 Financial Statements, it should be noted that when assessing the details of the disputes and the best defensive strategy to take, EcoRodovias appointed two different leading Brazilian law firms to formulate preliminary opinions in relation to the accusations: both opinions received by the Brazilian investee company showed various inconsistencies and clear gaps in the claims of the state authorities and, in particular, one opinion argued that the risk for the companies to pay a part equal to BRL 4,736,699,580.00<sup>3</sup> of the total of the aforementioned possible material damage and for all non-material damage requested by the state authorities was "*remote*". The same lawyers then argued that the risk of payment of the remainder of the non-material damage was "*possible*".

<sup>1</sup> EUR 776 million at the exchange rate on 31 December 2020: 6.3735 EUR/BRL

<sup>2</sup> EUR 78.4 million at the exchange rate on 31 December 2020: 6.3735 EUR/BRL

<sup>3</sup> EUR 743.2 million at the exchange rate on 31 December 2020: 6.3735 EUR/BRL



### (b) Ecovias | State of São Paulo

As already detailed in ASTM's 2019 Financial Statements, on 6 April 2020, Ecorodovias published a Material Fact, informing the market and its shareholders that, on the same date, Ecorodovias, its indirect subsidiary EcoRodovias Concessões e Serviços S.A. ("ECS") and its subsidiary Concessionária Ecovias Dos Imigrantes S.A. ("Ecovias") had signed a civil Non-Prosecution Agreement ("*acordo de não persecução cível*", or, more simply "NPA") with the 3rd Prosecution Office of Public and Social Assets of the State of São Paulo ("MPSP"), against the consensual termination of the investigations PJPP-CAP No. 1.071/2014, 295/2018 and 489/2018.

With the publication of its financial results for the half year ended on 30 June 2020, EcoRodovias emphasised that, based on the terms of the NPA, Ecovias takes on responsibility for a total amount of R\$ 638,000,000.00<sup>1</sup>, divided up based on the agreements between the MP-SP, the *Secretaria de Estado de Logística e Transportes de São Paulo* and Ecovias, of which R\$ 38,000,000.00<sup>2</sup> is to be paid by EcoRodovias. The NPA also includes provisioning for a total amount of R\$ 12,000,000.00<sup>3</sup> deriving from other commitments, which will again be paid by EcoRodovias. The amounts in the NPA relative to additional work to be included in the Ecovias concession contract will be recognised in accordance with the international accounting standards.

In order to allow for the continuation of the activities of Ecovias and support the public's interest, pursuant to the NPA, the MP-SP has undertaken to suspend all civil, administrative or criminal proceedings and investigations – including proceedings pursuant to the Administrative Improbability Act – involving Ecovias and the other EcoRodovias Group companies, in order to avoid imposing further sanctions on those companies in relation to the same illegal events based on the NPA and other information received from the MP-SP.

*At present, the NPA has been submitted for approval by the Superior Council of the Public Prosecution Service of the State of São Paulo ("CS-MP"). Once this approval is obtained from CS-MP, the agreement will also be submitted for approval to the Lower Treasury Court of the Capital of the State of São Paulo.*

For more information, please refer to ASTM's Consolidated Financial Statements for the year ended 31 December 2019.

### (c) Eco 101 | State of Espírito Santo

As mentioned in ASTM's 2019 Financial Statements, with the Material Fact of 12 April 2019 EcoRodovias had informed the market in relation to the criminal investigations currently involving its subsidiary Eco101 Concessionaire de Rodovias S.A. ("Eco101") in the State of Espírito Santo. In particular, the investigations conducted by the Brazilian federal police with the support of the Federal Court of Auditors focus on potential irregularities of the technical reports sent by Eco101 in relation to the motorway stretches within its remit.

With the communication to the market on 12 April 2019, EcoRodovias already reported that (i) it had promptly offered its collaboration with the authorities by sending all requested information and (ii) it had immediately launched its own internal audit to verify the facts under investigation.

In the financial statements for the year ended 31 December 2019, the Brazilian investee company then informed the market and its shareholders of the decision to launch an internal investigation in relation to the events under investigation and that said work would

<sup>1</sup> EUR 100.1 million at the exchange rate on 31 December 2020: 6.3735 EUR/BRL

<sup>2</sup> EUR 6 million at the exchange rate on 31 December 2020: 6.3735 EUR/BRL

<sup>3</sup> EUR 1.9 million at the exchange rate on 31 December 2020: 6.3735 EUR/BRL



be carried out with the assistance of independent external consultants. In particular, their forensic report, prepared by the external professionals appointed, highlighted that (i) no documents were found in support of the investigation assumption that the employees of the *Agência Nacional de Transportes Terrestres* ("ANTT") had known about the stated amendments that Eco101 had allegedly made to the technical reports sent by Eco 101 to the ANTT; (ii) no documents had been found that confirmed the stated illegal relationships between Eco101 and ANTT representatives; and (iii) no proof had been found in relation to the supposed use of those technical reports to obtain loans from the Brazilian Development Bank ("BNDES").

Lastly, in the financial statements for the year ended 31 December 2020, EcoRodovias disclosed that it had analysed and assessed, with the support of leading Brazilian legal and financial advisors, the situation and that, even in the scenario in which the alleged irregularities in the technical reports were proven, the best estimate of the liability in relation to applicable penalties relating to toll discounts was R\$ 72,614,000<sup>1</sup>.

In view of the fact that the federal police investigation is still ongoing and it is not possible to make plausible estimates as to its conclusion, the Brazilian investee is considering negotiating with the competent prosecutor's office (and other competent authorities) so as to be able to close the case definitively.

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<sup>1</sup> EUR 11.4 million at the exchange rate on 31 December 2020: 6.3735 EUR/BRL





## (vi) Public Disbursement Transparency Disclosure

Pursuant to article 1, paragraphs 125-129 of Law 124/2017, as amended by the “Security” Decree Law 113/2018 and the “Simplification” Decree Law 135/2018, we provide the Disclosure on “subsidies, contributions, paid positions and economic advantages of any nature” provided to the Group in 2020 by public administrations or by a series of entities similar to the same<sup>1</sup> with which it has economic relationships:

<i>Disbursing entity</i>	<i>Description</i>	<i>Amount collected in thousands of EUR</i>
Autorità di Sistema Portuale del Mar Ionio - Port of Taranto Trade Port	Grant for the completion of the Taranto port platform	8,824
Italian Revenue Agency	Tax credit for the purchase of capital goods (L 160/2019 - 178/2020)	9
MIT	Progetto Med Tis	346
Fondimpresa	Training courses	176
I.G.R.U.E.	EU EIP project	835
Autonomous Region Valle d'Aosta	Experimental procedure intended to optimise vehicle movement affecting the municipalities of the “Aosta plain” for the purposes of greater fluidity and safety of the traffic and containment of the environmental impact	172
GSE	Photovoltaic grant	57
Customs Agency	Refund of excise duty on diesel fuel (Carbon Tax)	295
Customs Agency	Refund of excise duties for fuel and raw material consumption	24
<b>Total ASTM Group</b>		<b>10,738</b>

It should be noted that following the COVID-19 emergency, the Group benefited from the following subsidy measures:

- “tax credit for sanitation of premises”, for a total of EUR 349 thousand, of which EUR 46 thousand was offset during the 2020 financial year.
- exclusion of IRAP payments for the 2019 balance and the first installment for 2020 (Article 24 of Decree Law 34/2020) for a total of EUR 627.2 thousand;
- non-refundable contributions pursuant to Article 25 of Decree Law 34/2020 for a total of EUR 4.6 thousand.

<sup>1</sup> The parties identified as a source of the payments that require disclosure are:

- public administrations and parties under Article 2-bis of Italian Legislative Decree No. 33 of 14 March 2013;
- subsidiaries, de facto or de jure, directly or indirectly, of public administrations, including companies with shares listed in regulated markets and their investee companies;
- state-controlled companies, including those that issue shares listed in regulated markets and their investee companies



## Certification of the Consolidated Financial Statements pursuant to Article 154-bis Legislative Decree 58/98



## Certification of the Consolidated Financial Statements pursuant to Art. 154-*bis* of Italian Legislative Decree 58/98

- The undersigned Umberto Tosoni as Chief Executive Officer and Alberto Gargioni as Manager in charge of drawing up the corporate accounting documentation of ASTM S.p.A. —Parent Company—also taking into account the provisions of article 154-*bis*, paragraphs 3 and 4 of Italian Legislative Decree no. 58 of 24 February 1998, hereby certify:
  - the adequacy with regard to the characteristics of the business and
  - the actual implementation,of the administrative and accounting procedures for preparing the Consolidated Financial Statements for 2020.
  
- Furthermore, it is attested that:
  - the Consolidated Financial Statements as at 31 December 2020:
    - a) are prepared in compliance with the international accounting standards approved by the European Community pursuant to EC Regulation No. 1606/2002 of the European Parliament and the Council dated 19 July 2002;
    - b) correspond to the books and accounting entries;
    - c) provide a true and correct representation of the equity, economic and financial position of the issuer and all the businesses included in the consolidation;
  - the Management Report contains a reliable analysis of management performance and results of the Company and of all the companies included in the consolidation together with a description of the main risks and uncertainties to which they are exposed.

Tortona, 19 March 2021

Chief Executive Officer

*Umberto Tosoni*

The Manager in charge of drawing up  
the corporate accounting documentation

*Alberto Gargioni*



## Independent Auditors' Report



## ***Independent auditor's report***

*in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010 and article 10 of Regulation (EU) No. 537/2014*

To the Shareholders of  
ASTM SpA

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### ***Report on the Audit of the Consolidated Financial Statements***

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#### ***Opinion***

We have audited the consolidated financial statements of ASTM SpA and its subsidiaries (the “ASTM Group”), which comprise the balance sheet as of 31 December 2020, the income statement, the other comprehensive income, the cash flow statement, the statement of changes in shareholders’ equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the ASTM Group as of 31 December 2020, and of the result of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05.

#### ***Basis for Opinion***

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of this report. We are independent of ASTM SpA (the “Company”) pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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#### ***PricewaterhouseCoopers SpA***

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## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. 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.

<b>Key Audit Matters</b>	<b>Auditing procedures performed in response to key audit matters</b>
<p><b>Evaluation of the recoverability of goodwill and intangible assets referring to concessions (non-compensated revertible assets)</b></p> <p><i>"Valuation criteria", paragraph "Impairment test" and note 1 - "Intangible assets"</i></p> <p>Among the intangible assets of the consolidated financial statements as at 31 December 2020, the ASTM Group recognizes non-compensated revertible assets related to the concessions of the motorway sector, equal to Euro 2,835.8 million, plus Euro 43.9 million of goodwill allocated to them, which together represent approximately 39% of total consolidated assets.</p> <p>Within the ASTM Group, each motorway concession company is an autonomous cash-generating unit, which the business plans of each motorway refer to.</p> <p>The valuation of these intangible assets, and in particular the analysis of their recoverability through the performance of the impairment test, is the result of a process that is significantly affected by the estimates made by management, in particular with reference to expected traffic flows, future investments and to the elements composing the discounting rate.</p> <p>In accordance with the accounting principles and with the impairment procedure approved by the Board of Directors on 8 March 2021 (the</p>	<p>We have obtained the valuation models and documentation used by management to identify any impairment loss in accordance with the Procedure and, also through the support of experts belonging to the PwC network, we have carried out the following main auditing procedures:</p> <ul style="list-style-type: none"> <li>• analysis of the Procedure and verification of the consistency of its contents with the provisions of IAS 36, as well as of its consistent application;</li> <li>• verification of the mathematical accuracy of the models;</li> <li>• evaluation, also through discussions with management, of the reasonableness of the main assumptions underlying the determination of the data included in the models, with particular reference to operating revenues and costs, discount rates, traffic data, tariffs, investments, used to determine the value in use;</li> <li>• verification of the correct determination of the balance sheet carrying amounts of the assets and liabilities attributable to each Cash Generating Unit, including</li> </ul>

“Procedure”), the aforementioned intangible assets have been tested for impairment at the balance sheet date in order to ascertain the possible presence of an impairment loss.

We considered the valuation of the recoverability of non-compensated revertible assets and goodwill as a key audit matter, taking into account the significance of their values and the high degree of judgment necessary for the determination of the main assumptions used in the determination of the recoverable amount.

- goodwill allocated to them, used as a comparison with the recoverable amount; verification of sensitivity analysis.

Finally, our audit procedures included the analysis of the explanatory notes to the financial statements to verify the accuracy and completeness of the disclosure.

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### ***Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements***

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05 and, in the terms prescribed by law, for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Management is responsible for assessing the ASTM Group’s ability to continue as a going concern and, in preparing the consolidated financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the consolidated financial statements, management uses the going concern basis of accounting unless management either intends to liquidate ASTM SpA or to cease operations, or has no realistic alternative but to do so.

The Board of Statutory Auditors (“Collegio Sindacale”) is responsible for overseeing, in the terms prescribed by law, the ASTM Group’s financial reporting process.

### ***Auditor’s 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 International Standards on Auditing (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 the consolidated financial statements.



As part of an audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained 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;
- We obtained 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 ASTM Group's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- We concluded on the appropriateness of management's 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 ASTM 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 auditor's 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 auditor's report. However, future events or conditions may cause the ASTM Group to cease to continue as a going concern;
- We evaluated 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.
- We obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the ASTM 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 on the consolidated financial statements.





We communicated with those charged with governance, identified at an appropriate level as 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 identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report.

#### ***Additional Disclosures required by Article 10 of Regulation (EU) No 537/2014***

On 28 April 2017, the Shareholders' meeting of ASTM SpA engaged us to perform the statutory audit of the Company's separate and consolidated financial statements for the years ending 31 December 2017 to 31 December 2025.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) No. 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed in this report is consistent with the additional report to those charged with governance, in their capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

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#### ***Report on Compliance with other Laws and Regulations***

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#### ***Opinion in accordance with Article 14, paragraph 2, letter e), of Legislative Decree No. 39/10 and Article 123-bis, paragraph 4, of Legislative Decree No. 58/98***

Management of ASTM SpA is responsible for preparing a report on operations and a report on the corporate governance and ownership structure of the ASTM Group as of 31 December 2020, including their consistency with the relevant consolidated financial statements and their compliance with the law.



We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98, with the consolidated financial statements of the ASTM Group as of 31 December 2020 and on their compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure mentioned above are consistent with the consolidated financial statements of the ASTM Group as of 31 December 2020 and are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the ASTM Group and its environment obtained in the course of the audit, we have nothing to report.

***Declaration pursuant to Article 4 of the Consob Regulation implementing Legislative Decree 30 December 2016, No. 254***

The directors of ASTM SpA are responsible for the preparation of the consolidated non-financial statement pursuant to Legislative Decree 30 December 2016, No. 254. We verified the approval of the consolidated non-financial statement by the directors.

Pursuant to Article 3, paragraph 10 of Legislative Decree 30 December 2016, No. 254, this consolidated non-financial statement is the subject of a separate statement of compliance issued by ourselves.

Turin, 26 March 2021

PricewaterhouseCoopers SpA

*Signed by*

Piero De Lorenzi  
(Partner)

*This report has been translated into English from the Italian original solely for the convenience of international readers*



[www.astm.it/en](http://www.astm.it/en)