

FINANCIAL STATEMENTS

20 20



2020 Financial Statements

Milano Serravalle - Milano Tangenziali S.p.A.

Registered Office: Via del Bosco Rinnovato 4/A
20057 Assago (MI)

Taxpayer's ID code, VAT No., Register of Companies No. 00772070157
C.C.I.A.A. 412618

There are no Branch offices

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General information

Notice of Shareholders' Meeting

Call of the Ordinary Shareholders' Meeting

In accordance with the resolution of the Board of Directors, which met on 11 March 2021, the Shareholder is hereby called to an Ordinary Shareholders' Meeting at the company's registered office, in Assago, Via del Bosco Rinnovato no. 4/A, in a single call, at 10:00 a.m. on 28 April 2021, with the following

Agenda

1. **Financial statements as of 31 December 2020. Report of the Board of Directors on operations, Report of the Board of Statutory Auditors and Report of the Independent Auditors: approval and consequent resolutions. Examination of Consolidated Financial Statements;**
2. **Report on Corporate Governance;**
3. **Appointment of the Board of Directors after determining the number of members. Determination of the relative compensation;**
4. **Appointment of the Chairman of the Board of Directors;**
5. **Appointment of the Board of Statutory Auditors. Determination of the relative compensation.**

Pursuant to Article 8 of the Bylaws, the Shareholder is entitled to participate by presenting share certificates in its name or in its possession based on the continuous series of endorsements, or by means of their prior deposit, at least three days before the date set for the Shareholders' Meeting, at the registered office or at the custodian banks.

In the light of the provisions of the Prime Minister's Decree of 8 March 2020 as amended, the meeting will be held remotely. Instructions for the connection will be communicated promptly.

Yours faithfully,

on behalf of the Board of Directors

The Chairperson
Maura Tina Carta, attorney-at-law

Assago, 14 April 2021

Shareholding structure

Shareholders at 31 December 2020

Share capital of €93,600,000, fully subscribed and paid up, with a unit value per share of €0.52. The Company does not hold any treasury shares.

SHAREHOLDERS	Number of shares	%
REGIONE LOMBARDIA	148,328,776	82.40
FNM S.p.A.	24,471,224	13.60
Total	172,800,000	96.00
PARTNERS REQUESTING LIQUIDATION AS PER LEGISLATIVE DECREE No. 175/2016	Number of shares	%
PARCAM S.r.l.	7,199,999	4.00
MILAN-MONZA-BRIANZA-LODI CHAMBER OF COMMERCE	1	0.00
Total	7,200,000	4.000
TOTAL	180,000,000	100.00

Shareholders at the date of approval of the 2020 Financial Statements

SHAREHOLDERS	Number of shares	%
FNM S.p.A. (*)	172,800,000	96.00
Total	172,800,000	96.00
PARTNERS REQUESTING LIQUIDATION AS PER LEGISLATIVE DECREE No. 175/2016	Number of shares	%
PARCAM S.r.l.	7,199,999	4.00
MILAN-MONZA-BRIANZA-LODI CHAMBER OF COMMERCE	1	0.00
Total	7,200,000	4.000
TOTAL	180,000,000	100.00

(*) On 26 February 2021, FNM S.p.A. completed the acquisition of 82.40% of the share capital of the Company from the Regione Lombardia in execution of the sale and purchase agreement signed on 3 November 2020.

Boards, Management, Auditors

Board of Directors

Chairperson	Maura Tina Carta, attorney-at-law
Chief Executive Officer	Mr. Andrea Mentasti
Directors	Ms. Simona Bonomelli Mr. Fabio Fedi Mr. Marco Giovanni Piuri (*)

Board of Statutory Auditors

Chairperson	Mr. Alessandro Fiore (**)
Statutory Auditors	Mr. Francesco Corso (***) Ms. Pinuccia Mazza
Alternate Auditors	Mr. Giovanni Giovannini Ms. Paola Simonelli

Independent Auditors

Ria Grant Thornton S.p.A.

(*) appointed by co-optation by the Board of Directors on 24 September 2020 following the resignation of Director Giovanni Angioni, who had been appointed by private shareholders.

(**) appointed by the Ministry of Economy and Finance

(***) appointed by the Ministry of Infrastructure and Transport

Duration

The Board of Directors was appointed by the Shareholders' Meeting of 31 July 2018 and will remain in office for three financial years, i.e., until the approval of the 2020 financial statements.

The Board of Statutory Auditors was appointed by the Shareholders' Meeting of 31 July 2018 and will remain in office for three financial years, i.e., until the approval of the 2020 financial statements.

The assignment of the Independent Auditors was conferred by resolution of the Shareholders' Meeting of 12 December 2019 on the proposal of the Board of Statutory Auditors, following a public tender and will expire with the approval of the 2021 financial statements.

Network in operation

The network in operation at 31 December 2020, with a total length of 179.1 km, is made up as follows:

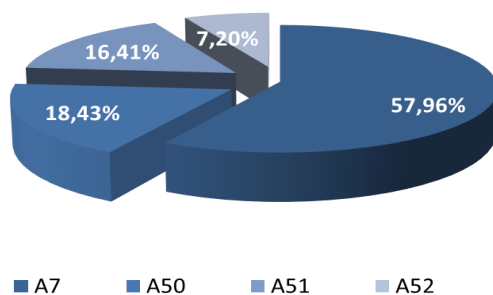
	SECTION	KM
A7	Milan Serravalle Motorway from Milan Piazza Maggi to Serravalle Scrivia	86.3
A53	Bereguardo-Pavia link road	9.1
A54	Pavia bypass	8.4
A50	Milan West bypass Motorway with Fiera Rho-Pero link	33.0
A51	Milan East bypass Motorway	29.4
A52	Milan North bypass Motorway	12.9
	TOTAL	179.1

In particular, there are 124.1 km of network with three lanes in each direction:

- ◆ A7 motorway from Milan to the A26 motorway - Predosa junction (73.1 km)
- ◆ A50 bypass for the entire route excluding the Fiera Rho - Pero link (31.5 km)
- ◆ A51 bypass from the A1 motorway junction to the Agrate barrier (19.5 km)

For the purposes of assessing motorway quality and adjusting toll rates, the current Agreement with ANAS S.p.A. assigns the Company, in terms of development of the network under concession, the A7 Milano-Serravalle motorway sections and the three Milan bypasses for a total of 161.6 km, since no links returned or to be returned to the competent public agency with the relevant provision are included in this context.

The percentage composition of the network under concession is as follows:



The network is interconnected to the main motorway sections in northern Italy:

- A4 SATAP S.p.A., Turin-Milan
- A4 Autostrade per l'Italia S.p.A. (Area 2 office), Milan-Venice
- A8 Autostrade per l'Italia S.p.A. (Area 2 Office), Milan-Laghi
- A1 Autostrade per l'Italia S.p.A. (Area 2 Office), Milan-Bologna
- A7 Autostrade per l'Italia S.p.A. (Area 1 Office), Serravalle-Genoa
- A21 SATAP S.p.A., Turin-Piacenza
- A26 Autostrade per l'Italia S.p.A. (Area 1 office), A7-A26 link road, Predosa Bettole

Main financial statement data

The historical series of the last three reporting periods relating to the main economic and financial data of the Company is shown below. The figures expressed refer to the reclassified schedules in Chapter 1 of the Financial Statements.

in thousands of euros	2020	2019	2018
Paying traffic (in million vehicles/km)	2,117	3,115	3,111
Economic and financial data			
Reclassified production value	178,799	248,895	248,835
Revenues from tolls net of the surcharge	167,787	234,794	234,553
Income from service areas	3,150	4,288	4,259
Gross operating margin (EBITDA)	73,126	145,823	144,438
Incidence % of EBITDA on Production Value	40.90	58.59	58.05
Adjusted EBITDA (*)	81,631	149,418	148,417
Operating profit	27,821	88,207	85,841
Incidence % of O.p. on Production Value	15.56	35.44	34.50
Net profit	4,785	57,848	57,833
Net Invested Capital	731,747	735,514	736,812
Net Financial Position (NFP)	-125,006	-134,847	-195,213
Adjusted NFP (**)	140,848	152,369	216,959
Shareholders' Equity	606,740	600,666	541,599
Adjusted SE (***)	596,148	591,107	533,259
ROE (net result / SE)	0.79%	9.63%	10.68%
ROI (operating profit/net invested capital)	3.80%	11.99%	11.65%
Net cash flow	99,362	-2,089	-25,150
Financial covenant - Adj NFP/Adj EBITDA	1.73	1.02	1.46
Financial covenant - Adj NFP/Adj SE	0.24	0.26	0.41
Asset soundness requirement (current agreement)(****)	N/A	13.63	9.04
Average workforce (no. of units)	609.34	630.18	652.33

Some items from 2018 and 2019 could be reclassified to make them consistent and comparable with those of 2020

(*) indicates the difference between the value of production - letter A items - and the cost of production - letter B items -, excluding costs relating to financial lease payments for leased assets.

(**) indicates the difference between financial debt and the amount resulting from the sum of the items in Assets, letter C, number IV; cash and cash equivalents also include government securities and other instruments for the temporary use of liquidity. Financial debt means: any pecuniary obligation relating to the amount deriving from the sum of the liability items, letter D), numbers 1-2-3-4-5 (including leasing payables) 8-9-10 and 11, the latter three items limited to items of a financial nature, increased by the value of the sureties issued in favour of financial institutions, to guarantee cash loans granted to third parties. Financial Debt deriving from project financing operations is excluded.

(***) indicates the algebraic sum of the items in letter A) of Liabilities net of the restricted reserve for delayed investments, the reserve for late maintenance and net of the reserve for expected cash flow hedges.

Directors' Report on Operations

Letter to the Shareholders

Dear Shareholders,

Before illustrating the results for the year, it should be noted that 2020 was also characterised by the definition of a new shareholding structure for the Company following the desire of the Shareholder Regione Lombardia to begin a process of reorganising its shareholdings. The activity ended on 26 February 2021 with the sale of 82.4% of the Company's share capital to FNM S.p.A.; the latter, considering the 13.6% share already acquired on 29 July 2020, thus holds 96% of the share capital of Milano Serravalle.

This transaction allows for the establishment of a new hub for the management of the "mobility system" in Lombardy that integrates rail transport, local public road transport and motorway infrastructure.

In addition, the transaction also extended its effects to the investee Autostrada Pedemontana Lombarda, as part of the proceeds from the sale of the Company's investment were used by the Regione Lombardia to fully subscribe to the capital increase approved in February 2020 to support its infrastructure project. Regione Lombardia has thus become the controlling shareholder of Autostrada Pedemontana Lombarda S.p.A.

It goes without saying that this initiative is a further contribution to support and underpin the future prospects of the Group, whose ultimate reference Shareholder continues to be Regione Lombardia.

We should also mention the emergency health situation that the country is experiencing, which reached its most acute phase in the second quarter of 2020. The Company ensured the maintenance of operations using agile work and implementing IT tools, both hardware and software, and has also activated the tools made available by the government to support the work such as social shock absorbers, reduction of working hours with the provision of leave and allowances. In addition, in line with the provisions of the various successive Prime Ministerial Decrees on the health emergency, an organisational review was launched for the various operating divisions focused on the progressive reduction of service levels and instructions were adopted to protect employees and at the same time guarantee public service efficiency for users, with the obligation to adopt the hygiene measures set forth by the Ministry of Health.

In this emergency situation, as part of the initiatives to assist and support research against Covid-19, by a resolution dated 24 April 2020, the Board of Directors approved an allocation of €200,000, earmarked for a Mario Negri Institute of Bergamo research program to carry out specific and accurate blood tests to assess the immunological profile against the Coronavirus in the population. The research also aims to develop new approaches that make it possible to quickly and non-invasively assess whether a patient is contagious, without the need for swabs.

Moving on to the results for the year, the financial statements as at 31 December 2020, which we are submitting for your approval, show a net profit of €4,785,250 and shareholders' equity of €606,740,443.

The results were affected on the one hand by the regulatory measures adopted to contain the Covid-19 pandemic, and on the other hand by the adjustment of the value of the investment to the portion

of shareholders' equity held in Autostrada Pedemontana Lombarda, carried out on a prudential basis in light of the new economic and financial projections.

With regard to the effects of the health emergency on the Company's results, it should be noted that the measures which led to the lockdown progressively reduced mobility, causing a significant drop in traffic volumes, which affected light vehicles - cars - more than heavy vehicles; this led to a 28% decrease in the value of production compared to the previous year. On the other hand, expenditure for maintenance work on the motorway network increased significantly, as the related work was favoured by the lower traffic on the infrastructure, so much so that business in 2020 was higher than the conventional commitments in force.

Although the Company closed the year with a result significantly below the previous year due to the problems described above, all economic and financial indicators are positive: in fact, EBITDA amounts to approximately €73 million, the progression of investments amounts to €50 million (€33.5 million as at 31 December 2019) and the net financial position improved by €10 million, demonstrating that the Company was able to consolidate its financial structure, despite the emergency situation.

As regards relations with the Awarding Body, the Company, in order to comply with the legislative provision, proceeded to start the process of updating the Economic and Financial Plan in compliance with the provisions of Resolution no. 69/2019 of the Transport Regulatory Authority and subsequent statements issued by that Authority. The deadline for this process, initially set for 30 March 2020, was later extended to 20 June 2020 due to the measures enacted to address the effects of the Covid-19 epidemiological emergency.

On 18 June 2020, the Company submitted the new proposed updated Economic and Financial Plan to the Awarding Body, and on 29 October 2020 the Company re-submitted a new updated Economic and Financial Plan developed in accordance with further guidance provided by the Awarding Body. The proposed update of the Economic and Financial Plan was sent, specifying, moreover, that sending it would not have entailed any waiver to the justifications and claims put forward in the appeals already pending against the decisions of the Transport Regulatory Authority.

As at the date of this report, there are no further updates from the Awarding Body with regard to the above-mentioned proposal. However, it should be noted that, pending the conclusion of the Plan approval process, the Company has in any event given and continues to give the utmost attention and priority to implementing those measures aimed at ensuring the safety and quality standards of the motorway network under concession, anticipating, where necessary, their implementation.

With regard to Autostrada Pedemontana Lombarda S.p.A., with the effectiveness of Additional Agreement no. 2 and the closing of the long-standing dispute with the Integrated Contractor, the investee started the procedures for the assignment of the executive design and the works for the construction of sections B2 and C of the Pedemontana infrastructure and to seek out the funding (project financing) necessary to finance its construction.

In relation to the equity acquisition, on 28 February 2020 Autostrada Pedemontana Lombarda S.p.A. called the shareholders' meeting to resolve on the proposal for a share capital increase of €350 million, in preparation for the successful outcome of the two above-mentioned procedures. The Company, in its capacity as controlling shareholder, voted in favour of the request and - with the

prior authorisation of its controlling shareholder, which in turn was called to an extraordinary shareholders' meeting - initiated procedures to seek out the necessary financial resources to cover the above-mentioned capitalisation. In July 2020, as part of the project to revise the shareholding structure of its equity investments, the majority shareholder asked to revoke the procedure seeking out the financial resources to be allocated to the share capital increase of Autostrada Pedemontana Lombarda; the approved share capital increase, as mentioned in the introduction, was subscribed by Regione Lombardia, which thus became the new controlling shareholder.

Before closing, also on behalf of the entire Board of Directors, I would like to thank the members of the outgoing Board of Statutory Auditors for the work carried out during their term of office, as well as for the constant control and support provided. Further thanks are also due to all the members of the Company's staff who work with commitment every day, even in this emergency situation.

on behalf of the Board of Directors

The Chairperson
Maura Tina Carta, attorney-at-law

1. OPERATING RESULTS AS OF 31 DECEMBER 2020

1.1 Economic performance

RECLASSIFIED INCOME STATEMENT					
	31/12/2020	%	31/12/2019		Change 2020/2019
Toll revenues	167,787,059	93.84	234,793,102	94.33	-28.54%
Revenues for concessions	3,149,862	1.76	4,287,979	1.72	-26.54%
Other revenues and income	7,861,951	4.40	9,814,381	3.94	-19.89%
PRODUCTION VALUE	178,798,872	100.00	248,895,462	100.00	-28.16%
Maintenance and works related to the motorway infrastructure (*)	-38,014,118	-21.26	-27,290,529	-10.96	39.29%
Labour costs	-40,582,663	-22.70	-45,264,410	-18.19	-10.34%
Operating costs	-27,076,098	-15.14	-30,517,819	-12.26	-11.28%
EBITDA	73,125,993	40.90	145,822,704	58.59	-49.85%
Motorway infrastructure depreciation	-48,000,000	-26.85	-48,000,000	-19.28	=
Other depreciations and provisions	-2,413,126	-1.35	-9,615,649	-3.86	-74.90%
Release of provisions	5,108,034	2.86	0	0.00	-
EBIT	27,820,901	15.56	88,207,055	35.44	-68.46%
Financial income and expenses	-2,338,006	-1.31	-2,449,783	-0.98	-4.56%
Value adjustments of financial assets	-12,992,835	-7.27	-940,671	-0.38	<100
EARNINGS BEFORE TAX	12,490,060	6.99	84,816,601	34.08	-85.27%
Current, deferred and prepaid income taxes	-7,704,810	-4.31	-26,968,364	-10.84	-71.43%
PROFIT FOR THE YEAR	4,785,250	2.68	57,848,237	23.24	-91.73%

(*) reclassified as per the Agreement- Annex F, excluding labour costs

The **production value** at 31 December 2020 amounted to €178.8 million, a reduction of €70.1 million, equal to -28.16% compared to the result recorded at 31 December 2019, following the government measures to contain the spread of Covid-19, which introduced the lockdown, with a consequent reduction in mobility. More specifically, toll revenues, net of the additional concession fee pertaining to the Ministry, decreased by 28.54% compared to 31 December 2019, due to the traffic decrease (-32.02%) registered as from March, also taking into account that the toll adjustment scheduled for FY 2020 was equal to zero. It should be noted that the decrease in toll revenues compared to the decrease in traffic volumes is due to the different percentage of reduction between light and heavy vehicles.

Revenues from concessions also fell by 26.54% due to a reduction in mobility.

Other revenues decreased by 19.89%; the most significant changes compared to the previous year refer to the lower recoveries for the management of the Agrate and Terrazzano barriers, as well as to the reduction in services rendered to Tangenziale Esterna S.p.A. and non-recurring revenues recognised in 2019.

Costs for **maintenance and interventions on the motorway network**, incurred during the year amounted to €38 million, higher than the previous year (+39%), due to increased resurfacing works, favoured by the traffic conditions caused by reduced mobility.

Labour costs, amounting to €40.6 million, were also down 10.34% compared to the cost incurred at 31 December 2019 due to both the reduction in the average FTE workforce and the use during the months of the lockdown of social security benefits and the greater use of paid leave.

Other operating costs decreased by 11.28% overall compared with 2019, primarily due to the reduction in costs attributable to traffic performance, in addition to lower electricity consumption and lower consultancy costs.

The **EBITDA** amounted to €73.1 million, 49.8% down due to the reduction in the production value and the increase in maintenance costs for the motorway network and represents 40.90% of the production value (58.59% as at 31 December 2019).

The **financial amortisation charge**, unchanged compared to 2019, was equal to 48 million and corresponded to that inferred from the current Economic and Financial Plan attached to the Additional Agreement signed on 16 June 2016 and which became effective on 10 March 2017.

Other **depreciation, amortisation and provisions** were lower than the ones at 31 December 2019, due to lower risk provisions made during the period (-75%).

The item **release of provisions**, for the purposes of the reclassified financial statements, has been reported, as for the provisions, after the EBITDA, and refers to the elimination of a portion of what was previously allocated to a specific provision for delayed maintenance, compared to the provisions of the current Economic and Financial Plan, following the authorisation by the Awarding Body, as well as a portion allocated to the provision for future risks and charges following the closure of a dispute with a contractor. It should be noted that no provisions were released last year.

The **operating result** is €27.8 million and shows a decrease of €60.4 million due to the dynamics described above.

Financial performance was negative by €2.3 million, an improvement compared to the previous year (+5%) due to the recognition of notional income from the new loan disbursed during the year, which was recorded at amortised cost.

Value adjustments of financial assets were negative by €13 million and were mainly due to the adjustment of the investment in Autostrada Pedemontana Lombarda S.p.A. to the portion of shareholders' equity held, following the write-down of the value of goodwill.

After taxes of €7.7 million, the **net profit** for the year amounted to €4.8 million.

1.2 Asset performance

RECLASSIFIED BALANCE SHEET					
	31/12/2020	%	31/12/2019	%	Change 2020/2019
Intangible assets	3,334,487	0.46	4,630,454	0.63	-1,295,967
Non-revertible property, plant and equipment	2,117,099	0.29	1,912,173	0.26	204,926
Freely revertible property, plant and equipment	370,979,157	50.70	367,584,141	49.98	3,395,016
Non-current financial assets	426,430,541	58.28	434,543,211	59.08	-8,112,670
Fixed Assets	802,861,284	109.73	808,669,979	109.96	-5,808,695
Trade receivables	39,756,186	5.43	55,628,333	7.56	-15,872,147
Other receivables, prepayments and accrued income	30,699,833	4.20	26,317,006	3.58	4,382,827
Inventories	1,378,449	0.19	1,483,359	0.20	-104,910
Trade payables	-43,238,090	-5.91	-39,421,175	-5.36	-3,816,915
Other payables, prepayments and accrued income	-19,260,528	-2.63	-27,958,108	-3.81	8,697,580
Net Working Capital	9,335,850	1.27	16,049,415	2.17	-6,713,565
Invested Capital	812,197,134	110.99	824,719,394	112.13	-12,522,260
Renewal provision	-42,768,259	-5.84	-42,768,259	-5.81	0
Provisions for liabilities and charges	-23,800,694	-3.25	-30,379,688	-4.14	6,578,994
Provision for impairment of equity interests	-425,934	-0.06	-258,780	0.00	-167,154
Provision for derivative instruments	-5,706,092	-0.78	-7,401,777	-1.02	1,695,685
Severance indemnities provision	-7,749,393	-1.06	-8,397,310	-1.14	647,917
NET INVESTED CAPITAL	731,746,762	100.00	735,513,580	100.00	-3,766,818
Shareholders' Equity	606,740,443	82.92	600,666,474	81.67	6,073,969
Cash and cash equivalents	-152,520,501	-20.84	-53,158,680	-7.23	-99,361,821
Short-term debt	1,526,820	0.21	5,786	0.00	1,521,034
Medium/long-term debt	276,000,000	37.72	188,000,000	25.56	88,000,000
Net Financial Position	125,006,319	17.08	134,847,106	18.33	-9,840,787
THIRD-PARTY ASSETS AND OWN FUNDS	731,746,762	100.00	735,513,580	100.00	-3,766,818

Intangible assets decreased as a result of the amortisation charged to long-term charges - most of which refer to the costs of loans contracted before 2016 - while **Property, plant and equipment not revertible to the awarding body** increased mainly for the fitting out and putting into use of the new vans purchased for the road network and the acquisition of new vehicles for winter maintenance.

Property, plant and equipment freely revertible to the awarding body, net of the related provision for financial depreciation, amount to €371 million, marking a net increase of €3.4 million compared to 31 December 2019, following investments of approximately €51.8 million, including capitalised financial charges of €1.40 million, less financial depreciation of €48 million and less grants received of €0.4 million.

The main investments, net of capitalised borrowing costs, concern the following works set out in the current Economic and Financial Plan:

Completion of IC Segrate road network	€12.5 million
Redevelopment of Provincial Road (SP) 46 Rho-Monza	20.4 million
Other measures to modernise as per sectoral quality standards	17.4 million

Non-current financial assets amounted to €426.4 million and showed a negative change of €8.1 million compared to 31 December 2019.

The loans amounted to a total of €176 million including accrued interest and were granted to the subsidiary Autostrada Pedemontana Lombarda S.p.A., to the investees T.E. S.p.A. and S.A.Bro.M. S.p.A.

Equity interests amounted to €244.2 million (€255.9 at 31/12/2019) and changed for the adjustment of the value of the equity investments in subsidiaries (Milano Serravalle Engineering S.r.l. and Autostrada Pedemontana Lombarda S.p.A.) valued with the equity method, for the write-down of goodwill relating to Autostrada Pedemontana Lombarda S.p.A. and for the write-downs of some equity investments in other companies.

Net working capital was positive at €9.3 million (€16 million at 31 December 2019), with a decrease of €6.7 million. The main changes during the year were as follows:

- ◆ the decrease in the net positive balance deriving from interconnection relations (-€12.5 million);
- ◆ the increase in trade payables, net of advances paid to companies, relating to maintenance and investments (-€2.4 million);
- ◆ lower payables for the concession fee (+€1.6 million);
- ◆ the change in the net balance of the tax position for IRES and IRAP taxes (+€6 million);
- ◆ the change in the net balance for VAT settlement (+€2.3 million).

Shareholders' equity amounted to €606.7 million due to the net profit for the year (€4.8 million) and the adjustment of the negative reserve relating to future cash flows from financing contracts with banks for hedging derivatives (€1.3 million).

The **net financial position** closed with a negative balance of €125 million (€134.8 million at 31 December 2019), with a positive change of €9.8 million; this shows how the Company was able, from a financial point of view, to strengthen its financial structure, in the presence of an emergency situation, through operations to use available funding and optimising management flows.

1.3 Financial performance

ABBREVIATED CASH FLOW STATEMENT		
	31/12/2020	31/12/2019
INITIAL LIQUIDITY	53,158,680	55,247,861
Profit (loss) for the financial year	4,785,250	57,848,237
Income taxes	7,704,810	26,968,364
Other financial income elements	2,338,062	1,774,095
1 - Operating result	14,828,122	86,590,696
Depreciation/provisions	81,198,823	79,387,619
Write-downs/revaluations	12,992,835	940,671
2 - Cash flow before change in the NWC	109,019,780	166,918,986
Change in receivables	15,542,811	-2,271,421
Change in payables	118,593	8,067,116
3 - Cash flow after the change in the NWC	124,681,184	172,714,681
Use of provisions	-38,316,846	-22,709,684
Payment of taxes	-14,147,955	-34,146,892
Payments/cash-in of financial type	-6,054,336	-8,649,964
Cash flow from operating activities (A)	66,162,047	107,208,141
Motorway investments	-53,439,270	-53,645,993
Investments in other fixed assets	-1,017,847	-1,646,955
Investments in equities	-1,150,000	0
Investments in other non-current financial assets	354,561	521,683
Cash flow from investments (B)	-55,252,556	-54,771,265
Loan repayments	-62,000,000	-62,000,000
New loans	150,000,000	0
Grants received	427,648	7,474,012
Changes in payables to banks	24,682	-69
Dividends paid	0	0
Cash flow from investments (C)	88,452,330	-54,526,057
FINAL LIQUIDITY	152,520,501	53,158,680
CHANGE IN CASH AND LIQUID ASSETS (A+B+C)	99,361,821	-2,089,181

Cash and cash equivalents rose by €99.4 million during the year.

The financing sources include:

- ◆ cash flow from operating activities for approximately €66.2 million;
- ◆ the loan received of €150 million;
- ◆ grants received of €0.4 million.

Absorption of liquidity is essentially the result of:

- ◆ the payment of the amount due for the investment activity for €55.3 million;
- ◆ the settlement of the expiring instalments of the outstanding loans for a total of €62 million.

The financial debt situation as of 31 December 2020 is shown below and is prospective with the evidence of the residual available and the related approved purpose.

	Amounts in millions of euros				Expiration	Purpose
	Agreed	Used at 31/12/2020	Available as of 31/12/2020	Residual debt at 31/12/2020		
Term committed line						
UBI Banca-Banco Popolare 2010	90	90	0	37.5	31/12/2025	Investments and equity interests
Banca Nazionale del Lavoro/Monte Paschi di Siena 2010	150	150	0	62.5	31/12/2025	Investments and equity interests
CARIGE - BEI intermediation 2012	20	20	0	10	31/12/2025	investments
FINLOMBARDA S.p.A. loan 2017	40	40	0	16	19/12/2022	refinancing, investments and cash from ordinary operations
INTESA - BNL - UNICREDIT - BANCOBPM - UBI 2019	150	150	0	150	31/12/2026	investments and works related to the motorway infrastructure
Total term - committed line	450	450	0	276		

During the year under analysis and precisely on 13 March 2020 and 12 May 2020, the Company fully utilised the €150 million credit line taken out on 18 December 2019 from a pool of banks consisting of Intesa Sanpaolo, Banca Nazionale del Lavoro, Unicredit, UBI and Banco BPM. The resources resulting from this funding were allocated to making investments and performing interventions on the motorway network.

It should also be noted that the €160 million credit line taken out in 2015 from the banks Intesa Sanpaolo-Unicredit-UBI came to its natural expiry on 31 December 2020.

2. ACTIVITIES IN 2020

2.1 The management of collection and tolls, service areas and other commercial activities

In view of the Covid-19 emergency, collection activities were carried out with the adoption of specific organisational changes, reconciling the need to protect the health of workers with the guarantee of service to users.

Traffic

In 2020, toll-paying traffic recorded a total of 2,117,421,541 vehicles/kilometres travelled, a decrease of 32.02% compared with 31 December 2019.

PAYING TRAFFIC (VEHICLE-KM)					
	2020	%	2019	%	Change
A7 Milan - Serravalle	1,045,161,234	49.36	1,577,939,029	50.66	-33.76%
West Milan	138,157,519	6.52	207,676,760	6.67	-33.47%
Terrazzano	199,995,790	9.45	282,696,413	9.08	-29.25%
Milan Ghisolfa	42,500,222	2.01	59,430,521	1.91	-28.49%
Melegnano tollbooth	33,594,191	1.59	45,362,585	1.46	-25.94%
South Milan	180,454,841	8.52	256,134,083	8.22	-29.55%
A50 West bypass	594,702,563	28.09	851,300,362	27.33	-30.14%
Venice	118,900,730	5.62	174,547,802	5.60	-31.88%
Vimercate	83,948,124	3.96	125,756,592	4.04	-33.25%
A51 East bypass	202,848,854	9.58	300,304,394	9.64	-32.45%
Sesto S. Giovanni	200,999,850	9.49	278,932,470	8.96	-27.94%
Monza	73,709,040	3.48	106,325,550	3.41	-30.68%
A52 North bypass	274,708,890	12.97	385,258,020	12.37	-28.69%
TOTAL	2,117,421,541	100.00	3,114,801,805	100.00	-32.02%

The Covid-19 pandemic and the restrictions imposed on the movement of people and goods implemented as a way to limit the contagion had an extremely strong impact on the traffic recorded on the entire national motorway network.

With reference to the Company's sections, the A7 motorway was most affected by the restrictions and the negative result of 33.76% is due to the travel blocks between Municipalities, Provinces and Regions that occurred throughout the year.

The West bypass recorded a negative result slightly lower than the average (-30.14%): it should be noted that for both the West Milan and the Terrazzano barriers, this result was caused in particular by the reduced tourist traffic from abroad during the summer period, prevented by the travel blocks between States, especially with Switzerland, which reopened its borders only in June, as well as by the uncertainty created by the considerable spread of the virus in Italy.

With regard to the East bypass, it should be noted that the most negative figure was recorded at the Vimercate barrier (-33.25%). With regard to the North bypass, the negative figure shows a greater decrease at the Monza station (-30.68%) than at the Sesto San Giovanni station (-27.94%).

From an analysis of the evolution of traffic for the 2020 financial year, it can be seen that, in terms of mobility, January showed growth of 3.2% compared to the same month of the previous year.

However, as early as February, with the emergence in the second half of the month of the first outbreaks of the Covid-19 pandemic located mainly in Lombardy, the trend in traffic volumes was already negative (-1.06%) to reach, during the full lockdown, a result in April of -81.40%. With the summer, in light of the relaxation of restrictive measures, traffic recovered fairly well compared to 2019, with -10.71% recorded in August. With the arrival of the “second wave” in the last three months of the year and the reintroduction of restrictive measures to combat the spread of the virus, there was a further deterioration in traffic volumes, with a fall of 46.27% in November.

PAYING TRAFFIC (VEHICLE-KM)	2020	2019	Change Month	Progressive Change
January	232,227,745	225,041,847	3.19%	
February	215,964,798	218,286,310	-1.06%	1.10%
March	90,403,553	261,490,836	-65.43%	-23.58%
April	48,647,212	261,491,423	-81.40%	-39.23%
May	108,191,826	266,152,433	-59.35%	-43.57%
June	209,392,789	293,305,878	-28.61%	-40.70%
July	250,113,310	309,614,110	-19.22%	-37.07%
August	220,321,986	246,740,606	-10.71%	-33.95%
September	247,840,792	279,922,636	-11.46%	-31.28%
October	219,200,756	271,214,614	-19.18%	-30.04%
November	129,919,410	241,785,689	-46.27%	-31.40%
December	145,197,364	239,755,423	-39.44%	-32.02%
TOTAL TRAFFIC IN VEHICLE/KM	2,117,421,541	3,114,801,805	-32.02%	

With regard to the breakdown between light and heavy vehicles, the figure stands at approximately 1,584 million Vehicle-km with a decrease of 36.91% compared to the year 2019 for light vehicles, while heavy vehicles recorded a value of approximately 533 million Vehicle-km, equal to a decrease of 11.66%.

The result recorded for heavy vehicles, which is less negative than that recorded for light vehicles, is due to the fact that there were fewer restrictions on the movement of goods than on that of persons.

	2020	%	2019	%	Change
Lightweight	1,584,731,007	74.84	2,511,792,861	80.64	-36.91%
Heavyweight	532,690,534	25.16	603,008,944	19.36	-11.66%
TOTAL	2,117,421,541		3,114,801,805		-32.02%

The following is an analysis of light and heavy traffic for each relevant section.

	2020		2019		Variazione	
	Leggeri	Pesanti	Leggeri	Pesanti	Leggeri	Pesanti
A7 Milano - Serravalle	775.102.486	270.058.748	1.269.495.248	308.443.781	-38,94%	-12,44%
A50 Tangenziale Ovest	439.037.771	155.664.792	677.653.716	173.646.646	-35,21%	-10,36%
A51 Tangenziale Est	164.693.685	38.155.169	256.830.652	43.473.742	-35,87%	-12,23%
A52 Tangenziale Nord	205.897.065	68.811.825	307.813.245	77.444.775	-33,11%	-11,15%
TOTALE	1.584.731.007	532.690.534	2.511.792.861	603.008.944	-36,91%	-11,66%

Toll rates

On 30 December 2019, the Company, having consulted the majority Shareholder, informed the Awarding Body, in order to further extend the user facilitation measures already adopted previously, to suspend the tariff adjustment of 2.62% applicable as of 1 January 2019 and authorised by Decree no. 579 of 31 December 2018.

With reference to the application submitted by the Company in accordance with the provisions of the tariff adjustment agreement for the year 2020, on 31 December 2019, the Ministry of Infrastructure and Transport sent a note to the Company in which it stated that *“having examined the outcome of the investigation of component K and in consideration of the provisions of art. 13 of the “Milleproroghe” Decree of 31 December 2019, the tariff adjustment to be applied with effect from 1 January 2020 is 0.00%”*.

As a result of the above, the Company did not apply any tariff adjustments during 2020.

In October, the Company initiated discussions with the Awarding Body in order to identify the procedures to recover the economic and financial effects of the rate suspension in 2019 and 2020, as well as that of 2021, if the Company opted for a further extension of that suspension.

The Awarding Body responded to the Company’s requests by postponing any decision to the determinations that would be made in relation to the tariff adjustment for the year 2021.

With a note dated 31 December 2020, the Ministry informed the Company that in consideration of the provisions of art. 13 of the “Milleproroghe” Law Decree of 31 December 2020, the tariff adjustment to be applied with effect from 1 January 2021 is 0.00%.

On 1 January 2021, the Company, by virtue of the above, did not apply any toll rate hikes to users and urged - without prejudice to the regulations introduced by the Transport Regulatory Authority - the Ministry to provide information concerning the economic and financial recovery of the suspended 2019 tariff adjustment recognised.

The Awarding Body responded to the request by postponing the recognition of any tariff components suspended in past years to the update of the Economic and Financial Plan, whose equilibrium condition is ensured by the consistency between revenues and costs admitted for the entire residual period of the concession. In relation to this response, the Company ordered the further suspension of the recognised 2019 tariff adjustment until the approval process for the Economic and Financial Plan has been completed.

Tolls

Toll revenues pertaining to the Company, net of discounts applied and the additional fee paid to Anas, came to €167,787,059, down by 28.54% compared to 31 December 2019. This trend can be attributed exclusively to the evolution of traffic and its breakdown, as there has been no tariff adjustment. In particular, the difference of approximately four percentage points with respect to the decrease in volumes recorded during the year in question is mainly due to the different breakdown of vehicles: indeed, heavy vehicles decreased less than light vehicles.

Discounts for motorcyclists with a “*motorbike telepass*” (electronic toll collection) contract remained active in 2020. The amount of these discounts was €45,810.

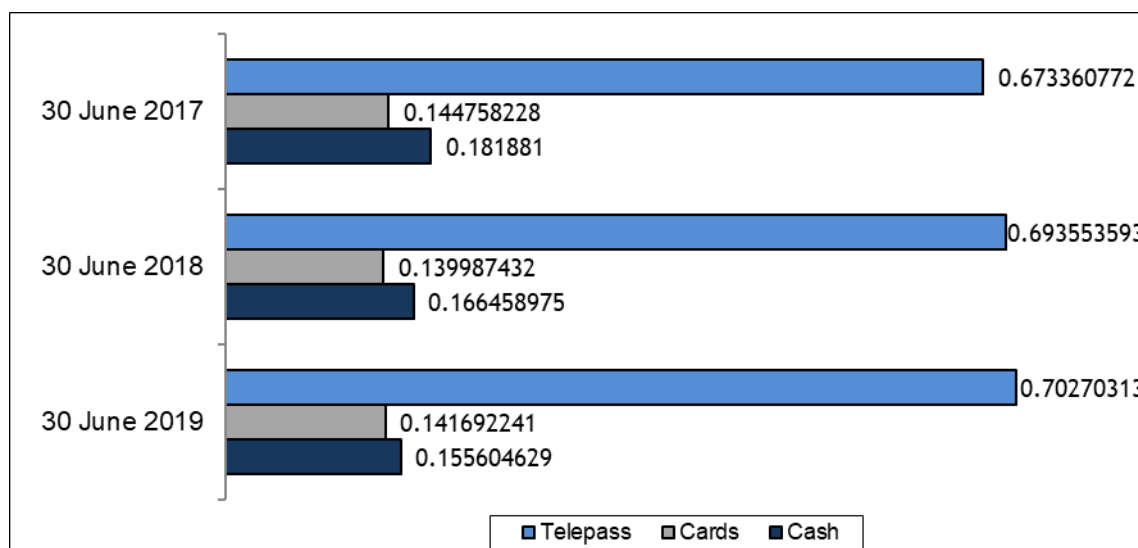
The “Scontami” initiative promoted by the Company continued, which provides for a 25% discount on all transits made in a month by users at the Agrate barriers, in the direction of Vimercate, Sesto San Giovanni and Terrazzano. To take advantage of this facility the user must have passed through one of these collection barriers more than 20 times a month. The amount of this initiative was €364,202. The initiative has been extended to the end of 2021.

During the year, as measures adopted in relation to the health emergency, the Company, in agreement with the Ministry of Infrastructure and Transport and in coordination with the trade association AISCAT, managed the application of the toll exemption (Covid-19 exemption) in favour of health workers involved in the fight against the Covid-19 pandemic, making transits free of charge for this category of workers who contributed on the front lines to the treatment of people who had contracted the virus.

Net Toll Revenues	2020	2019	Change
Toll revenues	184,269,609	257,505,519	-28.44%
Surcharge under Law 109/2009 art.19 and subsequent amendments and additions.	-16,482,550	-22,712,417	-27.43%
NET ACCRUAL TOLLS	167,787,059	234,793,102	-28.54%

of which	2020	2019	Change
Milan Serravalle	61,196,486	87,682,223	-30.21%
West bypass	45,303,139	61,720,775	-26.60%
East bypass	25,950,288	37,332,097	-30.49%
North bypass	35,337,146	48,058,006	-26.47%
NET ACCRUAL TOLLS	167,787,059	234,793,102	-28.54%

The table below presents the breakdown of the various toll payment methods and shows an increasing use of telepass devices to the detriment of other types of payment.



Service areas

During 2020, following the health emergency, there was a reduction in the activities of the operators present in the service areas, which led to a significant drop in the supply of fuel and revenues from catering activities.

During the months of March and April, fuel distributors and catering service management companies at national level repeatedly pointed out to the competent Ministries and to the trade association of motorway concessionaires their economic difficulties in being able to continue to properly provide their services. In sporadic cases, fuel distribution operators autonomously suspended the fuel distribution service, notifying the Prefecture of Milan, their oil company and copying the Company as well. At the request of the Prefecture, the Company replied, pointing out that the closure was considered illegitimate and that it did not approve of the decision made by the service area operator. In line with the agreement reached with the AISCAT association, the Company subsequently entered into negotiations with service area operators aimed at mitigating the effects of the health emergency, proposing to contribute 50% of the expenses incurred to purchase the necessary protective equipment for staff, as well as deferring the payment of the fees due.

As a result of the foregoing, FY 2020 service area revenue declined significantly, recording a decrease of approximately 26% compared to the same period last year.

Fixed payments increased by more than two and a half percentage points (+2.6%) due to the effect of inflation adjustments and, above all, thanks to the new contract entered into with the company BRE Alliance Hospitality Italy Srl, relating to the Holiday Inn Express hotel adjacent to the West Assago service area along Milan's West bypass.

On the contrary, the royalties recognised on the sale of fuel and refreshment and market services suffered a marked reduction in revenue, -37%, due to the health emergency. In fact, the measures put into place to limit the spread of the Covid-19 virus considerably reduced the influx and activity of the service areas, especially during the lockdown period. The effect of the health emergency was rather uniform on the supply of fuels and showed considerable variability for the turnover of refreshment and market activities: the lockdown, by cancelling unnecessary trips (weekends, leisure

trips, etc.), affected the royalties deriving from the areas along the A7 motorway more (-41%) than those along the Milan bypass roads (-35%).

INCOME FROM SERVICE AREA CONCESSIONS PER SECTION							
	2020			2019			Change
	Fees	Royalties	Total	Fees	Royalties	Total	Total
A7 Milan - Serravalle	864,605	616,384	1,480,989	861,160	1,055,930	1,917,090	-22.75%
A50 West bypass	181,780	846,052	1,027,832	156,000	1,375,207	1,531,207	-32.87%
A51 East bypass	104,520	425,568	530,088	104,000	598,320	702,320	-24.52%
A52 North bypass	32,683	78,270	110,953	32,554	104,808	137,362	-19.23%
Total network	1,183,588	1,966,274	3,149,862	1,153,714	3,134,265	4,287,979	-26.54%

As anticipated, the Company signed a new contract with the company BRE Alliance in order to govern the management and maintenance, according to the best motorway standards, of the junctions connecting the Holiday Inn Express hotel to the Assago West service area and to the A50 section - West bypass of Milan, in view of the imminent termination of the agreement with ENI that also included the area, now sold, on which the hotel stands. The new contract provides for a fixed fee of €50 thousand per year; for 2020 only, the Company has recognised a 50% reduction in the fee, as a concrete act of support for the activities of the hotel which, due to the health emergency, was required to close during the *lockdown* period.

Due to the Covid-19 health emergency, the usual compliance inspection by the Ministry of Infrastructure and Transport normally scheduled for April was postponed to the last week of July. The inspections were completed successfully; the ministerial staff did not find any “non-compliance” and did not impose any penalties regarding the maintenance of the service areas.

With regard to the service areas closed to the public, according to the contractual provisions, pending current regulations, before returning the areas to the Company, the outgoing sub-concessionaire will undertake the investigation and any environmental remediation activities; upon delivery of the areas, the Company intends to set up positions on the grounds used for the control of commercial vehicles by the Traffic Police.

As is well known, on 31 December 2018 the service area sub-concession agreements came to an end. Given the complexity of the tender activities, which involve as many as 32 lots, the Company intervened with an initial technical extension of the existing sub-concessions until 30 June 2020. Due to the ongoing “Covid-19” health emergency, several regulatory measures have been issued that affect, inter alia, administrative procedures in general as well as tender procedures, which in fact made it impossible to proceed in time with the finalisation of the tender procedure in question.

For all of the above reasons, considering the current emergency situation - which is completely exceptional and unforeseeable - the Company agreed to extend the existing sub-concession agreements for the service areas subject to the tender until 31 December 2020.

On 9 October 2020, the award measures for all 32 lots subject to the tender became effective and draft agreements were sent to the new successful bidders for review in the first half of December 2020.

Considering the continuation of the Covid-19 epidemiological emergency and that the restrictions imposed as a result inevitably cause delays in the transfer activities between outgoing operators and successful bidders, the Company expressed its willingness to proceed with a technical extension of the existing sub-concessions until 31 March 2021. Following the final awarding of contracts, the activities in preparation for entering into the new Agreements are under way.

Other commercial activities

Advertising installations

During the year 2020, the two contracts were concluded relating to advertising installations on company property.

In particular, on 30 June 2020, the lease agreement for a portion of land located between the junction branch exiting the north carriageway of the A51 and Viale Forlanini in the direction of Linate expired; the procedure for the occupation of this remaining area for advertising purposes will no longer be announced.

Due to the health emergency caused by the Covid-19 virus and the ensuing lockdown that, among its various consequences, particularly affected the advertising sector, the contract for the management of advertising installations in various formats located in service areas along the motorway sections under the Company's responsibility was terminated early by mutual agreement.

Management of the A58 - T.E.E.M. (Tangenziale Est Esterna di Milano) motorway toll collection service

The execution of the collection services carried out on behalf of the A58 - Tangenziale Est Esterna di Milano continued regularly, as provided for in the contract signed on 16 October 2019 with the company Aurea - the consortium company to which the concessionaire Tangenziale Est Esterna entrusted the Operation & Maintenance contract, or the complete management and maintenance of the infrastructure under a global service regime, valid until 31 December 2022.

Management of toll collection services for Autostrada Pedemontana Lombarda S.p.A.

The Company has an agreement for consideration with the subsidiary Autostrada Pedemontana Lombarda S.p.A. to provide certain toll collection services and other activities carried out in service (technical support for information systems and payroll and contribution services). The agreement runs until 31 December 2020. During the Covid-19 emergency and the resulting decrease in traffic, some services were rescheduled until July; after that date, the affected services returned to full capacity.

In January 2021, the agreement was subject to a technical extension, under the same conditions, until 30 June 2021.

2.2 Network management

Maintenance and works related to the motorway infrastructure

During the course of the year, maintenance work began as planned, although it was affected, especially in the first half of the year, starting in March, by the health emergency, which highly influenced its progress.

The lockdown period caused a slowdown in production for certain types of activities, due to the adoption of the necessary safety measures and difficulties in procurement and in the mobility of workers. However, the considerable reduction in traffic volumes on the network allowed for the large-scale execution of interventions the planning of which was extremely limited in ordinary traffic conditions, such as deep pavement restoration interventions that require long and invasive construction sites.

Therefore, as mentioned above, with regard to activities related to pavements, the schedule was revised and deep restoration works were carried out on both the A7 and the A50, as well as all other less invasive interventions aimed at maintaining the necessary network safety conditions. In particular, binder-wearing course and base-binder-drainage restoration works were carried out for 55 thousand square metres on the A50, 94 thousand square metres on the A7 and approximately 3 thousand square metres on the A51. Considering the need to maintain road section divisions during the daytime hours as well, the execution of these interventions in ordinary conditions was scheduled according to a calendar diluted over time during several years, in order to exploit periods of lower traffic during the summer period. The exceptional situation that arose created the conditions for the large-scale execution of these interventions, indispensable for the structural restoration of the pavement, which will allow for significant optimisation of the next surface interventions.

As far as the monitoring and maintenance of the works of art are concerned, the periodic legal checks on the state of conservation and stability of the structures were carried out.

None of the structures are so critical, from a structural standpoint, that immediate safety measures are required. In particular, planned activities were completed on eleven structures on the A50, four structures on the A51 and two structures on the A52.

During 2020, the replacement of expansion joints continued on the entire network, with a particular focus on Milan's West bypass and the A7. In addition, the usual control and scaling operations were carried out on the structures following inspection.

With regard to the interventions aimed at maintaining the efficiency of the protection and signalling systems present on the motorway network, such as vertical signs, horizontal signs, guardrails and fence networks, the Company has carried out all the planned interventions guaranteeing the maintenance of traffic safety conditions.

Similarly, with regard to the systems serving the motorway network and the toll collection systems, all corrective and scheduled maintenance activities were carried out, while part of the updating of some equipment was postponed to the subsequent year due to the delays linked to the health emergency, for the reasons mentioned above.

As far as the management of the winter emergency is concerned, all preventive welding activities were carried out in order to maintain adequate safety conditions for circulation along the entire

network under concession, as well as all the interventions during snowfalls that were necessary depending on the weather conditions encountered according to the company snow plan.

In particular, it should be noted that, compared to a relatively mild start to the year, December turned out to be exceptionally cold and snowy, so much so that production during the month amounted to more than 40% of the entire year, with as many as five snow warnings recorded on the A7, in addition to the exceptional snowfall on 28 December recorded in Milan with accumulations of up to 30 cm over half a day.

Further interventions to maintain the efficiency of the motorway body not included in the previous items, such as, for example, the restoration and cleaning of the platforms, embankments, tiles, the mowing of green areas and emergency intervention in case of accidents, have allowed the maintenance of functional and safety standards appropriate to the characteristics of the infrastructure.

The entire network continued to be affected by unauthorised advertising, with the removal of some installations. It is worth mentioning the constant cleaning of the rainwater disposal tanks, together with soil remediation and verification work carried out in some areas.

On the whole, total production recorded for ordinary maintenance operations was in line with plan forecasts, exceeding the plan in particular for paving, as mentioned above, and the restoration of structures, also in compliance with the requests of the Awarding Body to dedicate increased attention to such activities.

Safety and Accidents

During 2020, the total number of accidents recorded on the network under concession (relating to the A7, A50, A51 and A52 motorways) decreased substantially due to the drop in traffic following the health emergency (-35%) compared to the same period last year. This significant decrease is also reflected in the number of accidents involving injuries (-46.4%) and, in particular, in the reduction in fatal accidents.

The motorway section with the lowest number of accidents (-45.5%) was the East bypass. A significant decrease was also recorded for the West bypass (-36.2%). The other motorway sections marked a decrease of more than 20%.

ACCIDENTS ON THE SECTIONS								
	2020			2019			Change %	
	Total	with wounded	fatal	Total	with wounded	fatal	Total	
A7 Milan Serravalle	239	65	0	327	111	4	-26.91	
A50 West bypass	393	134	1	616	259	0	-36.20	
A51 East bypass	235	89	0	431	178	2	-45.48	
A52 North bypass	182	64	1	239	109	1	-23.85	
Total network	1,049	352	2	1,613	657	7	-34.97	

The accident rate, calculated as the number of accidents per 100 million vehicle-km, declined in 2020 compared to 2019. It stands at 49.54 compared to 51.80 in 2019.

ACCIDENT INDEX: ACCIDENTS/VEHICLES-KM							
	2020			2019			Change
	million vehicles-km	accidents	accident index	million vehicles-km	accidents	accident index	
A7 Milan Serravalle	1,045	239	22.87	1,578	327	20.72	2.14
A50 West bypass	595	393	66.08	851	616	72.39	-6.30
A51 East bypass	203	235	115.85	300	431	143.67	-27.82
A52 North bypass	275	182	66.25	385	239	62.08	4.17
Total network	2,117	1,049	49.54	3,114	1,613	51.80	-2.26

Road conditions, traffic assistance

The fundamental activity of assistance to users, 24 hours a day, by traffic wardens has continued. The reliance on the survey of road accidents without injuries by the wardens and road managers was suspended to ensure the safety of wardens, with respect for anti-Covid-19 contagion standards. The traffic wardens in any event provided normal assistance to users and assisted the Traffic Police at various events, as documented in the table below.

In particular, during 2020 the traffic wardens, who are involved in monitoring and interventions on the network, in case of situations requiring the restoration of the motorway network, carried out a total of 9,281 interventions. In detail, the following table shows the interventions divided by type and homogeneous area.

The 32% decline in interventions compared to the previous year is justified by the decrease in traffic due to the epidemiological emergency and the reduction in patrol times linked to the new anti-contagion procedures.

Managed interventions auxiliary to the road system	2020	2019	Change	%
Accident-related events and reports	1,663	2,866	-1,203	-41.97%
Queue reports	280	447	-167	-37.36%
Request for rescue and user assistance	4,574	6,775	-2,201	-32.49%
Other interventions (*)	2,764	3,643	-879	-24.13%
Total interventions	9,281	13,731	-4,450	-32.41%

(*) recovery of materials, abandoned vehicles, removals, information, miscellaneous.

Radio Information and User Information Centre

The Company continued to be committed to providing information and assistance to users in a timely, accurate and efficient manner, through the use of variable message traffic signs, which allow flexibility and timeliness in the provision of information in the event of accidents and/or construction sites and further initiatives through the website, radio agencies and the institutional information service of CISS VIAGGIARE INFORMATI.

During 2020, there were 32,487 events monitored and managed by the Radio Information Centre.

In detail, the following table shows the interventions managed, divided by class and homogeneous area.

Interventions managed by Radio Information Centre	2020	2019	Change	%
Accident-related events and reports	2,046	10,187	-8,141	-79.92%
Queue reports	3,379	6,504	-3,125	-48.05%
Request for assistance and user assistance (*)	10,549	15,789	-5,240	-33.19%
Other interventions (**)	16,513	19,232	-2,719	-14.14%
Total interventions	32,487	51,712	-19,225	-37.18%

(*) roadside assistance, doctor and fire brigade

(**) works, closures, damage to structures, weather events, PMV warnings, hazards

It should be noted that, again in relation to the epidemiological emergency and the resulting reduction in traffic, the events managed by the Radio Information Centre experienced a decline of 37.18%.

With the planning of the 2020/2021 winter season, in relation to the development in an urban area of Milan's bypasses, with the function of connecting the main motorway and suburban routes and, in the event of an accident, the resulting repercussions on the road network in the bordering sections as well, the obligation to be supplied with winter equipment was extended, through a dedicated ordinance, along the entire network. This indication has also been implemented by neighbouring concessionaires in order to ensure greater transit safety during snow events.

In 2020, the Company again continued its collaboration with Regione Lombardia by signing on to a protocol with a group of operators working in the transport, energy and telecommunications sectors on the Lombardy territory which have committed to creating collaboration tools to define actions, methods and timing for making the infrastructure system more efficient.

Customer satisfaction survey activities

In February 2020 through 1,001 telephone and online interviews, Astra Ricerche carried out a customer satisfaction and quality assessment survey of the services offered in accordance with ISO 9001:2015. The survey was performed using recognised CATI (telephone interviews) and CAWI (web interviews) methods on a sample of 18-65 year-old drivers of cars, motorcycles or other vehicles, resident in municipalities close to the sections of interest, as well as users in the last three months of motorway sections belonging to the Company. Overall, the satisfaction index expressed by the sample was more than positive.

In order to analyse customer satisfaction, the main quality components were considered: paving, signage, toll collection, emergency management, information services, service areas, courtesy points, road safety and environmental sustainability.

Excellent assessments were expressed with regard to some of the initiatives implemented by the Company, particularly the possibility to easily make a missed payment online and the promotional initiative *Scontami*.

The image profile of the Company is good, and it is recognised as being important for the transport of people and goods in Lombardy and Northern Italy.

Customer satisfaction and customer perceived quality assessment surveys will also be carried out over the next two-year period 2021-2022.

2.3 Investments

The impact of the health emergency on investment activities was limited to the suspension of activities for a few weeks, necessary for the adoption of containment measures. Subsequently, activities resumed and continued with adequate production although, in some cases, they were influenced by the effect of safety measures on the execution of certain activities.

The total amount of expenses incurred for investments in 2020 was €50.4 million, net of capitalised borrowing costs.

The progress of work at 31 December 2020 is summarised in the table below; investments are stated in order of value:

Motorway	Investments	Contractor	Status	Investment amount in Euro millions		Work progress
				QE Amount (*)	of which works	as of 31/12/2020
A52 North bypass	Redevelopment of SP 46 Rho-Monza: from the North bypass to the built-up area of Baranzate	R.T.I. Grandi Lavori Fincosit S.p.A. / Collini Lavori S.p.A. / Costruzioni Edili Stradali e Fognature S.r.l.	in progress	258.5	169.6	67.4%
A51 East bypass	Access roads to the intermodal centre in Segrate - Completion lot	R.T.I. Collini Lavori S.p.A. / S.G.F. - I.N.C. S.p.A. / Costruzioni Edili Stradali e Fognature S.r.l.	in progress	70.7	57.5	87.6%
A50 West bypass	Adaptation of traffic island and lateral guardrails and lighting of the West bypass	CAR Segnalatica Stradale S.r.l.	in progress	54.3	39.5	80.6%
A50 West bypass	Extraordinary maintenance works on the Rho viaduct	R.T.I. Preve Costruzioni S.p.A./ICG S.r.l./TLS S.p.A.	in progress	4.9	3.2	46.2%
A52 North bypass	Adaptation of safety and noise blocking barriers in southbound carriageway from pk0+647 to pk1+223	R.T.I. Preve Costruzioni S.p.A./ICG S.r.l./TLS S.p.A.	in progress	2.0	1.4	27.8%

(*)Amount updated on the basis of the additional variant report no.2

A52 - Redevelopment of SP 46 Rho-Monza: from the North bypass to the built-up area of Baranzate

From October 2019, work resumed and continued until the onset of the health emergency. As a result of the emergency period, it was suspended for approximately one month. Following the definition of safety procedures and the acquisition of the necessary safeguards, activities resumed, with an update of the completion deadlines imposed as follows:

- ◆ Lot 1 - opening of both motorway carriageways by 1 October 2021;
- ◆ Lot 2 - opening of both motorway carriageways by 17 February 2022;
- ◆ Completion of works, including coplanar works, by the end of November 2022.

It should be noted that the lead contractor Grandi Lavori Fincosit was admitted to the composition with creditors procedure on a going concern basis and that the composition plan was approved by the creditors.

During the year, the demolition of the overpass to the FNM railway network in Novate was completed, which will allow for the immediate start of preparatory works for the construction of the second jacked structure. Following the demolition of the former SS44 viaduct, construction of the missing part of the new motorway viaduct began. The works also focused on the installation of noise barriers, including the Paderno Dugnano “sound tunnel”. The coplanar road linking the municipalities of Paderno Dugnano and Bollate was also completed and opened to traffic.

As part of expropriation activities, at 31 December 2020, 98 had been reached on a total of 113 cases to settle the expropriation procedure and 59 agreements had been reached on a total of 72 cases to settle the interference resolution procedure.

Contacts continued with the Metropolitan City of Milan for the definition of ownership of the areas under the responsibility of the Company, corresponding to the original route of the SP 46 Rho-Monza, now affected by the new motorway infrastructure.

Given the extension of the works and the need to prolong the terms of occupancy and the implications related to the health emergency proclaimed throughout the country, the Company requested and obtained from the Awarding Body, pursuant to Article 13 of Presidential Decree no. 327 of 08.06.2001, the extension of the period of validity of the declaration of public utility.

The process already started of releasing temporary occupation areas no longer necessary for the progress of work continued.

A51 - Renovation of the Lambrate junction, link to the Cassanese road and completion of the road network for the intermodal centre in Segrate

Following the inspection procedure initiated in 2018 by the National Anti-Corruption Authority (ANAC), in September 2019, a communication was received containing the outcome of the findings and indicating the initiation of the investigation pursuant to the current Procurement Code, raising a number of critical technical, legal and economic issues in relation to the work in question. The Company, through the company departments involved and with the support of the appointed legal counsel, submitted its final counterarguments in September 2020.

Finally, in July, the Ministry of Infrastructure and Transport issued the decree on the approval of the technical variant and final adjustment report. The technical-administrative inspection in the relationship between the Concessionaire and the Awarding Body is nearing completion.

A51 - Access roads to the intermodal centre in Segrate - Completion lot

In relation to the health emergency in March 2020, work was suspended for a few weeks in order to allow for the fine-tuning of safety procedures and the acquisition of the necessary materials for containment. Work then resumed in accordance with the new provisions.

At the end of June 2020, after approval by the Administrative Body, the expert’s report no. 2 on the technical and supplementary variant was sent to the Ministry of Infrastructure and Transport; the Company is waiting for the approval to be issued.

In September 2020, the new ordinary road connecting Via Redecesio and the “Sacro Cuore” complex was completed and opened to traffic.

The completion of the works updated to the second variant report is scheduled for the end of June 2021.

A53 - Fitting-out of the Pavia-Beregardo motorway link road and extension of the Bereguardo tollbooth

The investment involves the redevelopment of the motorway link that connects the A7 motorway to the Pavia bypass (A53), with the modernisation of the road safety devices, the redevelopment of the slow lane and the simultaneous extension of the Bereguardo toll booth, as well as a series of complementary environmental works.

On 6 March 2020, the completion of the works was certified and, subsequently, the final account was issued. The technical-administrative inspection operations are in progress.

A50 - Adaptation of traffic island and lateral guardrails and lighting of the West bypass

The subject-matter of the contract is the replacement of guardrails with a type in line with current regulations, the replacement of lighting poles at the junctions in the central traffic divider (and therefore in a position interfering with the deformation space of the guardrails) with light towers located in the areas enclosed by the ramps.

When the health emergency took place, in relation to the significant reduction in traffic on the A50 during that period, it was possible to carry out some significant construction work originally planned for the summer. Work is scheduled to be completed in February 2021.

In October 2020, in the context of the lawsuit brought by the contractor in 2018 for the recognition of the reserves recorded for a total of €62 million, the Company signed a settlement deed that recognised a total of €7 million, to definitively settle the reserves and close the lawsuit.

A50 - Extraordinary redevelopment of the Rho viaduct.

The intervention concerns the works necessary for the upgrading and safety of the Rho viaduct of Milan's West bypass between the km 2+001 and the km 2+337.

The work was delivered in the early days of January 2020 with completion contractually scheduled for April 2021.

As a result of the emergency period, activities were suspended for about a month, in order to define safety procedures and acquire the necessary safeguards, and resumed with an updated end date of May 2021.

As of 31 December 2020, most of the planned restoration activities on the deck soffit had been completed. On the northbound carriageway, more than half of the supports were replaced and the extrados was worked on.

Interference resolution activities were also managed with the systems present in the work area, and the necessary coordination was implemented with RFI for the management of work on the overpass spans of the railway network.

A52 - Upgrading of the noise barriers and guardrails on the section between the kilometres from 0+647 to 1+223 on the southbound carriageway

The subject of the contract is the adaptation of the noise barriers and guardrails in the section between the kilometres from 0+647 to 1+223 on the southbound carriageway, through the complete demolition of the existing barrier and replacement with a new integrated barrier, after the complete reconstruction of the foundation kerbs, including the right-hand side kerb of the existing viaduct over Via Di Vittorio, in the Municipality of Sesto San Giovanni.

Following an open procedure, the works were awarded on 29 May 2020 and the delivery of the works took place as a matter of urgency, pursuant to the former Article 32 paragraph 8 of Legislative Decree 20/2016, on 7 September 2020.

As of 31 December 2020, environmental sampling and removal of the existing barrier has been completed and work has begun on the new foundation kerbs.

The completion of the works, based on the contract duration, is scheduled for 13 April 2021.

A52 - Enhancement of the junction branch between A4 dir. To and A52 dir. Rho - 2026 Olympics

The intervention is included in the “context works” for the Milan - Cortina 2026 Winter Olympics and in the “*Programme of economic recovery interventions*” approved by the Council of Regione Lombardia for which it has provided full funding.

The Company included the intervention in the proposed Economic and Financial Plan and, pending the completion of the approval process, began to draft the technical and economic feasibility project of the intervention to upgrade the junction of Monza Sant’Alessandro along Milan’s North bypass.

2.4 State of progress of litigation and other legal issues

The disputes pending with judicial authorities are mainly related to issues linked to contracts and tenders, expropriations and claims for damages of various kinds.

As is well known, the year 2020 was characterised by the emergency situation linked to the pandemic, which also had an impact on the dispute resolution procedure, leading to the postponement of many hearings and/or the postponement of expert and out-of-court activities. At the same time, there was a decrease in the number of disputes initiated, particularly in the period from March to May during which no new disputes were lodged, while in the final months of the year activity picked up again.

In 2020, 53 disputes were settled. The main disputes that were **resolved** and whose effects, if any, are reflected in these financial statements, are discussed below.

◆ *Disputes relating to tender procedures*

Lombardy Regional Administrative Court (Gen. Reg. 968/2018) - Elettrica System

The lawsuit was filed by the opposing party for the cancellation of the decision to award the contract for plant maintenance work; the ruling confirmed the outcome of the assignment ordered by the Company.

Lombardy Regional Administrative Court (Gen. Reg. 2702/2019) - Nivi Credit

The economic operator claimed that there was no invitation to submit bids, for rotation purposes, in relation to the procedure for the assignment of the toll collection service. The Regional Administrative Court confirmed the legitimacy of the Company's actions.

Lombardy Regional Administrative Court (joined cases Gen. Reg. 2898/2018 - Gen. Reg. 2900/2018) - API -IP

These are two disputes brought by the same operator against certain clauses in the call for tenders for the assignment of oil and non-oil service area lots. The assignments made in the current year removed the interest of the operator who has withdrawn from the proceedings.

◆ **Disputes concerning expropriations**

Council of State (Gen. Reg. 3696/2015) - ANAS - Orlandi Catullo

The ruling was issued in the case brought by the Company against a private owner and Anas, concerning the appeal against an unfavourable judgement of the Lombardy Regional Administrative Court, which sentenced the Company and Anas jointly and severally to pay damages for the unlawful transformation of the private area (occupied and transformed by Anas in the sixties, with an expropriation procedure that was never completed in relation to the works for the construction of the Pavia Bereguardo motorway link). The ruling established that Anas is responsible for rectifying the acquisition of the area, without prejudice to the Company's responsibility to pay part of the indemnity. Consequently, the administrative dispute is closed and relations with ANAS may give rise to litigation in relation to the latter's request for co-payment of the expropriation indemnity. The Company ordered ANAS to settle the acquisition procedure, also notifying the Ministry.

Court of Appeal (Gen. Reg. 956/2017) - Pegorer

After years of proceedings at the three levels of the legal system and the subsequent referral ordered by the Court of Cassation, a dispute concerning an expropriation relating to works carried out in the 1990s by a construction company in which the Company held an interest and which was later taken over by the Company has come to an end. The age of the litigation and the tenacity of the expropriated party in the court case were matched by a ruling that extremely limited the opposing party's claims.

◆ **Litigation concerning environmental issues**

Council of State (Gen. Reg. 10008/2019) - Municipality of Pavia

In June of this year, the Council of State issued a ruling upholding the appeal filed by the Municipality of Pavia against the decision handed down by the Regional Administrative Court that confirmed the local government's liability for the pollution identified in certain areas now owned by the Company, used in the years 1968-1970 as a landfill site, as well as against the investigation report drawn up by the Forestry Department. As a result of the ruling, the Company will ask the Province of Pavia to renew the procedure to identify the party liable for the pollution, initially identified as the Municipality of Pavia.

Lombardy Regional Administrative Court (Gen. Reg. 1500/2019) - Azienda Agricola Bonetti

The lawsuit brought by an operator against the order for the demolition of a shed partly falling within a buffer zone ended negatively for a local authority. The Company requested that the Local authority remove the building permit based on internal review.

Court of Cassation (Gen. Reg. 9901/2019) - CAMM

The dispute concerning the restitution of areas following the expiry of an agreement for their use was definitively concluded favourably for the Company.

◆ ***Disputes related to contractual execution***

Arbitration - ENI

A settlement was reached in the arbitration dispute initiated against an oil company due to non-payment of a specific royalty item, the effects of which have already been incorporated in these financial statements.

Court of Milan (Gen. Reg. 1195/2019) - CAR Segnaletica S.p.A.

In October 2020, a settlement was signed in relation to the dispute with the contractor for the reserves entered with reference to the “*Adaptation of the traffic island and side guardrails and lighting on the West bypass*” works, amounting to €62 million. The expert witness submitted a settlement for €7,012,993.47 to the parties, which they accepted. The Company has recognised the effects in these financial statements.

Court of Milan (Gen. Reg. 11635/19) - GI.MA.CO. Costruzioni S.r.l.

In February, also following the report of the court-appointed expert that considerably reduced the claims, the Company reached an agreement with the counterparty and abandoned the ongoing litigation concerning the payment of reserves claimed by the contractor of the “*Enhancement and upgrading works on the Gropello Cairoli tollgate*”, for an amount of approximately €4 million. The effects of this agreement have been incorporated into these financial statements.

Court of Milan (Gen. Reg. 40242 /20) - SVAM S.r.l.

In the final months of the year 2020, a lawsuit was filed by the contractor assigned the “*Extraordinary maintenance works of the 6 structures of the A50 West bypass of Milan, located at the A50/A4 Ghisolfa node*”. The claims for the reserves entered amount to approximately €1.8 million. Pending negotiations for an amicable settlement of the case led to an agreement being reached and the case being dropped. The effects of this agreement have been incorporated into these financial statements.

Court of Milan (Gen. Reg. 58273/17) Court of Genoa (Gen. Reg. 15145/2019) - ECOGRID S.r.l.

In relation to the contractor’s lawsuit on the reserves entered for a value of €441 thousand, in the contract relating to the “*Safety enhancement of the Rho viaduct shoulder*”, the expert witness assessed a significantly lower amount. At the end of December, the ruling was filed, recognising to the contractor the amounts estimated by the court-appointed expert, and in any case limiting the opposing party’s claims.

Court of Milan (Gen. Reg. 123/2017) - Consorzio Pedron

On 15 October 2020 the ruling was published in the case lodged by a contractor in order to obtain a ruling on the alleged illegitimacy of the termination of the contract by the Company with the consequent award of charges and damages. The judge ruled that the Company’s actions were legitimate and ordered only the return of a portion of the seized surety.

For the sake of comprehensiveness, in 2019 an agreement was reached for the settlement of the two related cases, brought by the Company in opposition to an immediately enforceable

injunction and order obtained by a contractor for the payment of certificates suspended by the Company for failure to submit receipted invoices of subcontractors. The settlement has been partially executed as the S.c.a.r.l. company incorporated by the temporary consortium contractor began the composition with creditors procedure and therefore these disputes have no reason to be calculated in the relative lists.

◆ **Litigation with the Awarding Body**

Lazio Regional Administrative Court (Gen. Reg. 14221/2014)

An appeal filed by the Company against ministerial decisions concerning the request to submit a previous Economic and Financial Plan, the damaging effect of which was moreover removed by the Awarding Body following such appeal, was settled by peremption due to the failure of the parties to take action.

The main **outstanding** disputes are commented on below, grouped by subject matter.

1 - Disputes concerning expropriations

They are pending in the civil courts because the indemnity aspects linked to the expropriation are being contested.

As part of the redevelopment of the Rho-Monza:

◆ **Court of Appeal of Milan (Gen. Reg. 4289/2017) - Vivai Saldini**

The suspended suit, lodged to obtain payment of the expropriation allowance, has been reactivated. The case was also brought against the Ministry and the latter appealed to the Court of Cassation against the order of the Court of Appeal concerning the requirements for the payment of the tenant's indemnity, on the assumption of the order's nature as decision. The Court of Cassation judges declared the appeal inadmissible and the dispute in the Court of Appeal will be discussed on 3 March 2021. Please recall that the expert witness report was filed and calculated the items deemed recognisable at amounts lower than the claims put forward by the tenant. If the judge accepts the entire amount of the expert report, the Company will in turn assess any possible legitimacy aspects to be raised before the Court of Cassation.

◆ **Court of Appeal (joined cases Gen. Reg. 68/18 and 4930/18) - Fondazione Bellani**

The dispute relating to the acquisition of land subject to expropriation, land that would be part of a real estate transaction for the construction of a complex for commercial use, was discussed at the hearing held on 30 September 2020. A new case had been joined to this "main" case, again by the same expropriated party, at the beginning of 2019, for the residual issue of the occupancy indemnity. The judge ordered a supplemental expert report, and scheduled the hearing on 14 April 2021 for it to be filed. In the second half of 2020, the private party filed a lawsuit with the administrative court (*Lombardy Regional Administrative Court 1565/2020*) for the cancellation of the expropriation decree issued in the meantime and a new lawsuit with the civil court (*Milan Court of Appeal Gen. Reg. 2169/2020*) for the determination of the expropriation indemnity on the assumption of the cancellation of the above-mentioned decree.

◆ **Lombardy Regional Administrative Court (Gen. Reg. 477/19) - Municipality of Bollate and Fondazione Bellani**

The proceedings lodged by the Company in early 2019 to appeal against the decision of the municipality of Bollate, which excluded from the strategic environmental audit the area of transformation, submitted by the operator, whose implementation plan has an impact on the areas subject to expropriation (subject to the indemnity litigation) are still pending. The Company's complaints concern the inclusion, within the scope of the transformation, of the areas on which the public works are located.

- ◆ *Court of Cassation (234/19) - Sforzin Illuminazione*

The Court of Appeal's 2019 ruling awarding expropriation occupancy indemnity for the recovery of a portion already paid by the Company is pending before the Court of Cassation.

- ◆ *Court of Cassation (12917/18) - Cantun Sciatin West Ltd.*

Appeal brought by the counterparty to challenge order of Court of Appeal in relation to liquidated damages. Conversely, the Company disputes some of the items awarded and already paid to the counterparty pursuant to the order.

In relation to other work

- ◆ *Lombardy Regional Administrative Court (Gen. Reg. 509/20)*

This is a case initiated, with an extraordinary appeal, by a private party interested in the retrocession of areas expropriated by the Company, which the private party had requested be retroceded. Such party objects to the issue of the expropriation decree by the Metropolitan city (the decree concerns some land located in Segrate for which the local authority interrupted the retrocession procedure initiated by the Company through the aforementioned expropriation decree). The Company's defence asked that the proceedings be transferred to the Regional Administrative Court.

2 - Disputes relating to tender procedures

The main disputes pending before the Lombardy Regional Administrative Court concern the restricted procedure for the assignment under sub-concession of 32 lots relating to the management of the oil and non-oil service at the service areas along the sections under concession. Moreover, some cases have already been settled.

- ◆ *Lombardy Regional Administrative Court (Gen. Reg. 1058/20; 1059/20; 1061/20; 1062/20, 1063/20) - Autogrill*

In late 2020, five appeals were served by an economic operator challenging that five lots in which it ranked first, additional to the first five awarded, were not awarded because the tender law limited the number of assignable lots to five. The first interlocutory hearing was held on 15 July and the interlocutory motions were denied. On 3 December 2020, the joined disputes were heard. On 25 February 2021, the Lombardy Regional Administrative Court rejected the appeal, thus ending the first instance of the proceedings in favour of the Company.

3 - Litigation with the Awarding Body

The following disputes are pending with the Ministry of Infrastructure and Transport and the Ministry of Economy and Finance:

- ◆ *Lazio Regional Administrative Court (3034/16 and 2239/17)*
These are the oldest cases relating to tariff adjustments from previous years.
- ◆ *Lazio Regional Administrative Court (2109/20)*
In February of this year, the Awarding Body notice dated 31 December 2019 was challenged regarding the failure to recognise the rate increase relating to 2021.
- ◆ *Piedmont Regional Administrative Court (Gen. Reg. 426/19)*
In April 2019, the decision of the Transport Regulatory Authority (ART) no. 16/2019, which was subject to a consultation procedure and aimed at introducing a toll system for motorway concessions, was challenged, as it was considered prejudicial from several points of view. In June, the resulting Resolution no. 69/2019 of the same Authority was published, which consolidated the new tariff system. The Company has challenged this measure by means of an appeal on additional grounds. The appeal is still pending and in June 2020 the Company sent notice of further additional grounds for the aspects of illegitimacy attributable to the Milleproroghe decree.
- ◆ *Lazio Regional Administrative Court (Gen. Reg. 11492/17; 11493/17)*
Two appeals against two decrees (no. 127444 of 11 July 2017 and no. 15810 of 8 September 2017) relating to expert opinions on technical variations to works, following the failure of the Awarding Body to recognise the higher amounts requested by the Company, are also pending.

4 - Litigation concerning environmental issues

There are no new disputes in this area. However, please note:

- ◆ *(Lombardy Regional Administrative Court Gen. Reg. 1264/2015)*
On 30 June 2020, the Council of State issued its decision amending the first instance ruling in favour of the Company in relation to the liability of the Municipality of Pavia for polluted state of certain areas of the Broni Mortara regional motorway. Shortly before the unexpected decision, the Company had filed a motion to schedule a hearing in the appeal pending against Regione Lombardia's decision to order monitoring and safety measures for the areas in question, a decision contested by the Company.

5 - Other disputes

- ◆ *Lombardy Regional Administrative Court (Gen. Reg. 2349/17)*
Only one case remains pending and involves the operator who, on several occasions, has contested the denials for the opening of a petrol station in Cantalupa. On 22 July 2020, the ruling was published which again rejected the opposing claims. The operator appealed the ruling, requesting a precautionary suspension, which was rejected at the hearing on 11 November 2020.
- ◆ *Court of Appeal (Gen. Reg. 2126/20)*
The economic operator appealed after losing the first instance for alleged damages resulting from the delays in the upgrading of the S.P. 46 Rho-Monza. The hearing has been scheduled for 23 November 2021.

Labour litigation

During 2020, out of a total caseload of 26 disputes (counted by heads), no dispute was definitively decided. The year was characterised by a significant slowdown in all court activities; only four rulings were issued: two in the first instance - one with a positive outcome, one with a negative outcome - and two on appeal, both of which accepted the worker's appeal.

As of 31 December 2020, the principal legal issues involved in the pending lawsuits were as follows:

- ◆ failure to pay the money handling allowance for MCT sector personnel; the case, already described in previous years, is now drawing to a close; only two cases are currently pending;
- ◆ lack of precise indication of working hours for part-time workers (8 cases): workers have requested the fixed allocation, once and for all, of the days of work on the basis of a stringent interpretation of national and contractual regulations. During the year there were two decisions, one in the first instance and one on appeal, both with an unfavourable outcome and in both cases the Company prepared the relative appeal. Of note, one of the workers who had received an unfavourable ruling during 2019 waived his right to file an appeal before the court of cassation and therefore the judgement against him became final. Of the nine lawsuits filed in this area, two have been adjudicated with a favourable outcome for the Company, one is pending before the Court of Appeal and six are pending before the Court of Cassation;
- ◆ failure to pay the hourly wage agreed at the time of hiring (1 case): the case was settled before the judge of first instance on 15/12/2020;
- ◆ appeal of dismissal due to unlawful conduct during collection activities (3 cases): for all 3 cases, which had already been started in previous years, the first phase of the "Fornero proceedings" is still pending; in two of them there were decisions favourable to the Company (one during the previous financial year, one during 2020) while for the third one the first phase is still in progress;
- ◆ allocation of split-shift allowances for snow service workers (6 cases). For all 6 positions, the only relevant activity in 2020 was the Company's preparation of the Court of Cassation appeal against the 2019 rulings.

As regards the two disputes previously pending with former managers of the Company, both have been closed: one former manager did not lodge an appeal with the Court of Cassation and therefore the case should have become *res judicata*, with a ruling in favour of the Company; the case with the former General Manager, on the other hand, has been settled.

At present, considering that, as mentioned above, two rulings have become final and three disputes have been settled, 21 cases are still pending, 16 of which are before the Court of Cassation.

Corporate litigation

Milano Serravalle/Provincial Councillor

The Company is in the process of recovering the receivable following the legal proceedings for the payment of legal fees following the ruling of the Council of State. The hearing of 31 March 2020 scheduled to ascertain the regularity of the payments made by the debtor in favour of the Company

and their assignment due to the health emergency, after several postponements, was scheduled for 8 July 2021.

Municipality of Milan: appeal pursuant to art. 2437 ter, paragraph 6, of the Italian Civil Code - appeal pursuant to art. 696-bis of the Italian Code of Civil Procedure

On 28 January 2020, the endorsement relating to the transfer of the second tranche of shares from the Municipality of Milan to the majority shareholder Regione Lombardia was formalised; with this transaction, its shareholding reached 82.405% of the Company's share capital.

Compensation for damages arising from accidents

In the 2020 reporting period, a total of 114 claims for damages were received, all of which were regularly investigated and handled. In detail:

- ◆ 78 were rejected on the grounds that the Company was not responsible for causing the accidents;
- ◆ 23 were rejected as being the responsibility of other concessionaires;
- ◆ 8 were paid and therefore closed;
- ◆ 5 are in the assessment phase.

During the same period, thirteen complaints were served by users relating to claims for damages suffered based on the alleged liability of the Company. For all complaints, the Company has duly appeared before the courts and the cases are currently under way. The complaints concerned the previous rejection of claims for damages, for which the Company did not consider itself liable.

During the year 2020, twelve judgements were pronounced, nine of which were unfavourable to the Company and three were favourable.

2.5 Corporate bodies

Adjustment to Law 190/2012 Anti-bribery and Legislative Decree 33/2013 Transparency

In compliance with Legislative Decree 33/2013 and ANAC statements and resolutions, the Transparency and Corruption Prevention Officer monitored compliance with the "Three-year Plan for Transparency and Integrity," specifically dedicated to the obligations in this area and the resulting obligations for each Department.

On 29 January 2020, the Board of Directors approved the Three-Year Plan for the Prevention of Corruption and Transparency 2020-2022 and its annexes, drawn up and submitted by the Transparency and Corruption Prevention Officer (TCPO) in compliance with the provisions of Law no. 190/2012, as amended, as well as the relevant Italian National Anti-Corruption Authority (ANAC) resolutions.

The Plan provides for the introduction of the Corruption Risk Management System in 2020, with the establishment of a transversal team, coordinated and supported by the TCPO, which will involve all the Directors, who will be responsible, within their area, for reviewing processes and identifying appropriate measures to prevent corruption. The objective that ANAC intends to pursue is to obtain

a “*network system*” for the prevention of corruption risks, by means of a dynamic and progressive approach of analysing company activities, starting from the most sensitive ones.

On 16 December 2020 the Board of Directors took note of the annual report prepared by the TCPO and assigned to him the strategic objectives for the year 2021.

On 24 February 2021, the Board of Directors approved the 2020 - 2022 Three-Year Plan for Corruption Prevention and Transparency - Edition 2021.

Organisation, Management and Control Model and Code of Ethics

In the course of 2020, the revision and updating of the Organisation, Management and Control Model was completed in order to incorporate the new offences introduced by the new Article 25 *quinquiesdecies* of Legislative Decree 231/01 and to draw up a set of procedures with explicit controls aimed at monitoring the specific risks associated with the commission of the offences set forth in the above-mentioned Decree 231.

The above activity was halted due to the health emergency and resumed after the summer period to conclude in December, providing for the updating of documentation also with respect to the most recent decree, Legislative Decree no. 75 of 14 July 2020.

On 20 January 2021, the Board of Directors approved the Organisation, Management and Control Model pursuant to Legislative Decree 231/01, consisting of *i*) matrix identifying the areas at risk and methodological note of the risk analysis; *ii*) Organisation, Management and Control Model; *iii*) 19 Protocols; *iv*) 15 Procedures.

Implementation of European Regulation no. 679/2016 on the privacy of natural persons - “Data Protection Officer” (DPO)

During the emergency period due to the Covid-19 pandemic, the DPO provided constant support in order to ensure proper management, in terms of security, of personal data and controls as well as adjustments in terms of accountability and compliance.

The privacy notices drafted pursuant to Article 13 of General Regulation no. 679/2016 (GDPR) of employees, suppliers and guests were carefully reviewed and updated for access to the Company’s premises for the purpose of combating and containing the spread of the Covid-19 virus in the workplace.

In February 2020, a consultancy service was launched with a company specialising in privacy issues in order to carry out an assessment of the company’s privacy organisation and documentation.

No Data Breach reports were received by the DPO during FY 2020 and consequently no breaches were reported to the Data Protection Authority.

Liquidation of shareholdings in accordance with the law

As part of the liquidation of the ceased shareholders, the sale of the shares held directly and indirectly, through Parcam S.r.l., of the shareholder Milan-Monza-Brianza-Lodi Chamber of Commerce - corresponding to 4% of the share capital - which, pursuant to Article 24, paragraph 5 of Legislative Decree 175/2016, requested the liquidation on 19 November 2018, is still to be defined.

Since the conditions were not in place to define the liquidation procedure immediately, the Shareholder, after obtaining the Company's authorisation, started the procedure to seek out in the market parties interested in acquiring the equity investments held directly and indirectly.

In September 2020, the Shareholder informed the Company that the exploration had been unsuccessful, and therefore requested the liquidation of the shareholding in accordance with the process defined by the relevant regulations.

Assessments by the corporate bodies are underway to define the liquidation procedure.

Shareholders' Meeting

On 29 January 2020, the subsidiary Autostrada Pedemontana Lombarda S.p.A. called an extraordinary shareholders' meeting for 28 February 2020, in order to resolve on the proposed share capital increase of €350 million, as inferred from the updated Economic and Financial Plan and approved by the Board of Directors of the subsidiary on 29 January.

The reason for this request is due to the imminent acquisition of effectiveness of the Additional Agreement No. 2 - which took place on 26 February 2020 - and to the need, in order to comply with the provisions of the Agreement, to initiate the procedures for the awarding of the executive design and the works for the construction of the B2 and C sections of the foothill infrastructure and for the search for the financial funding (project funding) necessary to finance the construction of the infrastructure.

In order to assess the possible financial support and to meet the request for share capital increase made by the Subsidiary, the Company verified the degree of sustainable debt, given the conventional commitments in terms of investments and maintenance programme, as well as taking into account the new regulations for the motorway concessions sector. The outcome of this verification showed that the Company is able to raise further borrow up to €200 million potentially to be allocated to the capital increase of the Subsidiary. The further contribution of €150 million was guaranteed through a specific legislative measure by the shareholder Regione Lombardia.

Prior to the Shareholders' Meeting of the subsidiary Autostrada Pedemontana Lombarda S.p.A., the Shareholders' Meeting of the Company was held on 27 February 2020, during which it was resolved to:

- ◆ vote in favour of the share capital increase of €350 million in Autostrada Pedemontana Lombarda S.p.A. with a deadline for the exercise of the option right to be exercised by 28 February 2021;
- ◆ to authorise, pursuant to Article 13 of the Bylaws, the launch of all the public procedures necessary to carry out the new funding of up to €200 million to be allocated to the share capital increase of Autostrada Pedemontana Lombarda S.p.A..

Having said the above, the Board of Directors' meeting held on 25 March 2020 authorised the initiation of all procedures and activities necessary to find new financial resources up to €200 million to be allocated to the share capital increase of the subsidiary Autostrada Pedemontana Lombarda S.p.A.

On 21 April 2020, the Regional Council approved the Regional Council Law on *"Increase in share capital of Milano Serravalle - Milano Tangenziali S.p.A. up to a maximum amount of €150 million*

to be carried out over the five-year period 2020-2024 to facilitate the capitalisation of its subsidiary company Autostrada Pedemontana Lombarda S.p.A., a company subject to management and coordination ex 2497 cc by Milano Serravalle - Milano Tangenziali S.p.A.”

On 23 July 2020, following a request by the Majority Shareholder, a Shareholders' Meeting was held which resolved to revoke the resolution passed by the Shareholders' Meeting on 27 February 2020 i.e.: *“to authorise, pursuant to Article 13 of the Bylaws, the launch of all the public procedures necessary to obtain new funding of up to €200 million to be allocated to the share capital increase of Autostrada Pedemontana Lombarda S.p.A., for which the resolution in the competent shareholders' meeting of APL is also authorised”.*

In the light of the decisions taken by the Shareholders, on 29 July the Board of Directors resolved to revoke the resolution passed on 25 March 2020 in relation to the initiation of the necessary procedures and preparatory activities to seek out new financial resources up to €200 million to be allocated to the share capital increase of the subsidiary Autostrada Pedemontana Lombarda S.p.A., as well as to revoke the competitive procedure under way.

Shareholders

On 28 July 2020, the Council of Regione Lombardia, controlling shareholder of the Company, in its 2020 supplementary budget law, authorised: *(i) the sale in favour of FNM S.p.A. (“FNM”) - a company listed on the Italian Stock Exchange - of the entire equity investment held by Regione Lombardia in Milano Serravalle - Milano Tangenziali S.p.A. (“MISE”), equal to 82.4% of the share capital and, as a result, the acceptance of the purchase proposal formulated by FNM, and (ii) the recapitalisation of Autostrada Pedemontana Lombarda S.p.A. (“APL”), through the underwriting of a capital increase for an amount up to €350 million.* Completion of the transaction described above will create the first infrastructural node in Lombardy based on an integrated management of rail and road mobility, with consequent optimisation of flows, enhancement of sustainable mobility and development of economies of scale within the scope of investments in technologies and innovation. On 29 July 2020, the share transfer of the entire shareholding held by the Private Shareholders was formalised: Autostrada dei Fiori S.p.A., ASTM S.p.A. and SATAP S.p.A., amounting to 24,471,224, corresponding to 13.595% of the share capital of the Company to FNM S.p.A. - a company controlled by Regione Lombardia with a shareholding of 57.574 of the share capital - which thus became part of the Company's shareholding structure.

On 30 July 2020, the Council of Regione Lombardia voted to accept: *(i) the proposal presented by FNM in relation to the acquisition of the entire equity investment of Regione Lombardia in the Company; and (ii) the proposed exclusive agreement containing the commitment to define the contractual terms and conditions no later than four months from the date set forth above.* In this regard, it has been clarified that the transaction described above is conditional on: *(i) Regione Lombardia making an irrevocable commitment to subscribe a capital increase of Autostrada Pedemontana Lombarda to the extent necessary to ensure, among other things, that Autostrada Pedemontana Lombarda is excluded from the scope of consolidation of the Company, which will not participate in the above capital increase. In turn, the performance of the sale agreement will be subject to some additional conditions precedent, including obtaining the authorisation from the*

competent Antitrust Authority and the authorisation from the Ministry of Infrastructure and Transport, in accordance with the agreement signed.

On 3 November 2020 the shareholder FNM S.p.A. signed a purchase and sale agreement with Regione Lombardia, which provides for the purchase by FNM S.p.A. of the entire equity investment held by Regione Lombardia in the share capital of the Company.

The execution of the sale and purchase contract is subject to certain conditions precedent, including obtaining authorisation pursuant to art. 10.6 of the current Consolidated Agreement of the Awarding Body. Although the transaction does not entail the loss of control by the shareholder Regione Lombardia in the Company's capital, the latter promptly submitted a request to the Awarding Body in compliance with the conventional provision.

Initiatives to support research against Covid-19

As part of the initiatives to assist and support anti-Covid-19 research, in April 2020 the Company's Board of Directors promoted the sponsorship, by allocating a sum of €200,000, of the initiative and research programme of the Mario Negri Institute of Bergamo to carry out specific and accurate blood tests to assess the immunological profile against the Coronavirus in the population.

The study aims to optimise rapid and reliable blood tests by more effectively and accurately assessing the class of antibodies that could give long-term immunity against the virus in future pandemics. The research also aims to develop new approaches that make it possible to quickly and non-invasively assess whether a patient is contagious, without the need for swabs. Achieving these objectives will make a difference in planning an operational strategy during the economic activity recovery phase, through the assessment of the population's immunological profile.

2.6 Relations with the Awarding Body: obligations and regulatory changes

In order to verify the effects on the motorway sector resulting from the provisions for the prevention of the health risk associated with the spread of the Covid-19 virus, the Awarding Body asked all concession operators to acquire the main indicators relating to their activities. In this regard, it asked them to transmit, on a weekly basis, from the beginning of the pandemic, i.e. from 25 February 2020, data concerning net toll revenues, traffic volumes, turnover of the service areas under their responsibility, the number of active/suspended contracted construction sites and the personnel in service/receiving unemployment benefits. The Company transmitted the information in accordance with the timing and procedures indicated by the Awarding Body.

As is well-known, Article 13 of the "Milleproroghe" Law Decree published in Official Gazette no. 305 of 31 December 2019, converted into Law no. 8 of 28 February 2020, introduced in Article 13 paragraph 3 "*Extension of terms on infrastructure and transport*", an important regulatory provision affecting the motorway concessionaire sector. In particular, the rule in question established that "*for concessionaires whose five-year regulatory period has expired, the deadline for the adjustment of motorway tariffs for 2020 is deferred until the procedure has been defined for updating the economic and financial plans prepared in compliance with By 30 March 2020,*

the licensees shall submit to the awarding body proposals for updating the economic and financial plans reformulated in accordance with the aforesaid regulations that cancel and replace any previous proposals for updating. The update of the economic and financial plans submitted by the deadline of 30 March shall be completed by and no later than 31 July 2020”.

In view of this provision, the proposal to update the Economic and Financial Plan submitted to the Awarding Body by the Company in June 2018, i.e. at the expiry of the 2013-2017 regulatory period in accordance with CIPE Resolution 27/2013, is to be considered null and void.

In order to comply with the legislative provision, the Company proceeded to start the process of updating the Economic and Financial Plan in compliance with the provisions of Resolution no. 69/2019 of the Transport Regulatory Authority and subsequent statements issued by that Authority. The deadline for this process, initially set for 30 March 2020, was extended several times due to the measures enacted to address the effects of the Covid-19 epidemiological emergency, measures that set the final deadline for the submission of the proposed update to the Economic and Financial Plan for 20 June 2020, as communicated by the Awarding Body.

The activity of updating the Economic and Financial Plan took place through a substantial confirmation of the investment programme already included in the version of the Economic and Financial Plan presented on the expiry of the regulatory period, in June 2018.

With regard to the traffic estimates adopted in the above-mentioned new update proposal, these do not take into account the effects of the regulatory measures issued to deal with the health emergency, which caused a significant reduction in traffic volumes, especially in the first part of 2020, as the economic effects are not yet known in their entirety and are in any case currently difficult to forecast. However, once it will be possible to quantify them, since they are consequences related to extraordinary and exceptional events, the Company has reserved the right to ask the Awarding Body to restore the initial balance conditions, by using existing contractual and regulatory instruments.

On 18 June 2020, the Company sent the Awarding Body the new proposed update of the Economic and Financial Plan, specifying, moreover, that sending it would not have entailed any waiver to the justifications and claims put forward in the appeals pending against the decisions of the Transport Regulatory Authority.

A joint meeting between the Company and the Awarding Body was held on 22 October 2020, during which the first observations resulting from the preliminary investigation activities concerning the proposal for the Economic and Financial Plan presented by the Company on 18 June 2020 were provided, as well as clarifications regarding the informative content of the proposal for the Economic and Financial Plan, the quantification of the “Covid-19” effect and further operational aspects resulting from the discussion with the Transport Regulatory Authority.

On 23 October 2020 the Awarding Body informed the Company - in light of the outcome of the meeting mentioned above - that it would retransmit the proposal for the Economic and Financial Plan by 30 October 2020 in order to ensure the certainty of the timing for the continuation of the approval procedure for the new proposal for the Economic and Financial Plan. On 29 October 2020 the Company sent back the proposed update of the Economic and Financial Plan, which was developed with regard to the regulations concerning motorway concessions and subsequent

decisions issued by the Authority as well as according to the indications of the Awarding Body, which replaces the one already sent on 18 June 2020.

At the reporting date, the process of updating the proposed Economic and Financial Plan submitted is underway.

As previously reported, in relation to the transfer of the majority shareholding held by Regione Lombardia to FNM S.p.A., the Company, in accordance with the provisions of the agreement, submitted an application to the Awarding Body on 9 November 2020 for the issue of the authorisation for the transaction changing the shareholding structure.

3. INVESTEE COMPANIES

3.1 Investee companies at 31 December 2020

LIST OF EQUITY INTERESTS AT 31/12/2020				
Name	Share capital amount	no. of shares held	% shares held	Book value as recorded at 31/12/2020
SUBSIDIARIES				
Milano Serravalle Engineering S.r.l.	300,000	-	100.0000	4,431,699
Autostrada Pedemontana Lombarda S.p.A.	300,926,000	238,597	79.2876	176,863,859
Total subsidiaries				181,295,558
OTHER COMPANIES				
Tangenziali Esterne di Milano S.p.A.	220,344,608	55,234,689	18.8006	43,520,187
Tangenziale Esterna S.p.A.	464,945,000	1,796,378	0.3864	1,796,378
Autostrade Lombarde S.p.A.	467,726,626	13,000,000	2.7794	13,312,513
Società di progetto Brebemi S.p.A. (*)	52,141,227	1,300,000	0.3669	200,181
S.A.Bro.M. S.p.A.	28,902,600	3,750,000	12.9746	3,368,271
Consorzio Autostrade Italiane Energia	113,949	-	1.4500	1,549
Confederazione Autostrade S.p.A. in liquidazione	50,000	12,500	25.0000	12,601
CIV S.p.A.	6,200,000	1,000,000	5.0000	673,197
Total other companies				62,884,877
TOTAL EQUITY INTERESTS				244,180,435

(*) the shares have no nominal value

During the year, in accordance with the provisions of Article 10 of the settlement agreement signed to close the existing dispute between Strabag AG and Autostrada Pedemontana Lombarda and, insofar as is applicable, between the parties concerned, including the Company, on 19 November 2020 the acquisition of Bau Holding AG's stake in the share capital of Autostrada Pedemontana Lombarda, equal to 950 shares, at nominal value was formalised, as provided for in the agreement; at the same time, the deed confirming the pledge on the new shares was signed.

Please refer to the explanatory notes for details of the further changes that occurred during the year 2020.

The operating performance of the investee companies is shown below.

3.2 Performance of subsidiaries

Autostrada Pedemontana Lombarda S.p.A.

Management activities

The Subsidiary closed 2020 with a loss of €4,702,380, compared with a profit of €3,662,804 in the previous year. This result is mainly due to the performance of toll revenues, which recorded a 30% drop due to the measures adopted to deal with the Covid-19 health emergency, which triggered a significant decline in traffic volumes, down 32.5% compared to the previous year.

Investments for the year amounted to approximately €33.6 million and mainly refer, for €25 million, to the charges paid to the contractor ATI Strabag relating to the settlement agreement reached and

concerning the recognition of work not yet accounted for, while the remainder relates to completion works and compensation works for sections that have come into operation.

The financial requirements of the Subsidiary were supported by the disbursement of the contribution in 2020 for approximately €10 million and by cash and cash equivalents, the latter, at the end of 2020, amounting to €17 million, down compared to 31 December 2019 (€47 million). The cash absorption is mainly due to the investments made and the lower generation of cash flows from operations, the trends of which are closely linked to the health emergency.

Cash flows from operations in any event remained positive and enabled the company to meet operating costs and cover the repayment instalment of the bridge 2 loan.

The main components of the income statement and balance sheet of the Subsidiary for the year ended 31 December 2020 are shown below, compared with the corresponding figures for the previous reporting period.

in thousands of euros	2020	2019	Change
Toll revenues	26,312	37,692	-30.2%
Other revenues and income	2,454	3,118	-21.3%
PRODUCTION VALUE	28,766	40,810	-29.51%
Operating costs	-11,906	-12,036	-1.1%
Labour costs	-6,008	-6,742	-10.9%
OPERATING COSTS	-17,914	-18,778	-4.60%
EBITDA	10,852	22,032	-50.74%
Provision for bad debts	-2,803	-4,419	-36.57%
ADJUSTED EBITDA	8,049	17,613	-54.30%
Depreciation, amortisation and provisions	-3,069	-3,625	-15.3%
EBIT	4,980	13,988	-64.40%
Financial income and expenses	-9,324	-9,556	-2.4%
EARNINGS BEFORE TAX	-4,344	4,432	<100
Current and prepaid taxes	-358	-769	-53.4%
PROFIT FOR THE PERIOD	-4,702	3,663	<100

in thousands of euros	2020	2019	Change
Freely revertible property, plant and equipment	574,011	551,924	22,087
Other fixed assets	6,702	4,507	2,195
FIXED ASSETS	580,713	556,431	24,282
Net Working Capital	-12,018	-11,701	-317
Provisions	-5,477	-4,607	-870
NET INVESTED CAPITAL	563,218	540,123	23,095
SHAREHOLDERS' EQUITY	223,066	227,769	-4,703
Cash and cash equivalents	-17,139	-46,682	29,543
Payables to shareholders for loans	172,840	169,182	3,658
Payables to banks	184,451	189,854	-5,403
NET FINANCIAL POSITION	340,152	312,354	27,798
THIRD-PARTY ASSETS AND OWN FUNDS	563,218	540,123	23,095

Traffic, collection and tolls

During 2020, the Subsidiary, on the motorway network in operation, recorded a total of 193,648,212 kilometres travelled, a decrease of 32.57% yoy. Similar to all motorway concessionaires, as a result of government measures put into place to combat the pandemic, heavy traffic recorded a reduction of 18% while light traffic recorded a reduction of 36%.

TRAFFIC in KM VEHICLES.	2020	2019	Change
Route - A36	158,523,978	239,879,015	-33.92%
Como bypass - A59	14,237,711	19,368,587	-26.49%
Varese bypass -A60	20,886,523	27,944,254	-25.26%
TOTAL	193,648,212	287,191,856	-32.57%

At 31 December 2020 the toll revenues attributable to the Subsidiary net of the discounts applied for €1,391,358 and the surcharge show a decrease of 30.2% compared to 31 December 2019, amounting to €26,311,948.

NET TOLL REVENUES	2020	2019	Change
Toll revenues	29,145,500	41,911,771	-30.46%
Discounts applied to users	-1,391,358	-2,171,469	-35.93%
Toll Revenues net of discounts	27,754,142	39,740,302	-30.16%
Surcharge pursuant to Law 109/2009 art. 19 and subsequ	-1,442,194	-2,048,206	-29.59%
NET ACCRUAL TOLLS	26,311,948	37,692,096	-30.19%

This change was due to the traffic trends (-32.57%) and to the tariff adjustment - equal to 0.80% - effective from 1 January 2020 on the sections pertaining to the Subsidiary.

Finally, in December 2020, the Subsidiary, on the basis of the results achieved, in order to pursue an increase in the use of the infrastructure, while encouraging the adoption of automatic payment methods, extended the 20% frequent user discount until 31 December 2021.

As is well known, the payment system of the subsidiary's sections in operation is carried out through the Free Flow collection system. Also in 2020, activities continued to improve user access to toll payment methods as well as those relating to credit recovery actions. These actions carried out by the Subsidiary recorded in 2020 an overall percentage of tolls not paid within 15 days equal to 12.27% compared to the total tolls, down from that recorded in 2019 and equal to 15.22%.

It should be noted that credit recovery activities slowed down between March and May 2020 due to the state of emergency and resumed regularly in the second half of the year. Based on activities carried out by the end of January 2021, the percentage of uncollected tolls decreased to 9%. This percentage is destined to decrease further, also in light of the Subsidiary's initiatives aimed at making credit recovery actions more incisive.

For prudential purposes, the Subsidiary allocates an adequate provision for bad debts.

Progress of litigation

Disputes pending before judicial authorities are mainly related to issues related to the process of approval of the final design of the infrastructure under concession, expropriations, contracts and claims for compensation of various kinds. The litigation that is relevant and which was resolved during 2019 is the one that the Subsidiary had established with the Integrated Contractor. The proceedings in connection with this matter continued in 2020 limited to the work of the court-appointed technical consultant named by the Court of Milan. Specifically, on 21 July 2020, the Technical Consultant filed his report concerning the issues submitted by the Investigating Judge. In this report, the technical consultant quantified the higher benefits obtained by the Subsidiary in relation to the work carried out by ATI Strabag during the term of the contract (and, therefore, not accounted for and/or insufficiently accounted for) as €32,205,085. However, it should be noted that the agreement provided for, inter alia, the quantification of the works and services rendered by ATI Strabag, in addition to those already recognised, in any event up to the maximum amount of €25 million.

In this regard, in accordance with the terms of the Settlement Agreement, in August the Subsidiary paid €18.5 million to ATI Strabag, while the remaining €6.5 million was not paid as one of the principals had failed to submit an electronic invoice for payment by the Subsidiary. The electronic invoice was received from the principal in November 2020 with a request for payment directly to itself and not to the lead company.

A lawsuit was initiated between the principal and the lead company and in December, in implementation of the instructions of the Court of Milan, the Subsidiary opened a bank deposit account in the amount of €6.5 million, in its name and restricted by court order.

In 2020, the Subsidiary filed an appeal with the Court of Auditors to ascertain that it does not meet the requirements for inclusion on the list of public administrations included in the consolidated income statement identified pursuant to law, prepared and updated annually by ISTAT. By a ruling

filed in December 2020, the Court of Auditors rejected the appeal, confirming the Company's inclusion on the above-mentioned List.

Relations with the Awarding Body

On 26 February 2020, the Ministry of Infrastructure and Transport notified the Subsidiary of the registration by the Court of Auditors of Interministerial Decree no. 585/19, approving Supplementary Agreement no. 2 to the Consolidated Agreement; with this communication the provisions and contents of the Agreement became effective.

Following the expiry, on 31 December 2019, of the regulatory period, during 2020 discussions continued between the Subsidiary and the Awarding Body CAL aimed at preparing the new Economic and Financial Plan.

To develop the update of the new Economic and Financial Plan, the Subsidiary also used the new tariff system defined in Resolution no. 106/2020 of 18 June 2020 of the Transport Regulatory Authority, although it proceeded, similar to other concessionaires, to challenge and contest such resolution - as part of the proceedings already initiated in the course of 2019 - before the Piedmont Regional Administrative Court as it is detrimental.

Therefore, the Subsidiary, without waiving to its legal claims, at the request of the Awarding Body submitted the proposal for the update of the Financial Plan, which provides for the adoption of the ART tariff system, as well as the use of traffic data without the depressive effects resulting from Covid-19 as a basic assumption.

The Awarding Body carried out a specific preliminary investigation and, after completing all approval steps, on 23 December 2020 the documentation was sent to the Ministry of Infrastructure and Transport for the relative preliminary investigation and subsequent transmission to CIPE.

In relation to the discussions with the Awarding Body necessary to obtain financial funding and for the selection of the General Contractor for the construction of sections B2 and C, it should be noted that, on 25 February 2020, the Awarding Body CAL approved the updated documentation of the Subsidiary relating to the initiation of procedures for:

- ◆ entrusting the General Contractor with the executive design, safety coordination during the executive design phase and the construction of the B2 and C sections;
- ◆ the procurement of financial funding equal to approximately €2 billion (subject to adjustment according to the outputs of the technical dialogue) for the executive planning and implementation of the works on sections B2 and C.

Subsequently, CAL, for both procedures approved the relative tender documents.

Additional Agreement no. 2 to the Consolidated Agreement sets a maximum term of twelve months for the signing of Senior Loan Agreement 1, starting from the effective date of such Agreement, under penalty of loss of the benefit of tax relief. The Covid-19 pandemic has led to the need to extend the timeframe for all administrative procedures and therefore the need for a longer deadline for the contract to be signed. In September 2020, the Awarding Body CAL, through the MIT, submitted a request to the Interministerial Committee for Economic Planning for a six-month extension of the deadline set out in the Additional Agreement and in any event, while waiting to know the date of such resolution, CAL undertook to grant an extension of at least 82 days, i.e. until

11 May 2021, in accordance with the provisions of Article 103, paragraph 1, of Law Decree no. 18/2020 and Article 37 of Law Decree no. 23/2020.

Finally, with specific regard to the declaration of the project's public utility, interactions between the Subsidiary and the Awarding Body led to a two-year extension of the public utility of sections B2, C, D and related works (i.e. until 19 January 2023).

Activities related to the search for funding and the *General Contractor* for the construction of sections B2 and C

With the approval by the Board of Directors of the Subsidiary and by the awarding body CAL of the tender documents relating to the awarding to the General Contractor of the executive planning, safety coordination and construction works for Sections B2 and C of Autostrada Pedemontana Lombarda and the raising of funds of approximately €2 billion for the executive planning and construction works for Sections B2 and C, in February 2020 the Subsidiary proceeded with the publication of the calls for tenders relating to the two above-mentioned procedures.

In relation to the tender for the assignment of the contract to the General Contractor, it should be noted that, following the pre-qualification, on 31 July 2020 the letters of invitation were sent to the pre-qualified parties indicating that the deadline for submitting the offer was 30 October 2020, subsequently extended to 18 December 2020. On that date, offers were received from the economic operators and on 8 January 2021, the Ministry appointed the Bid Selection Committee.

In relation to obtaining financial funding, the technical dialogue with the market began on 21 May 2020 and several interested operators consisting of leading national and international credit institutions were accredited. After approval by the competent bodies of the tender documents on 14 January 2021, the invitation was sent to the only party requesting participation.

In relation to the provision of the equity necessary to facilitate the project's bankability, it should be noted that on 28 February 2020, an extraordinary shareholders' meeting of the Subsidiary was held to resolve on the proposed share capital increase of €350,000,000.

At that meeting, the Company, in its capacity as majority shareholder, declared its vote in favour of the capital increase resolution, deeming it in the interest of the Subsidiary.

The Shareholders' Meeting also set a deadline of 15 January 2021 to exercise the pre-emption right, and a deadline of 31 January 2021 to exercise the pre-emption right on the unopted shares, deadlines subsequently moved to 8 February 2021 and 11 February 2021, respectively.

The final deadline for the subscription of the unopted shares by third parties has been set at 31 March 2021.

Subsequently, the Regional Council of Regione Lombardia, in its meeting of 28 July 2020, approved Regional Law no. 18 of 7 August 2020, which provides, in Article 22 paragraph 3, for the participation of Regione Lombardia in the share capital of Autostrada Pedemontana Lombarda S.p.A., authorising to this end the Regional Council to subscribe the capital increase approved by the Subsidiary up to €350,000,000.

The same Law, in Article 22, paragraph 7, provides, in order to favour the bankability of the Piedmont project, for the disbursement, as debt service, of a shareholder loan of €30 million per year for the period from 2025 to 2044, for a total of €600 million.

In addition, in consideration of the strategic nature of the infrastructure for the territory, pursuant to Article 2, paragraph 14 of the 2021-2023 Stability Law, approved by the Regional Council on 17 December 2020, Regione Lombardia has committed to provide further support, up to a total amount of €300 million, to be understood as a general financial intervention by the Region in its capacity as future majority shareholder; the commitment remains valid until full repayment of the loans taken out by the investee for the construction of the infrastructure.

Business outlook and going concern assumption

In view of the financial commitment declared by Regione Lombardia in support of the project for the Lombardy Piedmont road system, the investee has put itself in the best possible position to make the project bankable, also in compliance with the terms set forth for the use of tax relief measures. During 2021, the Company will therefore be particularly committed to the continuation of activities related to the collection of financial resources and the identification of the General Contractor, in order to effectively implement the provisions of the agreements.

In relation to the short-term economic results, the year 2021 will necessarily still be impacted by the negative effects on traffic generated by Covid-19, even though it can be reasonably expected that the decrease compared to 2019 could be lower than that recorded in 2020.

The Company's shareholding, following the acquisition of the stake held by Bau Holding AG, amounted to 79.29% of the share capital as at 31 December 2020.

Milano Serravalle Engineering S.r.l.

From the operational perspective, the Subsidiary closed the result for the year with a profit of €386,073 (€302,775 as at 31 December 2019). This result is mainly attributable to the evolution of EBITDA, which increased by 13.35%, due to positive performance across all areas of activity. In particular, the situation of limited traffic along the motorway sections pertaining to the Group's Concessionaires made it possible, during the lockdown period, to carry out more ordinary maintenance works on the pavement of the entire network, and also allowed for the continuity of visual inspection, monitoring and control activities on the works of art along the sections of Autostrada Pedemontana Lombarda S.p.A. The result was also consolidated by revenues from the planning area and those related to the reactivation of the Rho Monza construction site.

With regard to the business outlook, the Subsidiary expects to acquire further new orders both from the Parent Company and from Autostrada Pedemontana Lombarda S.p.A., of a significant amount and commitment. These new commitments will make it necessary to strengthen the structure, both with employment contracts and by resorting to temporary consultancies or collaborations; however, the 2021 financial year should, also by virtue of these new contracts and despite the known operational difficulties related to the spread of the Covid-19 pandemic, record a further improvement over the result of operations in 2020.

At 31 December 2020, the Company held 100% of the share capital.

3.3 Performance of other investee companies

Tangenziali Esterne di Milano S.p.A.

The Shareholders' Meeting of the investee company held on 15 May 2020 approved the financial statements as at 31 December 2019, which show a loss of €510,938, resulting in a net equity as at 31 December 2019 of €231,482,966 against a share capital of €220,344,608. The Shareholders' Meeting has proposed to cover the loss for the year by using the share premium reserve.

The main activity of the investee company is related to the development of industrial projects and the management of equity interests. The investee currently holds a single equity investment in the concessionaire Tangenziale Esterna S.p.A., which holds the 32 km-long motorway of the same name under concession.

At 31 December 2020, the Company held 18.8006% of the share capital.

Tangenziale Esterna S.p.A.

In early 2019, the regulatory concession period expired. Following art. 13 of the "Milleproroghe" Law Decree, the proposed update of the Economic and Financial Plan submitted by the investee on 25 July 2019 was to be considered null and void. Therefore, during 2020, in order to continue the approval process of the new Economic and Financial Plan, several meetings took place between the investee and the awarding body CAL in order to reach a shared Economic and Financial Plan proposal, in line with the investee's expectations and with the new provisions of the Transport Regulatory Authority.

On 19 June 2020, the investee submitted a new Economic and Financial Plan to the Awarding Body CAL that updates the previous one submitted in 2019.

The Shareholders' Meeting of the investee company held on 15 May 2020 approved the Financial Statements for the year ended 31 December 2019, which showed a loss of €18,819,944 (€23,246,269 at 31 December 2018). This result is mainly attributable to the recognition of financial expenses for a total of €50,896,892.

The result for the year 2019 is still affected by the start-up phase of the project and, in particular, by the failure to complete some works (Cassanese-bis and A51-A58 direct link, Pauledese) that are crucial to interconnect the motorway functionally and fully to both the primary road system and the local system.

At 31 December 2020, the Company held 0.386% of the share capital.

Autostrade Lombarde S.p.A.

The investee company controls the motorway concession operator Società di Progetto Brebemi S.p.A. with 81.69% of the share capital.

The Shareholders' Meeting of 21 April 2020 approved the 2019 financial statements which closed with a profit of €2,700,308.

On 2 July, the investee companies Autostrade Lombarde S.p.A. and Società di Progetto Brebemi S.p.A. formally notified all Shareholders of shareholder Intesa Sanpaolo S.p.A.'s intention to sell to a foreign operator the entire shareholding in Autostrade Lombarde S.p.A. and in Società di Progetto

Brebemi S.p.A., the portions of the shareholder loan granted to Autostrade Lombarde S.p.A. and to Società di Progetto Brebemi S.p.A. as well as the participating financial instruments issued by the Società di Progetto Brebemi S.p.A. in favour of Intesa Sanpaolo S.p.A.

The notices were sent, pursuant to Article 6 of the Bylaws of the companies sold, to invite the shareholders to express their intention to exercise their pre-emption right, in accordance with the terms and conditions of the underlying sale and purchase agreement. The deadline for exercising the pre-emption right expired on 30 September 2020 and the Company, including at the direction of the Majority Shareholder, did not exercise the pre-emption right.

In accordance with the provisions of the bylaws, in December 2020 the investee and its subsidiary Società di Progetto Brebemi S.p.A. notified the shareholders of the intention of shareholders Impresa Pizzarotti & C. S.p.A. and Unione Banche Italiane (UBI) to sell to the same foreign operator with which shareholder Intesa Sanpaolo S.p.A. had already concluded a similar agreement in July 2020, the entire stake held in Autostrade Lombarde S.p.A. and in Società di Progetto Brebemi S.p.A., the portions of the shareholder loan granted to Autostrade Lombarde S.p.A. and to Società di Progetto Brebemi S.p.A. as well as the participating financial instruments issued by the Società di Progetto Brebemi S.p.A. in favour of UBI S.p.A.

Similar to the decisions taken previously, also in this case the Company did not exercise the pre-emption right.

At 31 December 2020, the Company held 2.7794% of the share capital.

Società di Progetto Brebemi S.p.A.

The Board of Directors' meeting of 9 December 2019, consistently with the commitments undertaken pursuant to the financial documentation, therefore resolved to proceed with the issue of 80,000,000 Participating Financial Instruments, also establishing that the Instruments not subscribed by the Shareholders shall be released by offsetting the receivables due from the investee company to the parties that have committed themselves in the respective Shareholder Loan Agreements. The subscription of the Participating Financial Instruments was completed on 15 January 2020 by means of the proportional conversion of the total receivable due from the investee company to some Shareholders at 30 November 2019.

The Extraordinary Shareholders' Meeting of the investee company, held on 15 January 2020, also resolved to increase the share capital by a nominal amount of €1,000,000, in addition to a share premium of €21,230,078, inseparably, with the exclusion of option rights pursuant to Article 2441, paragraph 5, of the Italian Civil Code. The purpose of the share capital increase is to strengthen the investee company's assets and to define existing relationships with shareholders who have receivables due from it, as well as to fulfil the contractual obligation assumed to repay in shares and not in cash part of the higher expropriation charges that were advanced by the constructors' consortium to enable the construction of the motorway link bearing the same name.

The Shareholders' Meeting of 21 April 2020 approved the 2019 financial statements which closed with a loss of €49,133,188 and also resolved to use the provisional loss provision of €25,012,040 to partially cover the loss for the period and to carry forward the remaining loss.

Due to the finalisation of the above-mentioned share capital increase, as at 31 December 2020 the Company's shareholding decreased to 0.3669% of the share capital (0.3914% as at 31 December 2019).

Società Autostrada Broni - Mortara S.p.A. (S.A.Bro.M. S.p.A.)

The investee is still waiting for the Council of State to rule on the appeal against the decision of the Ministry for Environment, Land and Sea which ruled that the infrastructure was not environmentally compatible.

In February 2020, the investee communicated that it had exercised the option to extend the sponsor shareholder loan until 31 October 2020 (expiry date of the first extension), reserving the right to exercise, on expiry, a further extension until 31 October 2021, as in fact occurred.

At the same time, the investee requested a further shareholder loan totalling €1.2 million to cover its debts and operating expenses for the next 12-18 months. The Company accepted the request pro rata and the payment was made in November 2020.

On 3 March 2021, the Board of Directors of the investee approved the Financial Statements for the year ended 31 December 2020, which closed with a loss of €278,426 (€488,020 at 31 December 2019). The financial statements have been prepared on a going concern basis, also supported by the shareholder loan.

At 31 December 2020, the Company held 12.97% of the share capital.

Confederazione Autostrade S.p.A. in liquidazione

The increase/reconstitution of the share capital of the investee approved on 3 December 2019 was fully subscribed by the established deadline of 7 January 2020.

The Company, having obtained the necessary authorisations, exercised its pro-rata option right on the newly issued shares of the investee, as well as its pre-emption right on the unopted shares up to a total outlay of €200,000.

The following 24 January 2020, an extraordinary shareholders' meeting was called in order to take the measures pursuant to Article 2484 of the Italian Civil Code. In particular, the Shareholders' Meeting, having acknowledged that it was impossible to achieve the corporate purpose, resolved to dissolve Confederazione Autostrade S.p.A. early, as provided for and regulated by art. 2484 of the Italian Civil Code, with consequent liquidation, and appointed the liquidation body.

The Shareholders' Meeting of 7 July 2020 approved the 2019 Financial Statements, which closed with a loss for the year of €176,675 and a negative shareholders' equity of €749,729. The transaction to reconstitute the capital closed on 10 January 2020 through a contribution by the Shareholders of €800,000, of which €50,000 by way of indivisible share capital and €750,000 by way of share premium to be allocated to cover the remaining losses, brings the shareholders' equity of the investee into positive territory, without losses exceeding one-third of the share capital.

At 31 December 2020, the Company held 25% of the share capital.

Collegamenti Integrati Veloci - CIV S.p.A.

The Board of Directors of the investee, which met on 2 March 2021, approved the 2020 Financial Statements, which closed with a profit for the year of €4,509,635 and shareholders' equity of €25,684,518.

At 31 December 2020, the Company held 5% of the share capital.

Consorzio Autostrade Italiane Energia

The Ordinary Shareholders' Meeting of 26 February 2021 approved the 2020 Financial Statements, which broke even by charging back the costs incurred vis-à-vis the members of the consortium.

At 31 December 2020, the Company held 1.45% of the consortium fund.

4. STAFF AND ENVIRONMENT

During 2020, personnel management activities were particularly directed towards the management of the health emergency generated by the Covid-19 pandemic.

In particular, management has developed along the following main lines:

- ◆ continuous matching of staff to workforce needs based on traffic trends;
- ◆ adoption and implementation of organisational measures to combat the pandemic (generalised remote working) and limit the economic consequences of the drop in traffic (use of holidays and other contractual mechanisms);
- ◆ recourse to unemployment benefits (Cassa Integrazione Guadagni), exemption from social security contributions and recourse to social shock absorbers,
- ◆ management of relations with the Company Trade Union Representatives to set up and activate a committee to combat and limit Covid-19 as well as for the signing of agreements relating to the activation of unemployment benefits.

4.1 Staff

The average workforce at 31 December 2020, compared with the same figure as of 31 December of the previous year, shows a decrease in employment by 3.31%, going from 630.18 to 609.34 average units.

Average workforce - heads	2020	2019	Change	%
Executives	7.00	6.42	0.58	=
Office workers	208.17	211.92	-3.75	-1.77
Part-time employees	21.17	21.00	0.17	0.81
Shifters	262.08	276.42	-14.34	-5.19
Part-Time shifters	109.92	113.25	-3.33	-2.94
Total for permanent contracts	608.34	629.01	-20.67	-3.29
Fixed-term	1.00	1.17	-0.17	-14.53
Grand total	609.34	630.18	-20.84	-3.31

The change in the workforce derives from the following movements (headcount):

- ◆ 8 hires
- ◆ 7 voluntary terminations
- ◆ 2 retirements due to age limits
- ◆ 11 terminations with incentives
- ◆ 2 deaths

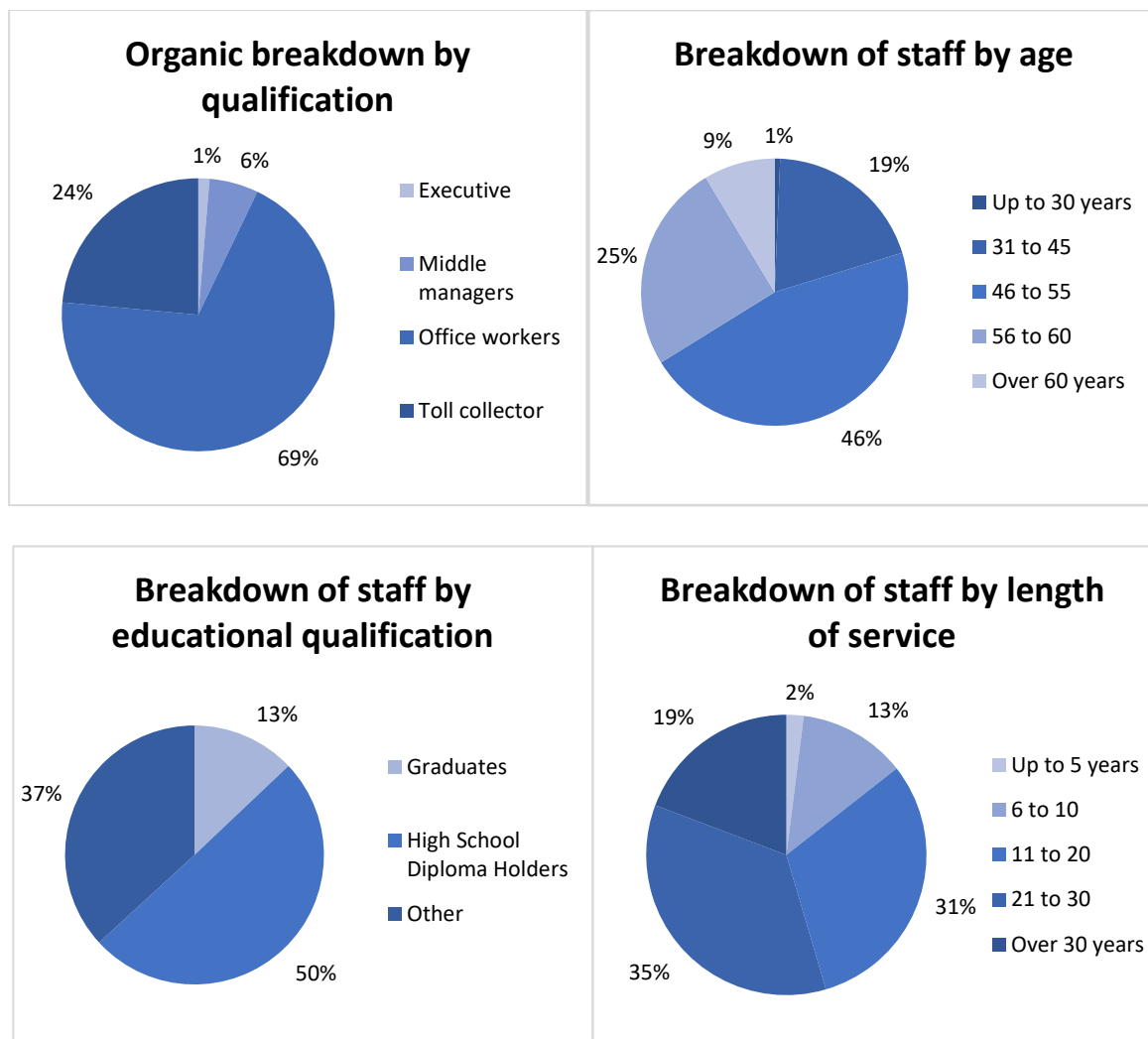
The secondment of five operating resources to Autostrada Pedemontana Lombarda continued throughout the year. The secondment of two resources from Milano Serravalle Engineering to the Company was active throughout 2020, while the 80% secondment of a third resource was completed during the second half of the year.

The resources seconded from Milan Serravalle Engineering are not included in the average workforce count, while the resources on leave are included in the average workforce count.

The average headcount expressed in FTE (including fixed-term staff) shows a decrease of 18.81 full time equivalent resources compared to the same period in 2019 (-3.27%), falling from 575.20 to 556.39 FTE resources.

Demographic data

Some demographic data relating to the workforce are provided below.



4.2 Prevention and protection

Working environment risk assessment

The development of the Covid-19 pandemic has led to a careful assessment of the phenomenon in order to introduce suitable measures to prevent the possibility of contagion within the company,

adopting the restrictive measures prescribed by the Authority, both in terms of work organisation and in calibrating essential physical presences in the workplace.

Starting in March, in relation to the evolution of the pandemic, a prompt response was activated in line with the regulatory measures issued from time to time, through the adoption of company protocols shared with workers' representatives and service instructions to staff aimed at the utmost possible prevention.

Significant use was made of smart working, accompanied by remote training for its correct implementation.

Particular attention was paid to the protection of workers defined as "vulnerable" at the instruction and under the supervision of the company physician.

There were no cases of contagion within the Company, given that the positive cases reported presumably occurred within the family without causing further critical issues from close contact within the company.

In the first week of October all personnel were voluntarily subjected to a molecular test (swab) as a result of the resumption of infections in the area.

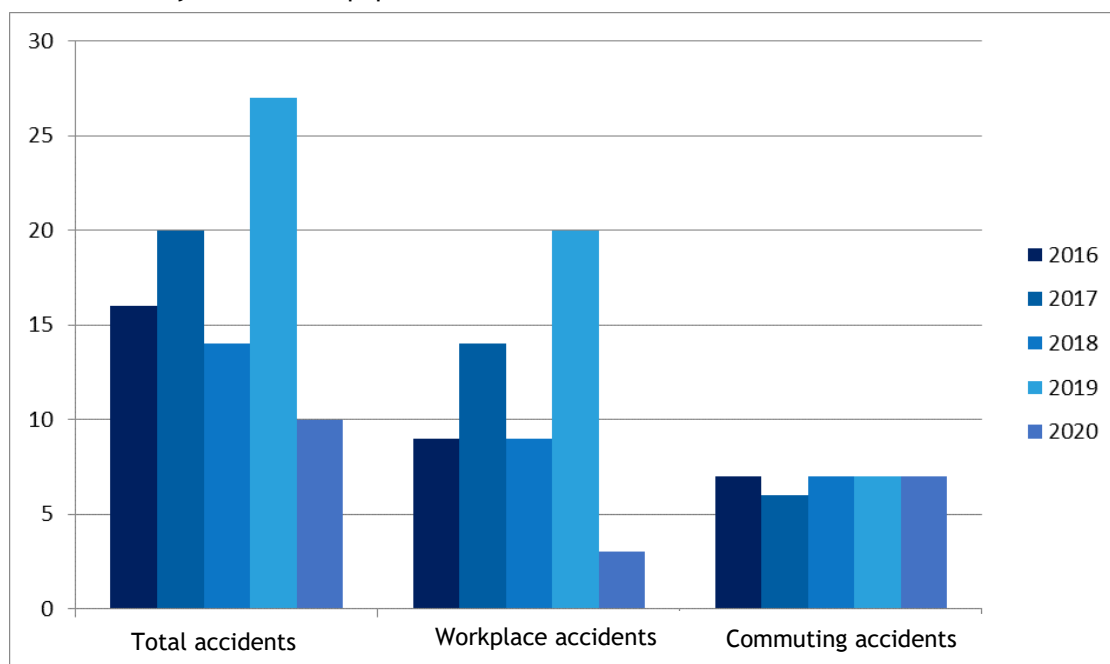
In addition, it is also possible to use (rapid) antigen swabs in real time when a positive case is detected while at work.

Health surveillance has resumed at full capacity with all precautions taken and appointments scheduled.

Accident analysis

Compared with the survey conducted over the past five years, the accident data show a significant decrease compared with the trend in previous years.

The figure is also likely to be affected by the decrease in working hours resulting from the pandemic. The nature of workplace accidents is accidental and not conditioned by deficiencies in the work environment or by machines/equipment.



Worker safety training

Planned training initiatives were affected by the organisation of work following the pandemic. In any case, numerous remote learning courses were held, especially on smart working, in order to ensure that it was performed properly.

Management Systems

During 2020, the Company was engaged in the activities necessary to maintain the certification of its Quality and Occupational Health and Safety management systems.

With regard to the Quality System (UNI EN ISO 9001:2015 standard), activities continued that made it possible to successfully pass the audit by the certifying body for the three-year renewal of the certificate.

Due to the limitations imposed by the emergency situation related to Covid-19 and the closure of or access restrictions to some workplaces, both audits of the certifying bodies, as well as internal audits performed since March, were conducted as “remote audits” as required by IAF MD 04:2018. Remote audits were conducted with documentary analysis, staff interviews and video links to assess the condition of the sites.

With regard to the Occupational Health and Safety system in accordance with the BS OHSAS 18001:2007 standard, monitoring and improvement of the system continued and the audit by the certifying body was passed with a positive outcome.

4.3 Industrial Relations

In February, discussions with the unions and workers’ union representatives defined the rules for dealing with the epidemiological emergency caused by biological risk from Covid-19. On 30 March 2020, the Company provided the prescribed information to the trade unions for the application for ordinary unemployment benefits (Cassa Integrazione Guadagni Ordinaria) and then signed an agreement with them and the company union representatives for the application, for a period of nine weeks, for ordinary unemployment benefits, provided for by the emergency decree issued due to the epidemiological emergency, from 31 March to 31 May 2020. This was followed in April by a specific agreement for the management, where possible, of a remote working arrangement based on the duties actually performed by individual employees.

Subsequently, as the conditions that had made the first application for ordinary unemployment benefits necessary continued, a second agreement on the matter was signed on 3 June for a further five weeks, expiring on 5 July.

In addition, during the health emergency period, the Joint Emergency Management Committee required by the national protocols of 13 March 2020 and 24 April 2020 was established. During the lockdown period, the parties met several times; during one of these meetings, the Company handed over to the company union representatives and the Workers’ Representatives for Safety the company protocol drawn up in accordance with the above-mentioned national protocols and issued, as a result of the events and in line with the actions shared by the Committee, specific requirements for personnel regarding the correct practices to be adopted to combat the spread of the pandemic.

During the year, the parties also reached agreements on the matter of the performance bonus and the availability of personnel dedicated to ice prevention and snow removal for the 2020-2021 season.

During the year, relations were maintained with the FISE-Acap trade association, through video conference meetings focusing both on the management of the epidemiological emergency and on the management of applications for ordinary unemployment benefits submitted by the concessionaires.

Meetings were also held between the FISE-Acap trade association and the Ente Bilaterale Nazionale Società Concessionarie Autostrade e Trafori (EBiNAT) aimed at integrating the ordinary unemployment benefits at 100% of the hourly wage under the responsibility of EBiNAT. The agreement was reached in November 2020. EBiNAT has already paid the concessionaires, and therefore also the Company, the amount needed for the full integration.

4.4 Training and development

The planning of training activities scheduled for 2020 was modified due to the Covid-19 emergency situation. In March, in implementation of government guidelines, all training activities, including those required by law, were suspended. In compliance with these instructions, the Company completely revised its course planning, in order to identify the priority initiatives and those that can be carried out with the aid of remote learning tools (e-learning or live webinars).

As a result of the above, the 2020 training plan was implemented only partially, but important and fundamental initiatives for work activities were nevertheless guaranteed.

Courses were carried out with the contribution of Fondimpresa and at the same time the resulting costs were recovered, again from the same sector fund.

At the beginning of the year, the “Feedback 2020” performance evaluation project was launched: a useful tool for making superiors accountable for the professional growth of their resources, which consists of an evaluation form for expected organisational behaviour based on the professional family to which they belong (commitment, flexibility, result orientation, innovation, organisational awareness) and a manager-employee feedback interview, during which strengths and areas for improvement are highlighted and any resulting actions are defined.

4.5 Organisation

The small number of merit-based policy interventions carried out during the year is due to the consequences of the Covid-19 emergency and is not attributable to the lack of merit or the commitment of employees.

Internal and external selections were made during the year to fill vacant or newly created positions. The selections were carried out in accordance with the current company procedures as well as with the provisions of the national collective labour agreement and related additional letters.

With regard to external selections, the first two months of the year saw the completion of the selection of four professional resources to cover specialised and managerial roles, which was launched in the second half of 2019 and entrusted to an external company.

The results of an assessment of the Information Technology structure, carried out with the aim of identifying areas for improvement and efficiency, revealed the need to hire three new specialised resources to be identified in the external market. During the first half of the year, an external

company specialised in information technology was commissioned to search for and select the necessary resources. The selection process was completed in the second half of the year with the hiring of two of the three resources sought.

4.6 Welfare

The health restrictions in place for almost all of 2020 revolutionised the planning of activities, forcing the avoidance of all of those moments of socialisation and interaction that typically arose throughout the year. However, this has not prevented the implementation of awareness-raising activities towards employees, mostly using multimedia tools. Following the continuation of the pandemic, solidarity and fundraising campaigns were also organised in favour of healthcare facilities in the areas crossed by the infrastructure under concession to the Company.

In this context, the Intranet Portal played a central role as a tool for collecting company information and strengthening the relational network between the various offices. In this regard, we have been working on a complete renewal and enhancement of the Portal. The new version will be launched by the early part of 2021.

During 2020, the results of the climate survey were analysed in order to identify specific actions to intervene in and respond to difficult situations. Again in this case, the resulting activities are pending a more stable definition of the restrictive measures resulting from the pandemic.

In 2020, the *Serravalle Welfare* platform recorded a movement of more than two thousand operations (up compared to 2019 both in absolute terms and by individual employee), also allowing the conversion, directly from the portal, of the share of the 2019 performance bonus.

4.7 Environmental information

As in the past, activities to mitigate the impacts of infrastructure on the surrounding environment are proceeding, with particular attention to the containment of noise pollution through the construction of noise barriers and the laying of sound absorbing draining asphalt.

Particular attention has also been paid to reducing the ecological footprint in scheduled maintenance activities, requiring, for example, the use of recycled raw materials for the preparation of bituminous conglomerates used for pavement repairs, or very strong containment of the use of chemical herbicides to control the growth of weeds, described in the annual weed control plan.

Significant activities carried out by the Company regarding the environment are linked to the correct management of waste both produced by its core business and littered along the network; in addition to this there is the cleaning of materials dispersed in road accidents and no longer recoverable by their owners. For all the activities of cleaning, collection and disposal of waste, as well as those for the periodic maintenance of the tanks for the collection and oil-water separation of storm water, the Company incurred an expenditure in 2020 of just under €1 million.

Finally, on permanent construction sites, all necessary measures have been and are being taken, where possible, to prevent environmental impacts on the territory or to mitigate them in terms of noise, dust, soil or water pollution and air pollution. During construction site activities, the Company

carries out environmental monitoring plans, both before and after the work. The results of the monitoring in progress for the upgrading of the SP 46 Rho Monza road are published on the Company's website.

5. OTHER DISCLOSURES REQUIRED BY CURRENT LEGISLATION

5.1 Research and development

No research and development costs were incurred in 2020.

5.2 Transactions with subsidiaries, associated companies, parent companies and companies subject to the control of the latter

Transactions between investee companies and with related parties are neither atypical nor unusual and fall within the ordinary course of business of the Company. These transactions are mostly regulated at arm's length, i.e., at the conditions that would have been applied between two independent parties and are represented in the following table:

OPERATIONS WITH RELATED PARTIES				
Milano Serravalle - Milano Tangenziali S.p.A.	Receivables	Payables	Costs	Revenues
Milano Serravalle Engineering S.r.l.	744,253	4,390,121	4,233,574	202,509
Autostrada Pedemontana Lombarda S.p.A.	173,722,191	43,910	1,122	4,885,334
Finlombarda S.p.A.	-	16,064,158	801,998	-
Lombardy Region	6,591	286	182,436	-
TOTAL	174,473,035	20,498,475	5,219,130	5,087,843

Milano Serravalle Engineering S.r.l.

- ◆ **Framework agreement and instrument for the regulation of relations - technical part:** the Company has entrusted the Subsidiary with tasks for engineering services (planning, construction management, safety coordination during the design phase, etc.).

Capitalised costs	€	2,477,998
Maintenance costs	€	1,278,403
Other costs	€	192,771
Payables	€	4,227,729
Receivables for advances	€	380,240

- ◆ **Costs for seconded personnel:**

Costs	€	265,086
Payables	€	121,039

- ◆ **Car rental costs:**

Costs	€	7,464
Payables	€	7,464

- ◆ **Costs for reversal of expenses:**

Costs	€	11,852
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- ◆ **Framework agreement and instrument for the regulation of relations:** the Company offers the Subsidiary various administrative and legal services, payroll and contributions service, support for personnel management and IT services.

Revenues	€	75,000
Receivables	€	112,500

- ◆ **Lease contract for head offices:** the Company leases the offices to be used as the

registered office to the Subsidiary

Revenues	€	66,501
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Receivables	€	83,258
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◆ **Revenues from recovery of expenses:**

Revenues	€	61,008
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Receivables	€	168,255
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Deferred income	€	8,022
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◆ **Tax relations: the Company is an intermediary for the recovery of the IRES credit for IRAP not deducted for the financial years (2008-2009-2010-2011)**

Payables	€	25,867
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Autostrada Pedemontana Lombarda S.p.A.

- ◆ **Interest-bearing loan:** the Company granted the Subsidiary two interest-bearing loans for a total of €150 million disbursed in several instalments starting from 15 May 2014.

Interest revenues	€	3,658,023
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Receivables	€172,744,306 including accrued interest
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- ◆ **Interest-bearing loan:** the Company granted the Subsidiary an interest-bearing loan of €16 million for the period 22 February - 27 April 2012. The receivable for accrued interest is outstanding.

Receivables	€95,978
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- ◆ **Lease contract for head offices:** the Company leases the offices to be used as the registered office to the Subsidiary

Revenues	€	348,625
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Receivables	€	87,156
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- ◆ **In-service activities:** the Company offers the Subsidiary the management of the collection process and related activities, technical support for information systems, the payroll and contribution service and internal auditing.

Revenues	€	515,367
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Receivables	€	426,480
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Payables	€	43,258	for tolls to be paid back
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- ◆ **Income from personnel secondment:**

Revenues	€	361,596
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Receivables	€	361,596
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- ◆ **Revenues from recovery of expenses:**

Revenues	€	1,723
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Receivables	€	6,675
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- ◆ **Intra-group tolls:** refers to tolls on motorway sections under concession.

Costs	€	1,122
Payables	€	652

Finlombarda S.p.A.

- ◆ **Interest-bearing loan:** Finlombarda granted the Company an interest-bearing loan of €40 million at the end of December 2017. The debt and the cost was recorded applying the amortised cost criterion.

Cost for interest	€	550,685
Notional expenses/income		
amortised cost	€	251,313
Payables	€	16,000,000
Notional payables	€	63,079
Accrued expenses	€	1,079

Regione Lombardia

- ◆ **State property canons:** different conventions state property canons:

Long-term receivables	€6,591	
Costs	€	182,436
Payables	€	286

5.3 Treasury shares and shares of parent companies

The Company does not hold any treasury shares or shares issued by its parent company and during the reporting period it did not purchase or sell these categories of shares, including through trust companies.

5.4 Branch offices

There are no branch offices of the Company.

5.5 Management of business risks

With regard to the risks associated with the contractual relationship, reference is made to item 2.6 of the Directors' Report on Operations, specifying that failure to comply with the obligations laid down in the current Agreement, additional acts and subsequent contractual provisions could lead to situations of "serious non-performance."

Operational risk

With regard to operational and management risks, the Company has set up preventive procedures and controls that can be traced back to plans for monitoring maintenance operations, as well as an insurance coverage plan to limit the economic impact that may arise as a result of motorway accidents.

Regulatory risk

By offering a public utility service, the Company operates under a concession regime and is subject to specific regulations issued by the Regulatory Body, therefore it is exposed to regulatory provisions that may affect the determination of the motorway toll and turnover in general with consequences on the economic balance of the Company as well as the implementation of the investment program, without prejudice to the conventional provisions relating to the updating of the Economic and Financial Plan in the presence of extraordinary events or at the end of the regulatory period.

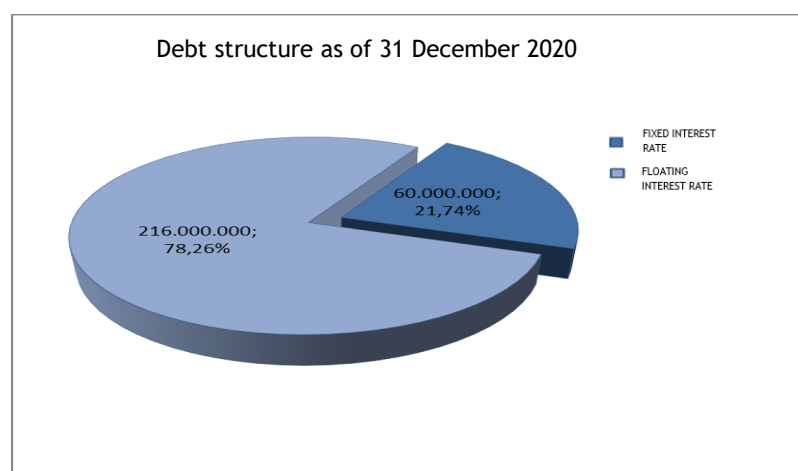
Financial risk

“Liquidity risk” is the risk that available financial resources may be insufficient to cover maturing obligations. In this regard, the Company believes that the financial requirements linked to the investments made in the motorway infrastructure, according to the contents of the Economic and Financial Plan, are essentially covered by the cash flows of management.

The possibility of accessing additional debt capital to be allocated to the motorway infrastructure investment programme is supported by the cash flows generated by ordinary operations, also in relation to the application of the provisions issued by the Transport Regulatory Authority on tariffs. The above-mentioned flows guarantee repayment of the debt within the period of the concession, in compliance with current contractual and conventional commitments.

As regards risks connected with interest rate fluctuations, in order to limit their effects, hedging contracts have been entered into connected with the variability of interest rates (Interest Rate Swap).

At 31 December 2020, floating rate debt amounted to 78.26% of the long-term portfolio.



The Company is not exposed to any exchange rate risk, as its activities are carried out solely in Italy. Moreover, there are no sources of financing in currencies other than the Euro.

As regards commercial credit risk, this is particularly limited given the procedure for collecting tolls, and the Company constantly monitors these receivables and writes down positions for which there may be a risk of partial or total failure to collect the receivable.

Potential risks

In the last period we have witnessed the rapid evolution of potentially significant risks. In this perspective, the spread of the disease “Covid-19” or other similar emergency, with its implications for public health, economic activity and trade, is a factor that affects, significantly downwards, the prospects for global economic growth. These risks may therefore affect the Company’s business and its economic-financial balance.

5.6 Outlook for operations

The continuing health emergency inevitably led to a downturn in traffic in the first two months of the year compared with the corresponding months of the previous year, when the health emergency had not yet occurred. However, given the initiatives put in place to counter the spread of the Covid-19 epidemic, it is reasonable to believe that the decrease in traffic compared to 2019 could be more contained than that recorded in 2020 with the resulting effects on operating results.

On behalf of the Board of Directors
The Chairperson
Maura Tina Carta, attorney-at-law

Assago, 11 March 2021

Financial statements

Balance Sheet

ASSETS	31/12/2020		31/12/2019	
	total interim		total interim	
A) Receivables from shareholders for payments still due	0		0	
B) Fixed assets				
I Intangible assets				
3) Industrial patent and intellectual property rights	102,309		103,593	
6) Assets in the course of construction and advances	80,189		444,998	
7) Other	3,151,989		4,081,863	
Total intangible assets	3,334,487		4,630,454	
II Property, plant and equipment				
of which non-revertible assets				
2) Plant and machinery	943,289		1,089,897	
3) Industrial and commercial equipment	46,523		51,307	
4) Other assets	1,127,287		457,865	
5) Assets in the course of construction and advances	0		313,104	
Total non-revertible assets	2,117,099		1,912,173	
of which freely revertible assets				
6) Motorway infrastructure "in operation"	1,458,004,432		1,452,656,072	
less accumulated depreciation	-1,420,494,741	37,509,691	-1,372,494,741	80,161,331
Assets in the course of construction and advances, motorway infrastructure	333,469,466		287,422,810	
Total freely revertible assets	370,979,157		367,584,141	
Total property, plant and equipment	373,096,256		369,496,314	
III Non-current financial assets				
1) Equity interests				
a) subsidiaries	181,295,558		192,887,781	
d-bis) other companies	62,884,877	244,180,435	62,968,335	255,856,116
2) Receivables				
a) from subsidiaries				
over 12 months	172,744,290		169,086,267	
c) from parent companies				
over 12 months	6,591		6,591	
d-bis) from others				
over 12 months	9,499,225		9,594,237	
Total non-current financial assets	426,430,541		434,543,211	
Total fixed assets (B)	802,861,284		808,669,979	

ASSETS		31/12/2020		31/12/2019	
		total interim		total interim	
C) Current assets					
I Inventories					
1)	Raw materials, supplies and consumables		1,378,449		1,483,359
	Total inventories		1,378,449		1,483,359
II Receivables					
1)	From customers				
	within 12 months		39,756,186		55,628,333
2)	From subsidiary companies				
	within 12 months	1,626,176		953,160	
	over 12 months	95,978	1,722,154	95,978	1,049,138
4)	From parent companies				
	within 12 months		0		250,000
5)	From companies subject to the control of the parent companies				
	within 12 months		0		4,980
5-bis)	Tax receivables				
	within 12 months	3,594,310		537,587	
	over 12 months	26,374	3,620,684	1,727,318	2,264,905
5-ter)	Deferred tax assets		15,489,455		15,766,448
5-quater)	from others				
	within 12 months		6,817,309		4,721,893
	Total receivables		67,405,788		79,685,697
III Financial assets not constituting non-current assets					
	Total Financial assets not constituting non-current assets		0		0
IV Cash and cash equivalents					
1)	Bank and postal deposits		151,699,306		51,689,962
3)	Cash and cash equivalents		821,195		1,468,718
	Total cash and cash equivalents		152,520,501		53,158,680
Total current assets (C)			221,304,738		134,327,736
D) Accruals, prepayments and deferrals					
	Prepayments		3,050,231		2,259,642
Total prepayments and accrued income (D)			3,050,231		2,259,642
TOTAL ASSETS (A+B+C+D)			1,027,216,253		945,257,357

LIABILITIES		31/12/2020		31/12/2019	
		total interim		total interim	
A) Shareholders' Equity					
I	Capital		93,600,000		93,600,000
II	Share premium reserve		0		0
III	Revaluation reserve		0		0
IV	Legal reserve		19,164,061		19,164,061
V	Statutory reserves		0		0
VI	Other reserves, separately indicated				
	Non-distributable reserve pursuant to art. 2426		3,745,626		3,442,851
	Extraordinary reserve		470,586,778		413,041,317
	Taxed reserve		288,581		288,581
	Grants - third parties		3,721,777		3,721,777
	Restricted reserve for delayed investments		15,185,000	493,527,762	15,185,000
VII	Reserve for expected cash flow hedges		-4,336,630		-5,625,350
VIII	Retained earnings (losses)		0		0
IX	Profit (loss) for the period		4,785,250		57,848,237
X	Negative reserve for own shares in portfolio		0		0
Total Shareholders' equity (A)			606,740,443		600,666,474
B) Provisions for risks and charges					
3)	Financial derivative liabilities		5,706,092		7,401,777
4)	Others				
	- renewal provision		42,768,259		42,768,259
	- provisions for risks and charges		23,800,694		30,379,688
	- provision for bad debts		425,934	66,994,887	258,780
					73,406,727
Total provisions for risks and charges (B)			72,700,979		80,808,504
C) Provision for severance indemnities			7,749,393		8,397,310

LIABILITIES	31/12/2020		31/12/2019	
	total interim		total interim	
D) Payables				
4) Payables to banks				
within 12 months	47,977,891		54,005,786	
over 12 months	211,687,072	259,664,963	110,000,000	164,005,786
5) Payables to other lenders				
- to companies subject to the control of the parent companies				
within 12 months	8,044,468		7,901,489	
over 12 months	8,018,611	16,063,079	15,910,277	23,811,766
7) Trade payables				
within one year		43,238,090		39,421,175
9) Payables to subsidiaries				
within 12 months		4,426,010		2,607,419
11) Payables to parent companies				
within 12 months		286		143
11-bis) Payables to companies subject to the control of the parent companies				
within 12 months		0		8,342
12) Tax payables				
within 12 months		934,523		6,657,878
13) Payables to social security and welfare institutions				
within 12 months		3,354,050		3,377,049
14) Other payables				
within 12 months		8,927,732		12,769,842
Total payables (D)		336,608,733		252,659,400
E) Accruals, prepayments and deferrals				
Accrued expenses		16,663		16,171
Deferred income		3,400,042		2,709,498
Total accrued expenses and deferred income (E)		3,416,705		2,725,669
TOTAL LIABILITIES AND NET RESULT (A+B+C+D+E)		1,027,216,253		945,257,357

0

Income Statement

	31/12/2020		31/12/2019		
	total interim		total interim		
A) Production value					
1)	Revenues from sales and services	187,419,471		261,793,498	
4)	Increase of non-current assets for internal works	1,397,836		1,620,326	
5)	Other revenues and income	12,941,688		9,814,381	
	Capital grants	28,297		0	
Total value of production (A)		201,787,292		273,228,205	
B) Production costs					
6)	Raw materials, supplies, consumables and goods	1,550,922		1,696,456	
7)	Services	53,888,023		45,733,480	
8)	Costs for leases and rentals	3,171,343		2,790,110	
9)	Personnel costs				
	a) wages and salaries	27,826,076		30,735,637	
	b) social security charges	8,505,520		9,562,551	
	c) post-employment benefits	2,137,553		2,236,248	
	d) provision for pensions and similar obligations	579,829		543,073	
	e) other costs	1,533,685	40,582,663	2,186,901	45,264,410
10)	Depreciation, amortisation and write-downs				
	a) amortisation of intangible assets	1,353,348		1,260,958	
	b) depreciation of property, plant and equipment				
	- depreciation of freely revertible assets	48,000,000		48,000,000	
	- depreciation of non-revertible assets	755,540		646,504	
	d) write-down of receivables	315,630	50,424,518	366,450	50,273,912
11)	Change in inventories of raw materials, supplies and consumables and goods	133,692		-15,432	
12)	Provisions for risks and charges	110,501		7,432,754	
13)	Other provisions				
	allocation to the renewal provision	29,620,658		20,149,627	
	use of renewal provision	-29,620,658	0	-20,149,627	0
14)	Other operating expenses	22,706,893		30,225,134	
Total production costs (B)		172,568,555		183,400,824	
Difference between value and cost of production (A - B)		29,218,737		89,827,381	

		31/12/2020		31/12/2019	
		total interim		total interim	
C) Financial income and expenses					
16)	Other financial income				
	a) from receivables recorded as non-current assets				
	- from subsidiaries	3,658,023		3,751,073	
	- others	299,102	3,957,125	232,298	3,983,371
	d) income other than the above				
	- others		1,212,584		4,452
17)	Interest and other financial expenses				
	- others		-8,905,607		-8,058,144
17-bis)	Foreign exchange gains and losses		56		212
Total financial income and expenses (C)			-3,735,842		-4,070,109
D) Value adjustments of financial assets					
18)	Revaluations				
	a) of equity interests		386,073		3,195,361
19)	Write-downs				
	a) of equity interests		-13,378,908		-4,136,032
Total value adjustments of financial assets (D)			-12,992,835		-940,671
Profit before taxes (A - B + C + D)			12,490,060		84,816,601
20)	Income tax for the period				
	a) Current taxes	7,865,887		29,306,985	
	b) Deferred (prepaid) taxes	-129,972		-2,396,487	
	c) Taxes for previous years	-31,105	7,704,810	57,866	26,968,364
21)	Profit (loss) for the financial year		4,785,250		57,848,237

*on behalf of the
Board of Directors*

The Chairperson
Maura Tina Carta, attorney-at-law

Assago, 11 March 2021

Cash Flow Statement

CASH FLOW STATEMENT	31/12/2020	31/12/2019
	INITIAL LIQUIDITY	53,158,680
A - OPERATING ACTIVITIES		
Profit (loss) for the period	4,785,250	57,848,237
Income taxes	7,704,810	26,968,364
Interest expense/(income)	2,338,062	2,449,995
(Dividends)	0	0
(Capital gains)/Capital losses from the disposal of assets	0	-675,900
1 - Profit (loss) for the year before taxes on income, interest, dividends and gains/losses on disposals	14,828,122	86,590,696
<i>Adjustments of non-monetary items not offset in net working capital</i>		
Allocations to provisions	31,089,935	29,480,157
Depreciation of fixed assets	50,108,888	49,907,462
Write-downs for impairment losses	13,378,908	4,136,032
Other increased/(decreased) adjustments for non-monetary items	-386,073	-3,195,361
Total adjustments	94,191,658	80,328,290
2 - Cash flow before change in the NWC	109,019,780	166,918,986
<i>Change in net working capital</i>		
Change in inventories	104,910	-79,110
Change in trade receivables	15,872,147	1,395,733
Change in other receivables	356,343	-1,937,655
Change in prepayments and accrued income	-790,589	-1,650,389
Change in trade payables	4,621,280	6,429,382
Change in other payables	-5,193,231	1,835,760
Change in accrued expenses and deferred income	690,544	-198,026
Total change	15,661,404	5,795,695
3 - Cash flow after changes in the NWC	124,681,184	172,714,681
<i>Other adjustments</i>		
Interest income/(expense)	-6,054,336	-8,649,964
(Income taxes paid)	-14,147,955	-34,146,892
Dividends cash-in	0	0
(Use of provisions)	-38,316,846	-22,709,684
Other collections/(payments)	0	0
Total other adjustments	-58,519,137	-65,506,540
Cash flow from operating activities (A)	66,162,047	107,208,141

CASH FLOW STATEMENT	31/12/2020	31/12/2019
B - INVESTMENT ACTIVITY		
Reversible property, plant and equipment		
Investment flows	-53,439,270	-54,590,959
Disinvestment flows	0	944,966
Non-reversible property, plant and equipment		
Investment flows	-960,466	-1,356,424
Disinvestment flows	0	5,250
Intangible assets		
Investment flows	-57,381	-295,781
Disinvestment flows	0	0
Non-current financial assets - equity interests		
Investment flows	-1,150,000	0
Disinvestment flows	0	0
Other non-current financial assets		
Investment flows	-116,777	-208,182
Disinvestment flows	471,338	729,865
Acquisitions or disposals of subsidiaries or businesses net of cash and cash equivalents	0	
Cash flow from investments (B)	-55,252,556	-54,771,265
C - FINANCING ACTIVITIES		
Third-party financing		
(Loan repayments)	-62,000,000	-62,000,000
New loans	150,000,000	0
Increase/(Decrease) in short-term bank loans	24,682	-69
Grants received	427,648	7,474,012
Equity		
Paid-in capital increase	0	0
Sale/(Purchase) of own shares	0	0
Dividends paid	0	0
Cash flow from investments (C)	88,452,330	-54,526,057
FINAL LIQUIDITY	152,520,501	53,158,680
CHANGE IN CASH AND LIQUID ASSETS (A+B+C)	99,361,821	-2,089,181

*On behalf of
the Board of Directors*

The Chairperson
Maura Tina Carta, attorney-at-law

Assago, 11 March 2021

Notes to the Financial Statements

INTRODUCTION

Milano Serravalle - Milano Tangenziali S.p.A. operates under a concession, which expires on 31 October 2028, on the basis of the Consolidated Agreement stipulated with the Awarding Body Anas on 7 November 2007, approved by Law no. 101 of 6 June 2008, which converted Decree Law no. 59 of 8 April 2008. On 10 March 2017, following communication by the Awarding Body, the Additional Agreement, approved by ID no. 422 of 2 December 2016 and registered by the Court of Auditors on 1 February 2017, became effective.

These financial statements represent the separate financial statements of the parent company Milano Serravalle - Milano Tangenziali S.p.A. prepared at the reporting date 31 December 2020 and consist of the Balance Sheet, Income Statement, Cash Flow Statement and Notes to the Financial Statements; they were prepared in accordance with the provisions of the Italian Civil Code, taking into account the amendments introduced by Legislative Decree no. 139 of 18 August 2015, which came into force on 1 January 2016, as well as the guidelines provided in this regard by the Italian Accounting Body (OIC), responsible for updating the national accounting standards issued on 22 December 2016, which have integrated and technically interpreted the provisions of the law on financial statements.

The financial statements correspond to the results of the duly kept accounting records, are prepared in accordance with the provisions of Articles 2423, 2423 bis, 2423 ter, 2424, 2424 bis, 2425, and 2425 bis of the Italian Civil Code and provide a true and correct view of the economic, financial and equity situation of the period.

The valuations of the individual items were carried out on a prudent basis and in view of going concern. Items were recognised and presented taking into account the substance of the transaction or contract.

The criteria and constraints set out in Article 2423 of the Italian Civil Code have been complied with, as there are no “special reasons” for derogation.

As required by Article 2423 ter, paragraph 5 of the Italian Civil Code, where necessary the data were reclassified to ensure comparability.

These financial statements do not include items originally expressed in a currency other than the Euro and all amounts shown in the Notes to the financial statements are expressed in Euro without decimals.

The Notes to the Financial Statements, prepared in accordance with the provisions of Article 2427 of the Italian Civil Code, are an integral part of the financial statements and are made up of two parts: the first concerns the criteria applied in the valuation of balance sheet items; the second illustrates the size of, and changes in, the items in the Balance Sheet and Income Statement. All additional information deemed necessary to give a true and correct view is also provided, although it is not required by specific legal provisions.

The tables in the Notes have been presented in accordance with the XBRL format.

CRITERIA APPLIED IN THE VALUATION OF BALANCE SHEET ITEMS

(Paragraph 1 of Article 2427 of the Italian Civil Code)

The valuation criteria adopted comply with the provisions of Article 2426 of the Italian Civil Code and comply with the current accounting standards drawn up by the Italian Accounting Organisation (OIC). The valuation criteria did not change compared to those adopted in the previous year with the exception of Inventories of raw materials, supplies and consumables, in order to improve the presentation in the financial statements, particularly with reference to perishable goods such as chloride used for winter interventions.

Intangible assets

These are recorded at purchase cost if their useful life extends over time and are depreciated on a straight-line basis to take account, in each individual period, of their residual possibility of use. An asset which, at the reporting date, is permanently of a value lower than that previously considered, is recorded at this lower value; if in subsequent years the conditions are no longer met, the original value is reinstated, adjusted only by depreciation.

Amortisation is calculated based on the estimated useful life of an asset, which for the various categories is as follows:

	Years
3a) Software	3
3b) Patents	20
4) Trademarks	10

With reference to the item 'Other intangible assets':

- ◆ expenses relating to leasehold improvements, or to the company's registered office, are depreciated based on the term of the related lease contract (eighteen years);
- ◆ ancillary expenses incurred in the financing agreement phase (such as substitute tax, up-front commissions, legal and notary fees), signed before the reporting period 2016, are amortised according to the term of the contract;
- ◆ other capitalised multi-year expenses are amortised on the basis of the term of the respective contracts.

Assets under construction and advances consist of costs incurred for assets not yet in use.

Property, plant and equipment

Freely revertible assets

Item B II of the Balance Sheet assets includes sub-item 6) where the cost of the motorway infrastructure is posted; at the end of the concession, it will have to be reverted free of charge to the Awarding Body.

The motorway infrastructure is recorded at purchase/construction cost, gross of the related directly attributable ancillary charges, revaluations permitted by specific regulations that have followed

over time, and grants, provided for by specific agreements, to third parties for the construction of ancillary works to the motorway infrastructure, net of grants paid by the State and other bodies. These contributions are recognised in the financial statements as soon as the conditions for recognition of the grant have been fulfilled.

The value of the assets in question is adjusted by the “financial amortisation provision” calculated using the differentiated rates method, as provided for in the Economic and Financial Plan attached to the current Additional Agreement, based on the purchase cost, including capitalised borrowing costs, revaluations carried out and net of capital grants.

This provision makes it possible to: (a) systematically reduce the value of the motorway infrastructure in relation to the remaining economic use which corresponds to the period of validity of the concession; (b) transfer the revertible assets to the awarding body for free at the expiry of the concession.

Assets under construction and advances consist of costs incurred for the construction of motorway sections not yet open to traffic and are recorded gross of the related directly attributable financial expenses.

Reimbursement of the cost of requests for additional payments relating to higher costs incurred by contractors is recognised only for amounts whose occurrence and quantification is reasonably certain. These requests are in any case recorded in the specific worksite book of the contract and take the form of “reserves” put forward by the contractor, where the contract provides for the jointly verified issue of progress reports.

Non-revertible assets

Non-revertible property, plant, and equipment (owned by the company) are entered at purchase cost, gross of related accessory charges, less related depreciation.

Property, plant and equipment will be depreciated systematically in each reporting period on a straight-line basis according to economic and technical rates that are determined in relation to the possibility of use of the asset. For the first year of depreciation, the reduced rate of 50% is used. Assets of modest value, which in any case have a multi-year useful life, are fully depreciated in the year of acquisition.

The estimated useful life, for the various asset categories, is as follows:

	Years
BUILDINGS	25
PLANTS	5
MACHINERY	4
EQUIPMENT	8
TOURIST SIGNS	10
CARS	4
HGVs	5
OFFICE MACHINES	5
FURNITURE AND FURNISHINGS	8

Acquisition costs relating to low-value assets, not having a multi-year useful life, were fully expensed in the Income Statement in the year of purchase.

The carrying amount of property, plant and equipment is also written down to bring it into line with its recoverable value in the event of permanent losses.

Leaseholds

Leaseholds are recorded in the financial statements on the basis of the equity method, which provides for the recording on an accrual basis of lease instalments as operating costs.

The item is recorded under assets at its redemption value when the reference contract is exhausted. The memorandum accounts show the commitments for the instalments due relating to contracts in place at the reporting date.

Equity investments

Equity interests represent long-term investments aimed at creating an integrated and diversified industrial and commercial organisation.

Equity interests in “subsidiaries” and, if any, in “associates” in which the Company has control and significant influence, respectively, are recorded using the equity method, as shown in the latest financial statements approved by the respective Boards of Directors. As required by accounting standard OIC 17, the profit of the investee is recognised in profit or loss for the portion pertaining to it, recording a revaluation of the equity interest; this profit will then be allocated to a specific “Non-distributable reserve from the revaluation of equity interests.” The losses of an investee are recognised in profit or loss for the portion pertaining to it, recording a write-down of the value of the interest.

Any higher value recognised at the time of purchase compared to the corresponding share of shareholders’ equity is recorded as an increase in the value of the interest; this difference is amortised in subsequent years or written down in the event of any losses not recoverable in the short term.

Equity interests in “other companies”, in which the Company does not have control or significant influence, are instead recorded at the historical acquisition or subscription cost, including any directly attributable accessory charges, except for adjustments dictated by assessments at of the Group. In the event of permanent impairments, the cost is adjusted by making appropriate write-downs. The original value may be reinstated in subsequent reporting periods if the reasons for the write-down no longer apply.

Other non-current financial assets

Receivables are recorded in the financial statements according to the amortised cost method, taking into account the time factor. The amortised cost method is not applied to short-term receivables, which are recorded at nominal value.

As required by the provisions of Article 12(2) of Legislative Decree 139/2015, the amortised cost and discounting method was not applied to receivables recorded in the financial statements prior to the year beginning 1 January 2016.

Equity interests recorded under current assets

There are no non-current financial assets recorded under current assets.

Inventories

Inventories of raw materials, supplies and consumables are valued using the weighted average cost method and, in any case, recorded at a value not exceeding the realisable value inferable from the market trend as provided for by art. 2426, paragraph 1, number 9) of the Italian Civil Code

The item consists of stocks of materials whose use is functional both to maintenance and to the operation of motorway works and installations.

Medium-/long-term financial assets and liabilities

Financial assets and liabilities are recorded in the financial statements on an amortised cost basis, taking into account the time factor and, as far as receivables are concerned, the estimated realizable value. This implies the discounting back of receivables and payables whose collection/payment is expected beyond the normal operating cycle (twelve months in general) by applying the effective interest method or the internal rate of return, constant over the life of the payable/receivable, which makes the present value of future cash flows equal and which includes all charges paid or received between the parties, including transaction costs and any premiums or discounts.

The amortised cost method is not applied if the effects are immaterial; generally, the effects are immaterial when the payables are short-term (i.e., with a maturity of less than 12 months) or when the transition costs are immaterial.

In accordance with the provisions of Article 12(2) of Legislative Decree 139/2015, the Company has availed itself of the option not to apply the amortised cost and discounting method to all receivables and payables recorded in the financial statements prior to the reporting period starting on 1 January 2016.

Short-term receivables

Receivables, classified under Current Assets, are entered at carrying amount adjusted by the “provision for bad debts,” to take into account the estimated realizable value commensurate with both the extent of the risk relating to specific non-performing receivables and the extent of the generic market risk impending on all receivables.

Cash and cash equivalents

Bank and postal deposits are valued at their estimated realisable value. This value normally coincides with the carrying amount. Cash and cash equivalents are stated at carrying amount.

Short-term payables

All payables are recognised at their carrying amount. Trade payables include amounts due for services completed by the end of the period but not yet invoiced.

Derivative financial instruments

Derivative financial instruments, though included into other financial instruments, are recorded at fair value. Changes in fair value are recognised in profit or loss or, if the instrument hedges the risk of changes in the expected cash flows of a financial instrument or a forecast transaction, directly in a positive or negative reserve in shareholders’ equity, called the Reserve for expected cash flow hedges, net of tax effect. This reserve is recognised in profit or loss to the extent and within the timescale corresponding to the occurrence or change in the cash flows of the hedged instrument or to the occurrence of the hedged transaction. However, if there is a negative reserve and if all or part of the reserve is not expected to be recovered in one or more future reporting periods, the reserve or part of the reserve that is not expected to be recovered is immediately recognised in item B) 13) of the income statement for the reporting period.

Items hedged against the risk of changes in interest rates or exchange rates or market prices or against credit risk are valued symmetrically with the hedging derivative instrument; a hedge is considered to exist when there is, from the outset, a close and documented correlation between the characteristics of the hedged instrument or transaction and that of the hedging instrument. Gains arising from the fair value measurement of derivative financial instruments not used or not necessary for hedging purposes are not distributable. Equity reserves arising from the fair value measurement of derivatives used to hedge the expected cash flows of another financial instrument or a forecast transaction are not taken into account in the calculation of equity for the purposes of Articles 2412, 2433, 2442, 2446 and 2447 and, if positive, are not available and cannot be used to hedge losses.

The fair value is determined with reference to:

- (a) market value, for financial instruments for which an active market can easily be identified;
- (b) where the market value is not easily identifiable for an instrument, but can be identified for its components or for a similar instrument, the market value may be derived from that of the components or of a similar instrument;

(c) the value resulting from generally accepted valuation models and techniques, for instruments for which an active market cannot be easily identified; such valuation models and techniques shall ensure a reasonable approximation to market value.

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

Accruals, prepayments and deferrals

These are quantified and recorded on an accruals basis and mainly include multi-year prepaid expenses and deferred income, determined by annual instalments based on the term of the relevant contracts.

Provision for the restoration or replacement of freely revertible assets (renewal provision)

The purpose of the “renewal provision” is to maintain and/or restore the original production capacity of the “assets freely revertible to the awarding body” both to maintain unchanged the production capacity and to transfer them, on expiry of the concession, to the Awarding Body in good working order. This provision is maintained in accordance with the current Economic and Financial Plan and is fed through systematic provisions, distributed over the term of the concession, against estimated costs for maintenance, renewals, safety and the like.

Provisions for risks and charges

This provision is made to cover losses or payables that are certain or likely to exist but for which, at the reporting date, the amount or date of occurrence cannot be determined.

The provisions reflect the best possible estimate on the basis of the commitments entered into and the information available.

Provision for severance indemnities

The provision for post-employment benefits represents the liability accrued up to 30 June 2007 set aside to cover the entire liability accrued vis-à-vis employees in compliance with current legislation and collective and company labour agreements, revalued each year on the basis of specific indices. Following the changes made by the regulations on severance indemnity, since 2007 the Company has paid the accrued contributions, in relation to the choice of the individual employee, to a pension fund or to the INPS Treasury Fund.

Memorandum accounts

Guarantees given/received and commitments undertaken are recorded in notes to the financial statements and are valued according to the nature of the risk and on the basis of the information available at the date of preparation of the financial statements.

Revenues

Revenues from the provision of services and the sale of goods are recorded on an accruals basis. Financial income is recognised on an accrual basis.

Increase of non-current assets for internal works

Increases in non-current assets for internal works also include capitalised borrowing costs on property, plant and equipment produced by third parties, if the conditions are met.

Costs and expenses

Costs and expenses are accounted for on an accruals basis. Specifically, the costs of the acquisition of goods and the provision of services shall be recognised respectively at the time of the transfer of ownership and at the date on which the services are rendered.

Current tax

Current taxes represent the income taxes due, which refer to the taxable income for the year.

Deferred tax liabilities and deferred tax assets

In compliance with Accounting Principle no. 25, the method adopted for the determination and recording of taxes in the financial statements is that of presenting the tax burden pertaining to the period, through the recording of deferred tax assets or liabilities. In relation to this, the temporary differences between the taxes pertaining to the period and those determined on the basis of current tax regulations and which will be settled and/or recovered in subsequent periods are recorded, if positive, under deferred tax assets and, if negative, under the provision for deferred tax liabilities.

The calculation of deferred and prepaid taxes takes into account the tax rate that is expected to be in force in the year in which the temporary difference will be reversed, as well as any benefits provided by current tax regulations.

Deferred taxes are recognised to the extent that there is a reasonable certainty of their future recovery. With particular reference to the IRES (corporate income tax) surcharge of 3.5 percentage points, on income from concessionary activities for the tax years 2019, 2020, 2021, recalling the principle of prudence, this surcharge was recorded only if there is certainty of recovery by 2021.

Deferred tax liabilities are not recorded if it is not very likely that this debt will arise.

AMOUNT AND CHANGES IN THE ITEMS OF THE STATEMENT OF FINANCIAL POSITION, MEMORANDUM ACCOUNTS AND INCOME STATEMENT

Changes in non-current assets

(Paragraphs 2, 3, 3-bis, 5 and 8 of Article 2427 of the Italian Civil Code)

B - NON-CURRENT ASSETS

I - Intangible assets

CHANGES IN INTANGIBLE ASSETS									
	Historical cost	Revaluations	Write-downs	Changes in historical cost			Change in provisions	Provisions for amortisation	Book value
				Reclassification	Increases for acquisitions	Decreases			
2) Development costs	28,054	0	-28,054					0	0
3) Industrial patent and intellectual property rights	3,471,787	0	-4,379					-3,363,815	103,593
4) Concessions, licenses, trademarks and similar rights	1,204	0	0					-1,204	0
6) Assets in the course of construction and advances	779,791	0	-334,793					0	444,998
7) Others	13,460,387	0	0					-9,378,523	4,081,863
Total value at 31/12/2019	17,741,223	0	-367,226					-12,743,542	4,630,454
2) Development costs		0	0	0	0	0	0	0	0
3) Industrial patent and intellectual property rights		0	0	51,893	50,349	0	0	-103,526	-1,284
4) Concessions, licenses, trademarks and similar rights		0	0	0	0	0	0	0	0
6) Assets in the course of construction and advances		0	0	-364,809	0	0	0	0	-364,809
7) Others		0	0	312,916	128,925	0	-121,893	-1,249,822	-929,874
Total changes during the period		0	0	0	179,274	0	-121,893	-1,353,348	-1,295,967
2) Development costs	28,054	0	-28,054					0	0
3) Industrial patent and intellectual property rights	3,574,029	0	-4,379					-3,467,341	102,309
4) Concessions, licenses, trademarks and similar rights	1,204	0	0					-1,204	0
6) Assets in the course of construction and advances	414,982	0	-334,793					0	80,189
7) Others	13,902,228	0	0					-10,750,238	3,151,989
Total value at 31/12/2020	17,920,497	0	-367,226					-14,218,783	3,334,487

Industrial patent and intellectual property rights: the increase in the year mainly relates to the purchase of new software to improve remote connections.

Other: this item refers for €1,785,036 to the costs of loans granted before 2016, which continue to be accounted for in accordance with the previous accounting standards and not using the amortised cost method, for €928,647 to improvements made to the registered office, for €291,312 to the development of cloud software (ERP and payroll) and for the remaining €146,993 to the contribution to AISCAT for the construction of the “Central System” to support the SET system (European Electronic Toll System). With regard to the latter, it should be noted that the delays in implementing the so-called “real route” led to the use of the “Central System” for different purposes than it was initiated, also using it for the exchange of traffic data between the concessionaires. In this regard, the initial amortisation plan has been revised.

Assets under construction and advances: the item mainly refers to the portion of the “Central System” still to be implemented and started; a share equal to €312,916 has been reclassified to “Others”.

II - Property, plant and equipment

Property, plant and equipment	Value at 31/12/2020	Value at 31/12/2019	Change in value	Change %
Non-revertible assets	2,117,099	1,912,173	204,926	10.72
Freely revertible assets	370,979,157	367,584,141	3,395,016	0.92
Total	373,096,256	369,496,314	3,599,942	0.97

Non-revertible property, plant and equipment

CHANGES IN NON-REVERTIBLE PROPERTY, PLANT AND EQUIPMENT									
	Changes in historical cost							Provision for depreciation	Book value
	Historical cost	Revaluations	Write-downs	Reclassification	Increases for acquisitions	Decreases	Change in provisions		
2) Plant and machinery									
2a) Plants	1,094,768	0	0				-902,953	191,815	
2b) Machinery	6,059,507	0	0				-5,161,425	898,082	
Total plant and machinery	7,154,275	0	0				-6,064,378	1,089,897	
3) Industrial and commercial equipment									
3a) Equipment	486,431	0	0				-435,124	51,307	
3b) Advertising signs	701,401	0	0				-701,401	0	
Total industrial and commercial equipment	1,187,832	0	0				-1,136,525	51,307	
4) Other assets									
4a) Means of transport	1,067,840	0	0				-890,482	177,358	
4b) Office machines	1,094,115	0	0				-888,630	205,485	
4c) Furniture	1,721,713	0	0				-1,646,691	75,022	
Total other assets	3,883,668	0	0				-3,425,803	457,865	
5) Assets in the course of construction and advances:	313,104	0	0				0	313,104	
Total value at 31/12/2019	12,538,879	0	0				-10,626,706	1,912,173	
2) Plant and machinery									
2a) Plants		0	0	0	0	-5,519	5,519	-56,728	-56,728
2b) Machinery		0	0	0	341,573	0	0	-431,453	-89,880
Total plant and machinery		0	0	0	341,573	-5,519	5,519	-488,181	-146,608
3) Industrial and commercial equipment									
3a) Equipment		0	0	0	11,010	-78	78	-15,794	-4,784
3b) Advertising signs		0	0	0	0	0	0	0	0
Total industrial and commercial equipment		0	0	0	11,010	-78	78	-15,794	-4,784
4) Other assets									
4a) Means of transport		0	0	313,104	401,590	0	0	-154,546	560,148
4b) Office machines		0	0	0	200,840	-86,726	86,667	-76,280	124,501
4c) Furniture		0	0	0	5,512	0	0	-20,739	-15,227
Total other assets		0	0	313,104	607,942	-86,726	86,667	-251,565	669,422
5) Assets in the course of construction and advances		0	0	-313,104	0	0	0	0	-313,104
Total changes during the period		0	0	0	960,525	-92,323	92,264	-755,540	204,926
2) Plant and machinery									
2a) Plants	1,089,249	0	0				-954,162	135,087	
2b) Machinery	6,401,080	0	0				-5,592,878	808,202	
Total plant and machinery	7,490,329	0	0				-6,547,040	943,289	
3) Industrial and commercial equipment									
3a) Equipment	497,363	0	0				-450,840	46,523	
3b) Advertising signs	701,401	0	0				-701,401	0	
Total industrial and commercial equipment	1,198,764	0	0				-1,152,241	46,523	
4) Other assets									
4a) Means of transport	1,782,534	0	0				-1,045,028	737,506	
4b) Office machines	1,208,229	0	0				-878,243	329,986	
4c) Furniture	1,727,225	0	0				-1,667,430	59,795	
Total other assets	4,717,988	0	0				-3,590,701	1,127,287	
5) Assets in the course of construction and advances:	0	0	0				0	0	
Total value at 31/12/2020	13,407,081	0	0				-11,289,982	2,117,099	

Machinery: The purchases, made in the last few months of the year, relate to salt spreaders and snow ploughs.

Office machines: Purchases refer mainly to corporate servers, switches, laptops and tablets. The decrease refers to the disposal of old servers and monitors.

Means of transport: During the year, 12 new vans were set up and put into use, 11 of which were purchased in the previous year.

Property, plant and equipment freely revertible to the awarding body

CHANGES IN PROPERTY, PLANT AND EQUIPMENT FREELY REVERTIBLE TO THE AWARDING BODY						
	Value at 31/12/2019	Reclassifications/ transfers	Increases for the year	Decreases for the year	Depreciation for the year	Value at 31/12/2020
MOTORWAY INFRASTRUCTURE "IN OPERATION"						
Historical cost	1,156,979,539	4,303,971	809,297	-2,633	0	1,162,090,174
Financial expenses	284,522,859	237,725	0	0	0	284,760,584
Contributions received	-157,536,976	0	0	0	0	-157,536,976
Monetary revaluations pursuant to law	168,690,650	0	0	0	0	168,690,650
Total motorway infrastructure "in operation"	1,452,656,072	4,541,696	809,297	-2,633	0	1,458,004,432
Accumulated depreciation	-1,372,494,741	0	0	0	-48,000,000	-1,420,494,741
Total motorway structure in operation net of accumulated depreciation	80,161,331	4,541,696	809,297	-2,633	-48,000,000	37,509,691
MOTORWAY INFRASTRUCTURE UNDER CONSTRUCTION AND ADVANCES						
Historical cost	286,148,172	-4,303,971	49,793,215	-175,051	0	331,462,365
Financial expenses	24,577,844	-237,725	1,397,836	0	0	25,737,955
Contributions received	-23,303,206	0	-427,648	0	0	-23,730,854
Total motorway infrastructure under construct	287,422,810	-4,541,696	50,763,403	-175,051	0	333,469,466
Total freely revertible property, plant and equipment	367,584,141	0	51,572,700	-177,684	-48,000,000	370,979,157

The most significant changes for the **motorway infrastructure "in operation"** refer to:

- ◆ the completion of the redevelopment of the Bereguardo tollbooth on the A7 motorway;
- ◆ the settlement reached with the contractor for the redevelopment works on the Gropello Cairoli tollbooth on the A7 motorway;
- ◆ the settlement reached with the contractor for the extraordinary maintenance works of the structures on the West Bypass.

The most significant changes for the **motorway infrastructure "under construction and advances"** refer to the works for the:

- ◆ completion of the access road to the intermodal centre of Segrate;
- ◆ redevelopment of S.P. 46 Rho-Monza;
- ◆ lighting and adaptation of triple-wave guardrails on the West bypass;
- ◆ extraordinary maintenance on Rho viaduct.

The grant received refers to the agreement in place with Westfield Milan S.p.A. for the works to complete the access road to the Segrate intermodal centre.

Also pursuant to Article 1, paragraph 125 of Law no. 124/2017, subsequently supplemented by the decree law 'Safety' (no. 113/2018) and the decree law 'Simplification' (no. 135/2018), the information relating to the grants in place at 31 December 2020, recognised by public bodies and not yet fully collected, is reported.

GRANTS RECEIVED FROM PUBLIC BODIES (*)	public body/enterprise	grant as per the Agreement	accrued up to 31/12/2020	received at 31/12/2020	still to be received as at 31/12/2020
Access road to the New Rho-Pero Exhibition Centre Section A Junction - 1st and 2nd stage interventions	Anas S.p.A.	44,410,805	44,410,805	33,753,439	10,657,366
Redevelopment of the Lambrate junction of the East bypass and completion of the access roads to Segrate Intermodal Centre	Lombardy Region	40,638,494	38,638,396	38,638,396	2,000,098
Redevelopment, with motorway characteristics, of SP 46 Rho-Monza - lot 2: Underground railway crossing variant of the Milan-Saronno line	MIT - SVCA	55,000,000	30,327,954	20,000,000	35,000,000
Total grants provided by public bodies		140,049,299	113,377,155	92,391,835	47,657,464

(*) grants are shown net of VAT, where applicable

In line with the requests of the Awarding Body and in compliance with paragraph 8 of Article 2427 of the Italian Civil Code, the table below shows the increases in investments in the motorway infrastructure for the reporting period, net of grants received, broken down by job order and cost item:

INCREASES as of 31 December 2020					
	WORKS	AMOUNTS AVAILABLE	GRANTS RECEIVED	FINANCIAL EXPENSES	TOTAL
INVESTMENTS AGREEMENT 7/12/99					
Completion of Works - Law 205	0	45,375	0	0	45,375
Pavia-Beregardo junction	0	49,177	0	0	49,177
Lambrate junction and road network completion of IC Segrate	0	12,000	0	0	12,000
Noise barriers on the entire network	0	2,600	0	0	2,600
Total	0	109,152	0	0	109,152
INVESTMENTS AGREEMENT 07/11/2007					
Environmental and landscape interventions	0	6,559	0	0	6,559
Interventions for sector quality standards	7,511,086	9,850,419		466,112	17,827,617
Improvement of the Cascina Gobba junction road	0	10,000	0	0	10,000
Redevelopment of SP 46 Rho-Monza	18,512,335	1,840,811	0	575,889	20,929,035
Total	26,023,421	11,707,789	0	1,042,001	38,773,211
INVESTMENTS ADDITIONAL AGREEMENT 15/6/16					
Completion of IC Segrate road network	10,652,314	1,815,491	-427,648	355,835	12,395,992
Total	10,652,314	1,815,491	-427,648	355,835	12,395,992
INVESTMENTS NEW PROPOSAL ADDITIONAL ACT					
A50 4th lane - Advanced feasibility study	0	7,960	0	0	7,960
Upgrading of A52-A4-SS36 junction 2026 Olympics	0	286,385	0	0	286,385
Total	0	294,345	0	0	294,345
TOTAL MOTORWAY INFRASTRUCTURE INVESTMENTS	36,675,735	13,926,777	-427,648	1,397,836	51,572,700

Financial expenses of €1,397,836 mainly refer to interest expense accrued on loans for motorway infrastructure.

With regard to the works in progress at 31 December 2020, the contracting companies entered in the specific worksite register reserves relating to greater claimed amounts, with respect to the contractual agreements, for an amount of €267.7 million, a part of which, corresponding to €5.4 million, was settled in the first few months of 2021 and the effects of which have already been recognised in these financial statements. For some of these reserves, the joint proposals for amicable agreements pursuant to Article 240 have already been made by the commissions set up for this purpose.

The amount of reserves refers mainly to the following interventions:

- ◆ “Lambrate junction and IC Segrate road network”: against reserves of €30.1 million, the Commission, pursuant to Article 240, made a proposal for an amicable agreement of €1.3 million. The contractor has formally rejected the proposal and at the moment the discussions have not led to any new development. The procurement of the works is under the supervision of the National Anti-Corruption Authority.
- ◆ “Redevelopment work on SP 46 Rho-Monza”: the reserves recorded at 31 December 2020 amounted to approximately €214.3 million. A settlement solution is currently being defined that calls for the recognition to the Contractor, to definitively settle all reserves entered, of an amount slightly higher than the proposal for an amicable agreement formulated by the Commission pursuant to art. 240, which valued the Contractor’s requests up to 2017 at €10.9 million. The settlement proposal also deals with some contractual aspects, including the redefinition of the work schedule.
- ◆ “Redevelopment works of the Pavia-Beregardo/Beregardo tollbooth link road”: the works were completed on 6 March 2020, with a delay of more than one year compared to the contractual deadline of 28 February 2019, such as to determine the accrual of the maximum amount of applicable penalty, equal to approximately €1.7 million. As of 31 December, the company recorded reserves of €823,586.
- ◆ “Segrate completion lot”: the Contractor entered reserves as of 31 December 2020 for a total amount of €13.7 million. Pending the issue of the confidential report by the site engineer, the necessary assessments and investigations are under way for the complete verification of the claims, the analysis of the circumstances that led to these requests, also in light of the contractual obligations and the enhancement of any awards.
- ◆ “Safety work and lighting on West bypass”: the reserves recognised at 31 December 2020 amounted to approximately €2.2 million. These reserves are additional and subsequent to the claims that were the subject of the writ of summons filed by the contractor and resolved by the October 2020 settlement. They will be dealt with through the procedure pursuant to art. 240 once the technical-administrative inspection of the works has taken place.

Considering the nature of these reserves, the cost to be incurred is essentially related and attributable to the progress of work, and therefore to an increase in investments in the motorway infrastructure. Only the quantifiable items that cannot be added to the motorway infrastructure are entered in a specific provision for risks.

In relation to the litigation that the Company has in place regarding expropriations, which can be traced back to the investment in the redevelopment of the SP 46 Rho-Monza, based on the claims that are the subject of the current proceedings, it is possible that the Company may have to pay

higher indemnities for a total maximum amount of approximately €3.5 million plus non-quantifiable accessories. Given the nature of the expenditure, any additional compensation will be charged to the motorway infrastructure as investment.

Property, plant and equipment freely revertible to the Awarding Body include works for the planning and construction of works carried out by subsidiaries for an amount of €2,477,998, capitalised in the reporting period, and for an amount of €32,520,690 capitalised in previous reporting periods.

Property, plant and equipment has been subject to the monetary revaluation process as shown in the following table:

SUMMARY TABLE OF WRITE-UPS RELATING TO BUSINESS ASSETS				
MOTORWAY INFRASTRUCTURE				
	YEAR	31/12/2019	Changes	31/12/2020
Revaluation Law 576/75	1975	12,080,161	0	12,080,161
Revaluation Law 72/83	1982	35,195,799	0	35,195,799
Revaluation Law 413/91	1991	1,823,401	0	1,823,401
Revaluation Law 342/00	2003	119,591,289	0	119,591,289
TOTAL		168,690,650	0	168,690,650

III - Non-current financial assets

Non-current financial assets	Value at 31/12/2020	Value at 31/12/2019	Change in value	Change %
Equity investments	244,180,435	255,856,116	-11,675,681	-4.56
Other fixed assets	182,250,106	178,687,095	3,563,011	1.99
Total	426,430,541	434,543,211	-8,112,670	-1.87

1) Equity interests

At 31 December 2020, the Company's equity interests were as follows:

LIST OF EQUITY INTERESTS							
Name	Share capital as per last financial statements	Shareholders' equity as per last financial statements	Result as per the last financial statements	% owned	Nominal value of shares/quotas	Book value as recorded at 31/12/2020	Share of shareholders' equity
SUBSIDIARIES							
Milano Serravalle Engineering S.r.l. Assago - Via del Bosco Rinnovato 4/b	300,000	4,431,699	386,073	100.0000	300,000	4,431,699	4,431,699
Autostrada Pedemontana Lombarda S.p.A. Assago - Via del Bosco Rinnovato 4/a	300,926,000	223,066,232	-4,702,380	79.2876	238,597,000	176,863,859	176,863,859
Total subsidiaries						181,295,558	
OTHER COMPANIES							
Tangenziali Esterne di Milano S.p.A. (*) Milan - Via della Liberazione 18	220,344,608	231,482,966	-510,938	18.8006	41,426,017	43,520,187	43,520,187
Tangenziale Esterna S.p.A. (*) Milan - Via Fabio Filzi 25	464,945,000	295,416,792	-18,819,944	0.3864	1,796,378	1,796,378	1,141,490
Autostrade Lombarde S.p.A. (*) Bergamo - Largo B.Belotti, 16	467,726,626	497,552,290	2,700,308	2.7794	13,000,000	13,312,513	13,828,968
Società di progetto Brebemi S.p.A. (**) Brescia - Via Somalia 2/4	51,141,227	-304,975,009	-49,133,190	0.3914	200,181	200,181	-1,193,672
CIV S.p.A. Milan - Via Felice Casati 1A	6,200,000	25,684,518	4,509,635	5.0000	310,000	673,197	1,284,226
S.A.Bro.M. S.p.A. Milan - Via Felice Casati 1A	28,902,600	24,650,483	-278,426	12.9746	3,750,000	3,368,271	3,198,302
Confederazione Autostrade S.p.A. (*) Verona - Via Flavio Gioia 71	6,000,000	-749,729	-176,675	16.6670	1,000,000	12,601	-124,957
Consorzio Autostrade Italiane Energia Rome - Via Alberto Bergamini 50	114,853	=	=	1.4500	1,665	1,549	=
Total other companies						62,884,877	
TOTAL EQUITY INTERESTS						244,180,435	

(*) The last available financial statements are those closed at 31 December 2019 approved by the Shareholders' Meeting in

(**) Shareholders' equity is negative due to the recognition of the negative reserve for transactions to hedge expected cash flows.

The percentage of ownership shown in the table is that held at the balance sheet date available. It should be noted that, following the changes that occurred in the course of the year, the Company currently owns:

- ◆ 25% of the share capital of €50,000 of Confederazione Autostrade;
- ◆ 0.3669% of the share capital of €52,141,227 of Società di progetto Brebemi S.p.A.

The following tables show the formation of the value of equity interests recorded as non-current financial assets and the changes that took place during the year:

STATEMENTS OF CHANGES IN NON-CURRENT FINANCIAL ASSETS: EQUITY INVESTMENTS								
	Historical value	Revaluations	Write-downs	Reversal of impairment losses	Changes in historical cost			Book value
					Increases for acquisitions	Decreases	Reclassification	
Subsidiaries	254,984,419	3,745,626	-69,403,057	3,560,793				192,887,781
Other companies	72,708,302	0	-11,686,294	1,946,327				62,968,335
Total value at 31/12/2019	327,692,721	3,745,626	-81,089,351	5,507,120				255,856,116
Subsidiaries		386,073	-12,928,296	0	950,000	0	0	-11,592,223
Other companies		0	-283,458	0	200,000	0	0	-83,458
Total changes during the period		386,073	-13,211,754	0	1,150,000	0	0	-11,675,681
Subsidiaries	255,934,419	4,131,699	-82,331,353	3,560,793				181,295,558
Other companies	72,908,302	0	-11,969,752	1,946,327				62,884,877
Total value at 31/12/2020	328,842,721	4,131,699	-94,301,105	5,507,120				244,180,435

STATEMENT OF CHANGES IN EQUITY INTERESTS: SUBSIDIARIES								
	Historical value	Revaluations	Write-downs	Reversal of impairment losses	Changes in historical cost			Book value
					Increases	Decreases	Reclassification	
Milano Serravalle Engineering S.r.l.	739,850	3,745,626	-439,850	0				4,045,626
Autostrada Pedemontana Lombarda S.p.A.	254,244,569	0	-68,963,207	3,560,793				188,842,155
Total value at 31/12/2019	254,984,419	3,745,626	-69,403,057	3,560,793				192,887,781
Milano Serravalle Engineering S.r.l.		386,073	0	0	0	0	0	386,073
Autostrada Pedemontana Lombarda S.p.A.		0	-12,928,296	0	950,000	0	0	-11,978,296
Total changes during the period		386,073	-12,928,296	0	950,000	0	0	-11,592,223
Milano Serravalle Engineering S.r.l.	739,850	4,131,699	-439,850	0				4,431,699
Autostrada Pedemontana Lombarda S.p.A.	255,194,569	0	-81,891,503	3,560,793				176,863,859
Total value at 31/12/2020	255,934,419	4,131,699	-82,331,353	3,560,793				181,295,558

On 19 November 2020, the deed of sale of the entire stake held by Bau Holding B. GmbH in the share capital of Autostrada Pedemontana Lombarda S.p.A., equal to 950 shares at a nominal value of €1,000, was formalised. The acquisition price was defined in the settlement agreement to close the ongoing dispute between Strabag AG and Autostrada Pedemontana Lombarda S.p.A. and, insofar as is applicable, between the parties concerned, including the Company.

The revaluations of the year of €386,073 refer to the subsidiary Milano Serravalle Engineering S.r.l. and represent the profit during the year.

The write-downs, entirely related to Autostrada Pedemontana Lombarda S.p.A., concern:

- ◆ €3,728,404 for the share of the loss recorded in the year by the subsidiary Autostrada Pedemontana Lombarda S.p.A. to adjust the value of the equity interest to the portion of shareholders' equity held;
- ◆ €9,199,892 for the write-down of goodwill recorded in the value of the equity interest held in Autostrada Pedemontana Lombarda S.p.A.

With regard to the book value of the investment in Autostrada Pedemontana Lombarda S.p.A., the recoverable value was estimated by means of an impairment test.

According to the procedure adopted by the motorway companies, the impairment test was determined by applying the Discounted Cash Flow (DCF) method. More specifically, the test was carried out by discounting the operating cash flows resulting from economic and financial projections based on the assumptions contained in the Economic and Financial Plan approved by the Board of Directors of the investee Autostrada Pedemontana Lombarda S.p.A. on 11 January 2021,

and constituting the business plan required by the banks to proceed with the preliminary investigation for the formalisation of the offers related to the financial funding procedure.

The above-mentioned Economic and Financial Plan differs significantly in its assumptions from the one used previously: (i) Transport Regulatory Authority (ART) resolution no. 106/2020 was issued; (ii) the traffic flows take into account the Covid-19 effect; (iii) the schedule and the completion of the works were brought forward; (iv) the flows from operations are consequently more negative in the initial years; (v) the duration of the concession was extended by almost four years.

The discount factor used, represented by the WACC (Weighted Average Cost of Capital), was determined by taking into account the indications of the ART resolution, as well as the market trend, making appropriate adjustments to the components in relation to the specific nature of the investee, i.e. its qualification as a greenfield company, also considering the financial support provided by Regione Lombardia.

In consideration of the assumptions underlying the new 2020-2060 Economic and Financial Plan, the value in use resulting from the impairment test carried out showed that the current value thus determined - adequately proportionate - prudentially requires an adjustment to the carrying amount of the investment not exceeding the portion of shareholders' equity held at 31 December 2020.

Despite the adoption of a more limited discounting factor, the lower cash flows in the initial years of the concession due to the health emergency, the adoption of the ART resolution, which presents more stringent parameters than the assumptions used in the Economic and Financial Plan of January 2020, the lengthening of the concession, which makes discounting more penalising due to the longer time required by the works schedule and therefore by the recovery of the investment through operating flows, are elements that negatively affect, in the short term, the determination of the recoverable value.

STATEMENT OF CHANGES IN EQUITY INTERESTS: OTHER COMPANIES								
	Historical value	Revaluations	Write-downs	Reversal of impairment losses	Changes in historical cost			Book value
					Increases	Decreases	Reclassification	
Tangenziali Esterne di Milano S.p.A.	50,243,940	0	-8,148,814	1,521,120				43,616,246
Tangenziale Esterna S.p.A.	1,796,378	0	0	0				1,796,378
Autostrade Lombarde S.p.A.	13,312,513	0	-300,008	300,008				13,312,513
Società di progetto Brebemi S.p.A.	1,300,000	0	-1,099,819	0				200,181
CIV S.p.A.	716,458	0	-168,460	125,199				673,197
S.A.Bro.M. S.p.A.	3,750,000	0	-381,729	0				3,368,271
Confederazione Autostrade S.p.A.	1,587,464	0	-1,587,464	0				0
Consorzio Autostrade Italiane Energia	1,549	0	0	0				1,549
Total value at 31/12/2019	72,708,302	0	-11,686,294	1,946,327				62,968,335
Tangenziali Esterne di Milano S.p.A.		0	-96,059	0	0	0	0	-96,059
Tangenziale Esterna S.p.A.		0	0	0	0	0	0	0
Autostrade Lombarde S.p.A.		0	0	0	0	0	0	0
Società di progetto Brebemi S.p.A.		0	0	0	0	0	0	0
CIV S.p.A.		0	0	0	0	0	0	0
S.A.Bro.M. S.p.A.		0	0	0	0	0	0	0
Confederazione Autostrade S.p.A.		0	-187,399	0	200,000	0	0	12,601
Consorzio Autostrade Italiane Energia		0	0	0	0	0	0	0
Total changes during the period		0	-283,458	0	200,000	0	0	-83,458
Tangenziali Esterne di Milano S.p.A.	50,243,940	0	-8,244,873	1,521,120				43,520,187
Tangenziale Esterna S.p.A.	1,796,378	0	0	0				1,796,378
Autostrade Lombarde S.p.A.	13,312,513	0	-300,008	300,008				13,312,513
Società di progetto Brebemi S.p.A.	1,300,000	0	-1,099,819	0				200,181
CIV S.p.A.	716,458	0	-168,460	125,199				673,197
S.A.Bro.M. S.p.A.	3,750,000	0	-381,729	0				3,368,271
Confederazione Autostrade S.p.A.	1,787,464	0	-1,774,863	0				12,601
Consorzio Autostrade Italiane Energia	1,549	0	0	0				1,549
Total value at 31/12/2020	72,908,302	0	-11,969,752	1,946,327				62,884,877

The write-downs referring to the investee company Tangenziali Esterne di Milano S.p.A. were made in order to record the investment in line with the valuation criteria adopted by the consolidating company Regione Lombardia, which applies the equity criterion referred to the latest financial statements approved in 2020 and therefore referred to the results as of 31 December 2019.

With regard to the equity investment in Confederazione Autostrade S.p.A., in January the Company paid a share of €200,000 to replenish the share capital, including share premium to cover past losses. Having also exercised the right of pre-emption on the unopted portion, the Company's share has increased from 16.667% to 25%. The write-down of €187,399 represents the Company's share of the losses covered during the recapitalisation of the investee company. An amount of €124,935, corresponding to the share held by the Company at 31 December 2019, relating to these losses had already been set aside in a specific provision for write-downs of equity investments.

Without prejudice to the resolution of the Shareholders' Meeting of 4 April 2014 to allocate for sale the entire shareholdings held in Tangenziali Esterne di Milano S.p.A., Autostrade Lombarde S.p.A. and Società di Progetto Brebemi S.p.A., the Company - at present - intends to continue publishing the sales notices only when they have consolidated their business through the completion of the concession infrastructure and the related financial structure. Therefore, as of 31 December 2020, the aforementioned equity interests were not reclassified under current assets.

Receivables

a) Receivables from subsidiaries

Financial receivables from subsidiaries	Value at 31/12/2020	Value at 31/12/2019	Change in value	Change %
Interest-bearing loan A.P.L.	172,744,290	169,086,267	3,658,023	2.16
Total over 12 months	172,744,290	169,086,267	3,658,023	2.16

They refer to two interest-bearing loans granted to the subsidiary Autostrada Pedemontana Lombarda S.p.A. for a total amount of €150 million; a first loan of €100 million granted in 2014 and a second loan of €50 million granted in February 2016.

The receivable shown in the financial statements represents the amount of the loans including the interest accrued at 31 December 2020, calculated at the interest rate equal to Euribor 3M increased by a spread of 285 bps.

Following the addendum signed by the Subsidiary, with the same Lenders of the bridge 2 loan, which rescheduled the repayment terms, on 2 December 2017 the Company signed a “subordination and subordination agreement” with the Subsidiary, by which it undertakes, in its capacity as Controlling Shareholder, with respect to the Subsidiary, not to ask for repayment - for any reason whatsoever of interest or subordinated debt - until the complete extinction of the Bridge 2 loan and not to withdraw from the existing Shareholders’ loan contracts in favour of the Subsidiary.

The rate applied is in line with the market rate, as the Company essentially applies the cost incurred by it for loans taken out with credit institutions for the purpose of providing “support to the subsidiary Autostrada Pedemontana Lombarda S.p.A.”.

b) Receivables from parent companies

Financial receivables from parent companies	Value at 31/12/2020	Value at 31/12/2019	Change in value	Change %
Lombardy Region security deposits	6,591	6,591	0	=
Total over 12 months	6,591	6,591	0	=

They refer to security deposits paid to Regione Lombardia.

d) Receivables from others

Financial receivables from others	Value at 31/12/2020	Value at 31/12/2019	Change in value	Change %
Severance indemnities provision policies	5,368,422	5,654,851	-286,429	-5.07
Security deposits	647,732	652,456	-4,724	-0.72
To Tangenziale Esterna S.p.A. for time deposits	181,591	181,591	0	=
T.E. interest-bearing loan	732,061	678,329	53,732	7.92
Sabrom interest-bearing loans	2,569,419	2,427,010	142,409	5.87
Total over 12 months	9,499,225	9,594,237	-95,012	-0.99

The policies concern “employee severance indemnities”: The carrying amount represents the total receivable at 31 December 2020 from the insurance companies Allianz (formerly Ras) and Assicurazioni Generali (formerly Ina Assitalia).

The receivable from Tangenziale Esterna S.p.A. refers to the interest-bearing loan, as provided for in the contribution agreement to the project loan - Equity Contribution and Subordination Agreement - renewed by the Company on 2 August 2018, at the same economic conditions as the previous one, following the signing of the new loan agreement of the investee. The total amount of €732,061 also includes the interest accrued from the date of recall of the shares to 31 December 2020, calculated at an interest rate of 12.06%, as required by the contract. The receivable of €181,591 represents the “Equity Reserve” share.

The receivable from S.A.Bro.M. S.p.A. refers to two interest-bearing loans: a first one of €2,335,500 maturing on 31 October 2019 with an extension option in favour of S.A.Bro.M. S.p.A. for a maximum of four annual renewals, currently renewed until 31 October 2021; a second of €155,700, of which €116,775 disbursed in November 2020, under the same conditions as the previous one. The total amount of €2,569,419 also includes the interest accrued as of 31 December 2020, calculated at an interest rate of 2.75%, as provided for in the agreement.

Pursuant to paragraph 6 of Article 2427, receivables with a duration of more than five years are shown.

RECEIVABLES RECORDED UNDER NON-CURRENT FINANCIAL ASSETS						
	Value at 31/12/2019	Change in value	Value at 31/12/2020	Amount due within the financial year	Amount due after the financial year	of which due in more than 5 years
Receivables from subsidiaries	169,086,267	3,658,023	172,744,290	0	172,744,290	172,744,290
Receivables from parent companies	6,591	0	6,591	0	6,591	
Receivables from others	9,594,237	-95,012	9,499,225	0	9,499,225	913,652
Total receivables	178,687,095	3,563,011	182,250,106	0	182,250,106	173,657,942

CHANGES IN OTHER ASSET AND LIABILITY ITEMS AND MEMORANDUM ACCOUNTS

(paragraphs 4, 6, 7, 7-bis and 17 of Article 2427 of the Italian Civil Code)

C - CURRENT ASSETS

I - Inventories

1) Raw materials, supplies and consumables

Inventories of raw materials and consumables	Value at 31/12/2020	Value at 31/12/2019	Change in value	Change %
Total	1,378,449	1,483,359	-104,910	-7.07

Inventories refer to materials used for the maintenance and operation of the motorway network (mainly antifreeze rooms, fencing, guardrails).

Starting from 2020, inventories have been valued using the weighted average cost method, in order to make the representation more truthful, particularly with reference to perishable goods such as chlorides used for winter maintenance. If we had continued to value using the LIFO method in steps, the valuation as at 31 December 2020 would have been €1,364,077, so as the effect is immaterial, the effects were not represented retrospectively.

II - Receivables

1) Trade receivables

Trade receivables	Value at 31/12/2020	Value at 31/12/2019	Change in value	Change %
Trade receivables	3,745,593	2,953,342	792,251	26.83
Receivables for tolls - interconnection relationships	35,460,291	51,805,801	-16,345,510	-31.55
Receivables for recovery of operating costs	482,371	792,861	-310,490	-39.16
Receivables for toll non-payment reports	1,375,485	1,311,764	63,721	4.86
Total within 12 months	41,063,740	56,863,768	-15,800,028	-27.79
Provision for bad debts	-1,307,554	-1,235,435	-72,119	5.84
Total net of provision for bad debts	39,756,186	55,628,333	-15,872,147	-28.53

The item “Trade receivables” mainly includes receivables from oil companies for royalties; the higher receivables refer to the agreement with Telecom Italia S.p.A., which was settled in January 2021.

“Receivables for interconnection relationships” mainly consist of receivables from interconnected motorway companies, the main one being Autostrade per l’Italia S.p.A., and represent the receivable from users for deferred tolls. The change is affected by the trend in tolls.

“Receivables for the recovery of operating costs” include the receivable from Autostrade per l’Italia S.p.A. for the recovery of operating costs relating to the Agrate and Terrazzano tollgates. The lower recoveries are due to reduced personnel costs during the *lockdown* period.

“Receivables for toll non-payment reports” (RMPP) represent the Company’s share of tolls not yet collected from users in relation to the issue by the Company of RMPP at the tollgates of the network under concession.

Provision for bad debts	Value at 31/12/2019	Utilisation for the year	Residue after utilisation	Provisions for the year	Value at 31/12/2020
Total	1,235,435	-243,511	991,924	315,630	1,307,554

The provision for bad debts refers entirely to receivables for non-payment of tolls and has been allocated in consideration of the possibility of recovering the receivable.

2) Receivables from subsidiaries

Receivables from subsidiaries	Value at 31/12/2020	Value at 31/12/2019	Change in value	Change %
Autostrada Pedemontana Lombarda S.p.A.	881,923	625,619	256,304	40.97
Milano Serravalle Engineering S.r.l.	744,253	327,541	416,712	>100
Total within 12 months	1,626,176	953,160	673,016	70.61
Autostrada Pedemontana Lombarda S.p.A.	95,978	95,978	0	=
Total over 12 months	95,978	95,978	0	=
Total	1,722,154	1,049,138	673,016	64.15

Receivables from Autostrada Pedemontana Lombarda S.p.A. mainly refer to services rendered to the subsidiary and to the charge-back of costs for seconded personnel. The portion due after 12 months refers to interest accrued on a previous loan of €16 million, granted for the period 29 February 2012 - 27 April 2012.

The receivable from Milano Serravalle Engineering S.r.l. refers to the service contract, the charge-back of costs incurred by the Company and the recognition of advances provided for in the contract for the initiation of technical professional assignments. The change compared to the previous year is due to the advances recognised for the activation of new assignments made in the later months of the year.

4) Receivables from parent companies

Financial receivables from parent companies	Value at 31/12/2020	Value at 31/12/2019	Change in value	Change %
Regione Lombardia security deposits	6,591	6,591	0	=
Total over 12 months	6,591	6,591	0	=

Regione Lombardia has paid its share of the interest paid by the Company to the counter party, recognised following a transaction.

5) Receivables from companies subject to the control of the parent companies

Receivables from companies subject to the control of the parent companies	Value at 31/12/2020	Value at 31/12/2019	Change in value	Change %
A.S.A.M. S.p.A. in liquidation	0	4,980	-4,980	=
Total within 12 months	0	4,980	-4,980	=

5-bis) Tax receivables

Tax receivables	Value at 31/12/2020	Value at 31/12/2019	Change in value	Change %
VAT credits	405,523	0	405,523	-
Other receivables	5,595	5,595	0	=
IRAP receivable	418,583	11,308	407,275	>100
IRES receivable	2,219,023	0	2,219,023	-
Post-employment benefit substitute tax	4,234	7,629	-3,395	-44.50
Sanitisation tax credit	28,297	0	28,297	-
V.A.T. refund applications	513,055	513,055	0	=
Total within 12 months	3,594,310	537,587	3,056,723	>100
IRES for IRAP not deducted years 2008/2011	0	1,727,318	-1,727,318	-100.00
Tax credit for investments	26,374	0	26,374	-
Total over 12 months	26,374	1,727,318	-1,700,944	-98.47
Total	3,620,684	2,264,905	1,355,779	59.86

The item mainly refers to the IRES and IRAP balance for the higher advances paid.

With reference to the VAT refund application for the financial years 2003, 2004, 2005 and 2006, the Supreme Court of Cassation ordered the Revenue Agency to pay €513,055. The related receivables have been entered following the notifications of the respective orders.

With regard to the IRES credit for IRAP not deducted for the years from 2008 to 2011, in July a portion relating to the years from 2008 to 2010 was paid, while that referring to the year 2011 was paid in December.

The sanitisation tax credit was recognised pursuant to art. 125 of Law Decree 34/2020 for expenses incurred in fiscal year 2020 for sanitising work environments.

The investment tax credit was recognised pursuant to art. 1, paragraphs 184 to 197 of Law no. 160 of 27 December 2019 for investments in new capital goods.

5-ter) Deferred tax assets

Deferred tax assets	Value at 31/12/2020	Value at 31/12/2019	Change in value	Change %
Deferred tax asset	14,119,992	13,990,021	129,971	0.93
Deferred tax asset on IRS derivatives	1,369,463	1,776,427	-406,964	-22.91
Total	15,489,455	15,766,448	-276,993	-1.76

The most significant item relates to the portion not deducted from the provision for renewal in compliance with Decree Law no. 98 of 6 July 2011 converted into Law no. 111/2011, as well as the portion not deducted from the provision for future charges.

The item also includes deferred tax assets calculated on the fair value of derivative instruments, accounted for using the cash flow hedge method.

Deferred taxes are recognised to the extent that there is a reasonable certainty of their future recovery. With particular reference to the IRES surcharge of 3.5 percentage points, on income from concessionary activities for the tax years 2019, 2020, 2021, recalling the principle of prudence, this surcharge was recorded only if there is certainty of recovery by 2021.

5-quater) Receivables from others

Receivables from others	Value at 31/12/2020	Value at 31/12/2019	Change in value	Change %
Advances to suppliers	5,686,812	3,284,527	2,402,285	73.14
From toll payment card operators	395,163	816,067	-420,904	-51.58
Receivables from INPS	357,862	158,891	198,971	>100
Receivables from INAIL	69,193	28,673	40,520	>100
Other receivables	308,278	433,735	-125,457	-28.92
Total within 12 months	6,817,309	4,721,893	2,095,416	44.38

The item “advances to suppliers” mainly refers to contractual advances granted to contractors pursuant to Law 11/2015 converting Article 7 of Decree Law 210 of 30/12/2015. The change is justified both by the activation of new contracts and by the increase in the number of firms that decide to make use of this option.

Pursuant to paragraph 6 of Article 2427, there are no receivables with a contractual term of more than five years.

RECEIVABLES RECORDED UNDER CURRENT ASSETS						
	Value at 31/12/2019	Change in value	Value at 31/12/2020	Amount due within the financial year	Amount due after the financial year	of which due in more than 5 years
Trade receivables	55,628,333	-15,872,147	39,756,186	39,756,186	0	0
Receivables from subsidiaries	1,049,138	673,016	1,722,154	1,626,176	95,978	0
Receivables from parent companies	250,000	-250,000	0	0	0	0
Receivables from companies subject to the control of the parent companies	4,980	-4,980	0	0	0	0
Tax receivables	2,264,905	1,355,779	3,620,684	3,594,310	26,374	0
Deferred tax assets	15,766,448	-276,993	15,489,455	-	-	-
Receivables from others	4,721,893	2,095,416	6,817,309	6,817,309	0	0
Total receivables	79,685,697	-12,279,909	67,405,788	51,793,981	122,352	0

Given the activity carried out by the Company and the geographical area of operations, all receivables are due from national entities.

IV - Cash and cash equivalents

Cash and cash equivalents	Value at 31/12/2020	Value at 31/12/2019	Change in value	Change %
Bank and postal deposits	151,699,306	51,689,962	100,009,344	>100
Cash and cash equivalents	821,195	1,468,718	-647,523	-44.09
Total	152,520,501	53,158,680	99,361,821	>100

Cash and cash equivalents include €151,699,306 in bank and postal deposits, and therefore financial resources on current accounts held with banks and amounts available on postal current accounts. The higher cash availability is due to the disbursement of the loan granted by the pool of banks used for the entire amount in the course of the year after the availability period came to an end.

Cash and cash equivalents, amounting to €821,195 consist of funds available at motorway stations and at the company's registered office, as well as receipts from tolls.

D - PREPAYMENTS AND ACCRUED INCOME

Prepayments	Value at 31/12/2020	Value at 31/12/2019	Change in value	Change %
Various insurances	235,961	231,528	4,433	1.91
Multihole duct agreement	2,128,426	0	2,128,426	-
Green maintenance agreements	108,734	122,326	-13,592	-11.11
Bank charges	5,000	65,578	-60,578	-92.38
Loan costs	0	1,366,640	-1,366,640	-100.00
Finance lease taxes	86,970	99,854	-12,884	-12.90
Others	485,140	373,716	111,424	29.82
Total	3,050,231	2,259,642	790,589	34.99

The item “Green maintenance agreements” refers to a contribution paid to the municipalities of Corana (PV) and Silvano Pietra (PV) for the maintenance of areas intended for environmental mitigation. Costs are allocated pro rata to each reporting period until 31 October 2028.

The item “Multihole duct agreement” refers to the agreement renewed during the year with Telecom Italia S.p.A. for the use of optical fibres, expiring on 31 October 2028, charged to the Income Statement on an accrual basis.

The item “loan costs” refers to the costs incurred for the signing of the loan agreement, entered into at the end of 2019 with a pool of banks. With the use of that loan, such costs have been accounted for by applying the amortised cost principle.

Deferred income with a duration of more than five years amounts to €2,324,130 and is broken down according to maturity below.

PREPAYMENTS, WITH A DURATION OF MORE THAN FIVE YEARS, BROKEN DOWN ACCORDING TO MATURITY				
	within 12 months	over 12 months	over 5 years	Total
Prepayments	298,190	1,192,762	833,178	2,324,130
Total	298,190	1,192,762	833,178	2,324,130

A - SHAREHOLDERS' EQUITY

Changes in the individual components of shareholders' equity are shown below:

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY ITEMS											
	Value at	Allocation of the result for the		Increases for the	Decreases for	Value at	Allocation of the result for the		Increases for the	Decreases for	Value at
	31/12/2018	year	Distribution of			31/12/2019	year	Distribution of			31/12/2020
		Other allocations	dividends				Other allocations	dividends			
I - Share capital	93,600,000	0	0	0	0	93,600,000	0	0	0	0	93,600,000
III - Revaluations reserve	0	0	0	0	0	0	0	0	0	0	0
IV - Legal reserve	19,164,061	0	0	0	0	19,164,061	0	0	0	0	19,164,061
VII - Other Reserves:											
Reserve from the valuation of equity interests using the equity method	3,168,410	274,441	0	0	0	3,442,851	302,775	0	0	0	3,745,626
Extraordinary reserve	355,482,881	57,558,436	0	0	0	413,041,317	57,545,462	0	0	0	470,586,778
Taxed reserve	288,581	0	0	0	0	288,581	0	0	0	0	288,581
Third parties' grants	3,721,777	0	0	0	0	3,721,777	0	0	0	0	3,721,777
Restricted reserve for delayed investments	15,185,000	0	0	0	0	15,185,000	0	0	0	0	15,185,000
Restricted reserve for maintenance differences	0	0	0	0	0	0	0	0	0	0	0
VII Reserve for expected cash flow hedges	-6,844,537	0	0	0	1,219,187	-5,625,350	0	0	0	1,288,720	-4,336,630
IX - Profit (loss) for the financial year	57,832,877	-57,832,877	0	57,848,237	0	57,848,237	-57,848,237	0	0	4,785,250	4,785,250
X Negative reserve for shares in portfolio	0	0	0	0	0	0	0	0	0	0	0
Total Shareholders' Equity	566,040,387	-24,441,337	0	57,848,237	1,219,187	600,666,474	0	0	0	6,073,970	606,740,443

The Company's **share capital**, amounting to €93,600,000, fully subscribed and paid up, consists of 180,000,000 ordinary shares with a par value of €0.52 each.

No new shares were subscribed during the year.

The **Non-distributable Reserve** from the valuation of equity interests using the equity method (pursuant to Article 2426 of the Italian Civil Code) represents the realised and undistributed profits of the subsidiary Milano Serravalle Engineering S.r.l.

The **Reserve for expected cash flow hedges** includes changes in the fair value of the effective component of cash flow hedges and is recognised net of the tax effect. Derivatives outstanding at 31 December 2020 refer to interest rate swap contracts entered into by the Company to prevent the risk of changes in interest rates, the fair value of which is negative. The qualitative analysis has shown an exact correspondence between the supporting elements of the loan and those of the IRS and furthermore, no particular problems are identified regarding the creditworthiness of the counterparty of the hedging instrument, therefore the operation has all the requirements required by the OIC 32 par. 102 and does not show any component of ineffectiveness.

Pursuant to paragraph 7 bis of Article 2427 of the Italian Civil Code, the table below details the nature, possibility of use and distribution of equity reserves, as indicated in document OIC no. 28; the possibility of using the reserves is coded based on the first three letters of the alphabet as indicated in the key:

TABLE OF EQUITY ITEMS ALLOCATION					
TYPE / DESCRIPTION	Amount	Available amount	Allowable uses	Summary of utilisations in the three previous years	
				for loss cover	for other covers
Share Capital	93,600,000				
Capital Reserves:					
- Third parties' grants	3,721,777		B		
- Extraordinary reserve	100,000,000	100,000,000	A, B, C		
Reserve for profit:					
- Legal reserve	19,164,061		B		
- Extraordinary reserve	370,586,778	370,586,778	A, B, C		
- Taxed reserve	288,581	288,581	A, B, C		
- Non-distributable reserve pursuant to art. 2426	3,745,626	3,745,626	A, B		
- Restricted reserve for delayed investments	15,185,000		B		
- Reserve for expected cash flow hedges	-4,336,630				
Profit for the year:					
Profit (loss) for the financial year	4,785,250				
Total	606,740,443	474,620,985			
of which non-distributable		3,745,626			
of which distributable		470,875,359			

Key

A: for capital increase

B: for loss cover

C: for distribution to Shareholders

With regard to the share composition of the Company's share capital, on 28 January 2020 the endorsement relating to the transfer of 9,259,259 shares from the Municipality of Milan to Regione Lombardia was formalised. With the completion of the above-mentioned transaction, the stake held by Regione Lombardia in the share capital of the Company is now 82.405%.

On 29 July 2020, FNM S.p.A. acquired 24,471,224 shares of the Company corresponding to 13.6% of the share capital from the shareholders ASTM S.p.A., Autostrada dei Fiori S.p.A. and SATAP S.p.A.

On 26 February 2021, FNM S.p.A. completed the acquisition of 82.405% of the share capital of the Company from Regione Lombardia in execution of the sale and purchase agreement signed on 3 November 2020. As a result of this transaction, FNM S.p.A.'s stake has risen to 96% of the Company's share capital.

The liquidation of the equity investment - corresponding to 4% of the share capital - held directly and indirectly, through Parcam S.r.l., by the shareholder Milan-Monza-Brianza-Lodi Chamber of Commerce, and relating to 7,200,000 shares that, pursuant to Article 24, paragraph 5 of Legislative Decree 175/2016, requested the liquidation on 19 November 2018, has not yet been defined.

B - PROVISIONS FOR RISKS AND CHARGES

3) Financial derivative liabilities

Provisions for financial Instruments	Value at 31/12/2019	Utilisation for the year	Provisions for the year	Value at 31/12/2020
Hedging derivatives	7,401,777	-1,695,685	0	5,706,092
Total	7,401,777	-1,695,685	0	5,706,092

The item includes financial instruments at negative fair value, the valuation of which was obtained with the assistance of an expert, as well as on the basis of communications from credit institutions, applying discount cash flow analysis (DCF) techniques, which are based on the calculation of the present value of expected cash flows. This method is internationally recognised as the best financial practice for the valuation of cash flows that have a time lag with respect to the valuation date.

4) Other provisions

Other provisions	Value at 31/12/2019	Utilisation for the year	Provisions for the year	Value at 31/12/2020
Renewal provision	42,768,259	-29,620,658	29,620,658	42,768,259
Provisions for future risks and charges	30,379,689	-7,950,258	1,371,263	23,800,694
Provision for impairment of equity interest	258,780	-124,935	292,089	425,934
Total	73,406,728	-37,695,851	31,284,010	66,994,887

The value of the renewal provision (provision for restoration or replacement of freely revertible assets) refers to the coverage of costs for future maintenance, as already explained in the valuation criteria and is substantially in line with the current Economic and Financial Plan.

The provision for future risks and charges at 31 December 2020 breaks down as follows:

- ◆ €21,328,084 relating to the difference between the expenses for maintenance carried out which are lower than the corresponding provisions of the current Economic and Financial Plan;
- ◆ €1,260,762 relating to bonuses to be paid to employees on the result for 2020;
- ◆ €433,280 for a dispute on expropriation;
- ◆ €350,000 relating to the allocation of penalties applied by MIT as requested by the awarding body;
- ◆ €175,640 for ongoing disputes with employees;
- ◆ €103,662 relating to contributions requested by local authorities against which the Company will appeal;
- ◆ €81,079 of charges to be recognised for various reasons following an unfavourable sentence for the Company;
- ◆ €30,770 relating to probable compensation requested by users following motorway accidents;
- ◆ €20,819 relating to the financial benefits from delayed investments agreed upon with the 1999 Agreement and rescheduled in the current Additional Agreement relating to the regulatory period 2013-2017, as requested by the Awarding Body, according to the schedule of the Economic and Financial Plan attached to the current Additional Agreement;
- ◆ €16,598 relating to reserves to be paid to a contractor for the waste disposal service.

The utilisation for the year of €7,950,258 mainly refers to:

- ◆ €3,178,586 for the recovery of delayed maintenance, which was released subject to the authorisation of the Awarding Body;
- ◆ €1,767,826 for the payment to employees of the balance of bonuses on the 2019 result;
- ◆ €1,915,206 following the signing of a settlement agreement on 29 October 2020, on the claims to be paid to the contractor, attributable to the income statement, in relation to the reserves for security and lighting works on the West bypass;
- ◆ €428,000 following a ruling handed down in October 2020, of the damages claimed by a contractor following the termination of the contract by the Company;
- ◆ €215,000 following the settlement of ongoing disputes with Company employees.

The provision refers for €1,260,762 to the estimated bonuses to be paid to employees on the 2020 result set aside in the income statement item B9e). The other items have been set aside under income statement item B12).

The provision for write-downs refers:

- ◆ for €169,969 to the subsidiary S.A.Bro.M. S.p.A. and prudentially adjusts the value of the equity investment up to the share of shareholders' equity held as at 31 December 2020, since the decision of the Council of State concerning the environmental compatibility of the project hangs over the realisation of the motorway project;
- ◆ for €55,784 to the share attributable to estimated losses for the year suffered by Tangenziali Esterne S.p.A., inferred from the accounting information of the investee, prudentially written down as they reflect the negative traffic trend due to the health emergency not envisaged in the current Economic and Financial Plan;
- ◆ for €200,181 to the write-down of the equity investment in Società di Progetto Brebemi S.p.A., prudentially written down because the losses for the year, inferred from the investee's accounting information, reflect the negative traffic trend due to the health emergency not envisaged in the current Economic and Financial Plan.

The use of the year is due to the coverage of the losses of Confederazione Autostrade S.p.A. by means of a payment for the recapitalisation of the investee company, including the surcharge to cover previous losses.

C - PROVISION FOR SEVERANCE INDEMNITIES

This corresponds to the debt accrued and revalued each year for employees hired before 2007, at 31 December 2020.

	Value at 31/12/2019	Utilisation for the year	Residue after utilisation	Revaluation of the year	Value at 31/12/2020
Post-employment benefit provisions					
Total	8,397,310	-745,931	7,651,379	98,014	7,749,393

D - PAYABLES

4) Payables to banks

These refer to payables for short and long-term loans taken out by the Company, broken down by whether they are due within the next 12 months or beyond the next 12 months.

Payables to banks	Value at 31/12/2020	Value at 31/12/2019	Change in value	Change %
UBI Banca-Banco BPM 2010	7,500,000	7,500,000	0	=
Banca Nazionale del Lavoro/Monte Paschi di Siena 2010	12,500,000	12,500,000	0	=
Banca Carige (BEI intermediation) 2012	2,000,000	2,000,000	0	=
Unicredit 2015	0	12,000,000	-12,000,000	-100.00
Intesa-Ubibanca 2015	0	20,000,000	-20,000,000	-100.00
Intesa-BancoBPM-BNL-Ubibanca-Unicredit 2019	25,000,000	0	25,000,000	-
Notional debt amortised cost	-548,929	0	-548,929	-
for long-term loans	46,451,071	54,000,000	-7,548,929	-13.98
Other payables to banks	1,526,820	5,786	1,521,034	>100
for short-term loans	1,526,820	5,786	1,521,034	>100
Total within 12 months	47,977,891	54,005,786	-6,027,895	-11.16
UBI Banca-Banco BPM 2010	30,000,000	37,500,000	-7,500,000	-20.00
Banca Nazionale del Lavoro/Monte Paschi di Siena 2010	50,000,000	62,500,000	-12,500,000	-20.00
Banca Carige (BEI intermediation) 2012	8,000,000	10,000,000	-2,000,000	-20.00
Intesa-BancoBPM-BNL-Ubibanca-Unicredit 2019	125,000,000	0	125,000,000	-
Notional debt amortised cost	-1,312,928	0	-1,312,928	-
for long-term loans	211,687,072	110,000,000	101,687,072	>100
Total over 12 months	211,687,072	110,000,000	101,687,072	>100
Total	259,664,963	164,005,786	95,659,177	58.33

The Company's overall exposure to each bank is summarised below:

Payables to banks	Value at 31/12/2020	Value at 31/12/2019	Change in value	Change %
for loans with				
UBI Banca-Banco BPM 2010	37,500,000	45,000,000	-7,500,000	-16.67
Banca Nazionale del Lavoro/Monte Paschi di Siena 2010	62,500,000	75,000,000	-12,500,000	-16.67
Banca Carige (BEI intermediation) 2012	10,000,000	12,000,000	-2,000,000	-16.67
Unicredit 2015	0	12,000,000	-12,000,000	-100.00
Intesa-Ubibanca 2015	0	20,000,000	-20,000,000	-100.00
Intesa-BancoBPM-BNL-Ubibanca-Unicredit 2019	150,000,000	0	150,000,000	-
Notional debt amortised cost	-1,861,857	0	-1,861,857	-
Other payables	1,526,820	5,786	1,521,034	>100
Total	259,664,963	164,005,786	95,659,177	58.33

During the first few months of the year, in two tranches, the entire amount of €150,000,000 of the loan received from the pool of banks consisting of Intesa Sanpaolo, Banca Nazionale del Lavoro, Unicredit, BancoBPM and Ubibanca on 18 December 2019 and expiring on 31 December 2026, was used. The loan has financial covenants in line with those previously contracted and a margin of 180 bps to be applied to the 6-month Euribor parameter.

The debt for the loan has been recorded net of notional debts of €2,260,603 for the application of the amortised cost principle; the amount is amortised on the basis of the duration of the loan through the recording of imputed interest, whose share, pertaining to the year, equal to €398,746 brings the value as of 31 December 2020 to €1,861,857.

The notional debt is made up of the accessory costs incurred amounting to €1,366,640 and the income of €893,963 from the recalculation at the internal rate of return.

Other payables include €1,496,352 in interest on the instalments due on 31 December 2020 charged by the bank to the current accounts in early January 2021.

Instalments falling due, repaid in total during the year to banks, amount to €54,000,000 and the natural maturity date of the Unicredit-Intesa-Ubibanca loan taken out in 2015 was on 31 December 2020.

The medium/long-term debt was discounted overall - during the year - by an effective rate, based on the criterion of average financial shortfall, of 2.69%.

5) Payables to other lenders

to companies subject to the control of the parent companies

Payables to other lenders	Value at 31/12/2020	Value at 31/12/2019	Change in value	Change %
Finlombarda S.p.A. loan	8,000,000	8,000,000	0	=
Notional debt amortised cost	44,468	-98,511	142,979	<100
Total within 12 months	8,044,468	7,901,489	142,979	1.81
Finlombarda S.p.A. loan	8,000,000	16,000,000	-8,000,000	-50.00
Notional debt amortised cost	18,611	-89,723	108,334	<100
Total over 12 months	8,018,611	15,910,277	-7,891,666	-49.60
Total	16,063,079	23,811,766	-7,748,687	-32.54

The debt refers to the loan signed in December 2017 with Finlombarda S.p.A. of €40 million with a duration of five years.

Following the review of the internal rate of return, the recognition of the residual debt was adjusted in accordance with the amortised cost principle. The decrease in the internal rate of return, due to the subscription of less onerous loans, led to the recognition of a total notional cost of €321,429, partly as an adjustment to the income previously recorded (€188,234), while the remaining part - €133,195 - will be amortised on the basis of the residual duration of the loan itself, through the recognition of notional financial income, whose share for the year amounts to €70,116 and brings the value as of 31 December 2020 to €63,079.

The benchmark corporate IRR is determined by weighting the interest in the reporting period on the outstanding debt that generated it. Interest in the reporting period is recalculated by applying an IRR developed using the contractual margin as the rate to the underlying loan.

7) Trade payables

Trade payables	Value at 31/12/2020	Value at 31/12/2019	Change in value	Change %
Payables for operating activities	5,932,292	2,984,492	2,947,800	>100
Payables for maintenance to the motorway infrastructure	13,070,711	14,490,076	-1,419,365	-9.80
Payables for investment activities	20,734,028	14,570,246	6,163,782	42.30
Payables for interconnection relationships	3,501,059	7,376,361	-3,875,302	-52.54
Total within 12 months	43,238,090	39,421,175	3,816,915	9.68

Trade payables mainly refer to those accrued for investments and maintenance carried out on the motorway infrastructure.

The higher payables for operating activities refer to the agreement with Telecom Italia S.p.A., which was settled in January 2021.

The item payables for interconnection relationships includes tolls collected by the Company that cannot be traced back to revenue pertaining to it.

9) Payables to subsidiaries

Payables to subsidiaries	Value at 31/12/2020	Value at 31/12/2019	Change in value	Change %
Milano Serravalle Engineering S.r.l.	4,382,100	2,527,225	1,854,875	73.40
Autostrada Pedemontana Lombarda S.p.A.	43,910	80,194	-36,284	-45.25
Total within 12 months	4,426,010	2,607,419	1,818,591	69.75

The payable to Milano Serravalle Engineering S.r.l. was accounted for against payments for services received, deriving from existing contracts, of which €2,635,863 for investments made on motorway infrastructure (€1,739,041 as of 31 December 2019) and €1,456,452 for maintenance work on the motorway infrastructure (€595,756 at 31 December 2019), while the remainder refers to operating activities.

The payable to the subsidiary Autostrada Pedemontana Lombarda S.p.A. mainly refers to collections for tolls to be paid back.

11) Payables to parent companies

Payables to parent companies	Value at 31/12/2020	Value at 31/12/2019	Change in value	Change %
Regione Lombardia	286	143	143	>100
Total within 12 months	286	143	143	>100

The payables refer to state fees.

11 bis) Payables to companies subject to the control of the parent companies

Payables to companies subject to the control of the parent companies	Value at 31/12/2020	Value at 31/12/2019	Change in value	Change %
A.S.A.M. S.p.A. in liquidation	0	8,342	-8,342	-100.00
Total within 12 months	0	8,342	-8,342	-100.00

All items were settled with the conclusion of the liquidation of A.S.A.M. S.p.A.

12) Tax payables

Tax payables	Value at 31/12/2020	Value at 31/12/2019	Change in value	Change %
V.A.T. liquidation	0	1,830,679	-1,830,679	-100.00
IRES payables	0	3,689,168	-3,689,168	-100.00
Withholding taxes on income of employees and self-employed	934,523	1,138,031	-203,508	-17.88
Total within 12 months	934,523	6,657,878	-5,723,355	-85.96

The item refers to the withholdings made in December on income of employees, self-employed persons and professionals paid in January 2021.

13) Payables to social security institutions

Payables to social security agencies	Value at 31/12/2020	Value at 31/12/2019	Change in value	Change %
Payables to INPS	2,236,734	2,520,217	-283,483	-11.25
Payables to supplementary pension funds	1,117,316	856,832	260,484	30.40
Total within 12 months	3,354,050	3,377,049	-22,999	-0.68

These represent amounts due to social security institutions accrued in December 2020 and paid in January 2021, in addition to provisions for social security contributions costs at 31 December 2021.

Other social security payables are mainly due to the sector Supplementary Pension Fund in relation to the amounts allocated by employees to the welfare plan.

14) Other payables

Other payables	Value at 31/12/2020	Value at 31/12/2019	Change in value	Change %
For concession and sub-concession fees	4,024,386	5,675,340	-1,650,954	-29.09
To employees for commissions accrued and holidays not taken at 31/12	1,977,723	3,021,740	-1,044,017	-34.55
Payables for welfare services	633,021	701,378	-68,357	-9.75
Payables for land expropriations	1,501,606	2,660,741	-1,159,135	-43.56
Others	790,996	710,643	80,353	11.31
Total within 12 months	8,927,732	12,769,842	-3,842,110	-30.09

The most significant item is the payable for the concession fee (€4,027,462) and sub-concession fee (credit balance of €3,076 due to higher advance payments), which are affected by the negative traffic trend.

The item “payables for welfare services” corresponds to the amount not yet used by employees compared to the amount contractually recognised for welfare services.

Pursuant to paragraph 6 of Article 2427, payables with a contractual duration of more than five years are shown.

PAYABLES						
	Value at 31/12/2019	Change in value	Value at 31/12/2020	Amount due within the financial year	Amount due after the financial year	of which due in more than 5 years
Payables to banks	164,005,786	95,659,177	259,664,963	47,977,891	211,687,072	24,928,572
Payables to other lenders:						
Payables to companies subject to the control of the parent companies	23,811,766	-7,748,687	16,063,079	8,044,468	8,018,611	0
Trade payables	39,421,175	3,816,915	43,238,090	43,238,090	0	0
Payables to subsidiaries	2,607,419	1,818,591	4,426,010	4,426,010	0	0
Payables to parent companies	143	143	286	286	0	0
Payables to companies subject to the control of the parent companies	8,342	-8,342	0	0	0	0
Tax payables	6,657,878	-5,723,355	934,523	934,523	0	0
Payables to social security and welfare institutions	3,377,049	-22,999	3,354,050	3,354,050	0	0
Other payables	12,769,842	-3,842,110	8,927,732	8,927,732	0	0
Total payables	252,659,400	83,949,333	336,608,733	116,903,050	219,705,683	24,928,572

There are no debts secured by collateral on the assets.

Given the activity carried out by the Company and the geographical area of operations, all payables are due to national entities.

E - ACCRUED EXPENSES AND DEFERRED INCOME

Accrued expenses	Value at 31/12/2020	Value at 31/12/2019	Change in value	Change %
Interest expense on financing	16,663	16,171	492	3.04
Total	16,663	16,171	492	3.04

These refer mainly to interest expense accrued on loans outstanding at 31 December 2020.

Deferred income	Value at 31/12/2020	Value at 31/12/2019	Change in value	Change %
Sub-concession fees Service Areas	196,254	196,254	0	>100
Agreements for fibre optic fees	804,223	0	804,223	-
Crossing fees	1,170,753	1,155,999	14,754	1.28
Maintenance agreements	1,196,096	1,349,109	-153,013	-11.34
Others	32,716	8,136	24,580	>100
Total	3,400,042	2,709,498	690,544	25.49

The item “Junction maintenance agreements” refers to three agreements signed respectively with the Municipality of Corsico, the Municipality of Milan and Fiordaliso S.p.A., expiring on 31 October 2028, to cover the costs that will be incurred for the maintenance of the works covered by the agreements.

The item “crossing fees” refers to contracts entered into up to the end of the concession and charged pro rata to the income statement.

The item agreements for fibre optic fees mainly refers to the agreement renewed with Telecom Italia S.p.A., expiring on 31 October 2028, recorded on an accruals basis in the Income Statement.

Deferred income with a duration of more than five years amounts to €3,366,609 and is broken down according to maturity below.

	DEFERRED INCOME, WITH A DURATION OF MORE THAN FIVE YEARS, BROKEN DOWN ACCORDING TO MATURITY			Total
	within 12 months	over 12 months	over 5 years	
Deferred income	405,002	1,620,643	1,340,964	3,366,609
Total	405,002	1,620,643	1,340,964	3,366,609

MEMORANDUM ACCOUNTS

(Paragraph 9 of Article 2427 of the Italian Civil Code)

Sureties to third parties

Sureties to third parties	Value at 31/12/2020	Value at 31/12/2019	Change in value	Change %
To S.A.Bro.M. as a guarantee of conventional obligations provided by SACEbt	5,942,820	5,942,820	0	=
To S.A.Bro.M.M. for the shareholders' co-obligation with the Revenue Agency for VAT guarantee. 2014	45,570	45,570	0	-
To the Awarding Body - Pef operating cost guarantee	32,111,000	35,627,000	-3,516,000	-9.87
To the Province of Milan for compensatory measures Rho-Monza	203,891	203,891	0	=
To Aurea for T.E. toll collection service provided by Generali Assitalia	416,000	416,000	0	=
To the Lombardy Region as a guarantee for the proper execution of the works on structures on the areas with water services	100,000	100,000	0	=
To Consorzio Parco Lambro della Valle del Ticino for the forest transformation performed by Elba Assicurazioni	38,234	38,234	0	=
To the Municipality of Segrate to cover the reclamation work that may be necessary if the contamination of the aquifer is confirmed, provided by Elba Assicurazioni	260,000	260,000	0	-
Total	39,117,515	42,633,515	-3,516,000	-8.25

Other guarantees pledged to third parties

Other guarantees given to third parties	Value at 31/12/2020	Value at 31/12/2019	Change in value	Change %
Pledge of shares A.P.L. S.p.A.	176,863,859	188,842,155	-11,978,296	-6.34
Pledge of shares T.E. S.p.A.	1,796,378	1,796,378	0	=
Total	178,660,237	190,638,533	-11,978,296	-6.28

Pledge of A.P.L. shares (Autostrada Pedemontana Lombarda S.p.A.): refer to the establishment of a pledge on the shares held in Autostrada Pedemontana Lombarda S.p.A. in favour of the guaranteed creditors of the subsidiary. At 31 December 2020, the secured debt refers to the bridge 2 loan of €200 million fully used. Considering the addendum to the Bridge 2 loan signed by the subsidiary, on 29 March 2018 the Company issued a “letter of confirmation” of the pledge on the shares of Autostrada Pedemontana Lombarda S.p.A. to the financing banks. On 19 November 2020, the deed of pledge on the 950 shares acquired from Bau Holding B.GmbH was signed by exchange of correspondence between the parties.

Pledge of T.E. shares (Tangenziale Esterna S.p.A.): these refer to the establishment of a pledge on the shares held in Tangenziale Esterna S.p.A., in favour of the secured creditors of the investee. In August 2018, following the rescheduling of the existing debt between T.E. S.p.A. and the pool of financing banks, the Company signed the new financial and surety documents in favour of the Lenders of the investee.

Commitments undertaken by the Company for lease agreements

Commitments for lease agreements	Value at 31/12/2020	Value at 31/12/2019	Change in value	Change %
Leasing: Assago headquarters	15,842,175	17,522,151	-1,679,976	-9.59

COMMENTS ON THE INCOME STATEMENT ITEMS

(paragraphs 10, 11, 12, 13, 14, 15, 16, and 16-bis of Article 2427 of the Italian Civil Code)

A - PRODUCTION VALUE

1) Revenues from sales and services

Revenues from sales and services	31 December 2020	31 December 2019	Change in value	Change %
Toll revenues	184,269,609	257,505,519	-73,235,910	-28.44
Income from Service Areas concessions	3,149,862	4,287,979	-1,138,117	-26.54
Total	187,419,471	261,793,498	-74,374,027	-28.41

Toll revenues, shown gross of the additional concession fee and net of discounts applied to users, decreased by 28.44% due to traffic performance following the health emergency in the country since February. It is noted that, against a traffic decrease of -32.02% and also taking into account that the toll adjustment scheduled for FY 2020 was equal to zero, toll revenues decreased less due to the different percentage reduction in traffic between light and heavy vehicles.

The discounts applied to users amounted to €414,108 (€1,011,743 as of 31 December 2019), corresponding to:

- ◆ €368,298 for commercial discounts;
- ◆ €45,810 for motorcycle discounts on the initiative of the Ministry of Infrastructure and Transport.

The discounts applied to motorcyclists from the start of the initiative - 1 August 2017 - introduced upon the request of the Ministry of Infrastructure and Transport, amount to a total of €160,869.

Revenues from service area concessions were also affected by the negative traffic performance, down 26.54% compared to 31 December 2019.

4) Increase of non-current assets for internal works

Increase of non-current assets for internal works	31 December 2020	31 December 2019	Change in value	Change %
Capitalised financial expenses	1,397,836	1,620,326	-222,490	-13.73
Total	1,397,836	1,620,326	-222,490	-13.73

The item “Capitalised borrowing costs” refers to interest expense capitalised at 31 December 2020 on the value of work in progress.

5) Other income and revenue

Other revenues and income	31 December 2020	31 December 2019	Change in value	Change %
Recovery of operating costs Agrate/Terrazzano	2,457,583	2,842,031	-384,448	-13.53
Intragroup transactions	1,432,702	1,420,487	12,215	0.86
Recoveries from insurances for damages caused to the motorway infrastructure	365,579	507,935	-142,356	-28.03
Income from the concession of use of telecommunications infrastructure	633,534	412,316	221,218	53.65
Recovery work account	153,013	186,521	-33,508	-17.96
Income from interconnected network management	377,551	581,618	-204,067	-35.09
Fees receivable	408,980	394,482	14,498	3.68
Miscellaneous recoveries	342,345	483,118	-140,773	-29.14
Advertising revenues	25,550	40,736	-15,186	-37.28
Collection Service to T.E.	1,231,291	1,522,169	-290,878	-19.11
Use of the provisions for risks and charges	5,108,034	0	5,108,034	-
Ordinary non-recurring income	333,226	640,830	-307,604	-48.00
Capital gain on the sale of property, plant and equipment	0	679,711	-679,711	-100.00
Other revenues and income	72,300	102,427	-30,127	-29.41
Total	12,941,688	9,814,381	3,127,307	31.86
Capital grants	28,297	0	28,297	-
Total	12,969,985	9,814,381	3,155,604	32.15

Other income and revenue show an increase of 32.15% compared to the previous year, mainly referring to the elimination - after obtaining the authorisation of the Awarding Body - of a portion of what was previously allocated to a specific provision for delayed maintenance, compared to the provisions of the current Economic and Financial Plan, as well as a portion allocated to the provision for future risks and charges following the closure of a dispute with a contractor.

The most significant changes in revenues that have contracted relate to:

- ◆ minor recoveries for the management of the Terrazzano tollgate,
- ◆ lower revenues for the management of the interconnection;
- ◆ reduction in services provided to the subsidiary Tangenziale Esterna;
- ◆ non-recurring revenues recorded in the previous year (capital gains realised on the sale of some land, higher contingencies);
- ◆ higher income from concessions for the use of telecommunications infrastructures due to the renewal of the contract with Telecom, which has a different configuration compared to the previous one that expired, which included the offsetting of certain assets and liabilities.

Capital grants refer to the recognition of the sanitisation tax credit pursuant to art. 125 Decree Law. 34/2020.

Pursuant to paragraph 10 of Article 2427 of the Italian Civil Code, given the nature of the activity carried out by the Company, all revenues for the year are attributable to operations carried out in Italy.

B - PRODUCTION COSTS

6) Costs of raw materials, supplies and consumables

Costs of raw materials, supplies, consumables and goods	31 December 2020	31 December 2019	Change in value	Change %
Assets for motorway infrastructure maintenance	378,150	710,223	-332,073	-46.76
Other assets	1,172,772	986,233	186,539	18.91
Total	1,550,922	1,696,456	-145,534	-8.58

These are purchases of sundry materials and consumables.

7) Service costs

Service costs	31 December 2020	31 December 2019	Change in value	Change %
Freely revertible assets maintenance	26,568,425	16,685,764	9,882,661	>100
Miscellaneous interventions and associated structures	4,142,235	3,891,628	250,607	6.44
Winter interventions	2,789,112	2,565,745	223,367	8.71
Interventions on green areas	1,946,489	1,738,856	207,633	11.94
Collection charges	5,305,913	7,191,207	-1,885,294	-26.22
Utilities expenses	2,965,732	3,253,033	-287,301	-8.83
Various insurances	875,150	889,330	-14,180	-1.59
Ancillary personnel costs	1,851,741	1,907,774	-56,033	-2.94
Legal and administrative consulting	613,424	896,943	-283,519	-31.61
Professional technical services	293,618	418,942	-125,324	-29.91
Remuneration of Directors and Statutory Auditors	553,985	543,799	10,186	1.87
Maintenance expenses for non-revertible assets	696,808	597,923	98,885	16.54
Toll processing	421,477	578,090	-156,613	-27.09
Collaborators (co.co.pro/outsourced personnel)	551,646	482,802	68,844	14.26
Bank charges and commissions	617,009	697,165	-80,156	-11.50
Cleaning expenses	689,289	557,254	132,035	23.69
Waste disposal costs	944,927	642,455	302,472	47.08
Advertising and promotional expenses	220,595	37,394	183,201	>100
Fees payable	747,508	712,176	35,332	4.96
Travelling expenses	194,963	265,216	-70,253	-26.49
Money Counting Service	92,917	146,396	-53,479	-36.53
Expenses for Traffic Police agreement	301,851	280,347	21,504	7.67
Other costs for the year	503,209	753,241	-250,032	-33.19
Total	53,888,023	45,733,480	8,154,543	17.83

The item “service costs” increased by 17.83% compared to 31 December 2019, mainly due to the increase in maintenance work and interventions on the motorway infrastructure. In particular, the reduction in traffic during the lockdown period made it possible to carry out quite extensive interventions and renovation of the motorway surface.

The other significant changes are:

- ◆ lower collection charges for traffic reduction;
- ◆ fewer expenses for electricity utilities due to the continuation of the activities of the relamping plan;
- ◆ less consultancy and professional services;
- ◆ lower costs for processing tolls for contract renewal;
- ◆ lower costs for the management of non-payment of tolls and lower costs for external fees for tenders, both reclassified to other costs for the period;
- ◆ higher cleaning costs for sanitising work environments;
- ◆ higher waste disposal costs for remediation activities;
- ◆ higher publicity and propaganda expenses due to participation in initiatives supporting research to combat the Covid-19 health emergency.

In compliance with the provisions of current legislation, the amount of the remuneration paid to the members of the Board of Directors and the Board of Statutory Auditors, as resulting from the resolutions of the Shareholders’ Meeting, is reported below.

Directors' fees	413,178
Statutory auditors' fees	105,000

The total amount of fees due to the independent auditors, as required by current legislation, is also reported:

Statutory audit of annual accounts	19,500
Other verification services	11,738
Total expenses	31,238

8) Costs for leases and rentals

Costs for leases and rentals	31 December 2020	31 December 2019	Change in value	Change %
Car rental fees	627,295	561,606	65,689	11.70
Rental fees for office machinery and equipment	222,397	176,747	45,650	25.83
Software fee	140,250	90,868	49,382	54.34
Optical fibre fee	252,729	28,428	224,301	>100
Leasing fees	1,905,311	1,883,516	21,795	1.16
Rent and condominium expenses	23,361	48,945	-25,584	-52.27
Total	3,171,343	2,790,110	381,233	13.66

The increase compared to 31 December 2019 in office equipment rentals was due to the impact of cloud printer and server rental contracts signed in the second half of 2019 to replace the previous ones purchased by the Company.

The higher charges for the use of optical fibres refer to the renewal of the contract with Telecom Italia S.p.A., which has a different configuration compared to the previous one that expired, which included the offsetting of certain assets and liabilities.

9) Personnel costs

Personnel costs	31 December 2020	31 December 2019	Change in value	Change %
Wages and salaries	27,826,076	30,735,637	-2,909,561	-9.47
Social security and welfare charges	8,505,520	9,562,551	-1,057,031	-11.05
Employee severance indemnities:				
- Allocation	2,019,463	2,079,683	-60,220	-2.90
- Provision revaluation	118,090	156,565	-38,475	-24.57
Total	38,469,149	42,534,436	-4,065,287	-9.56
Supplementary severance indemnity policies	579,829	543,073	36,756	6.77
Others	1,533,685	2,186,901	-653,216	-29.87
Total other costs	2,113,514	2,729,974	-616,460	-22.58
Total	40,582,663	45,264,410	-4,681,747	-10.34

The decrease in labour costs is mainly justified by:

- ◆ a reduction in average staff (-18.81 FTE resources) for €1.4 million;
- ◆ use of social shock absorbers (CIGO, Law 104, Parental Leave, CIGO exemption facility) for €1.2 million;
- ◆ remodulation of bonuses to be paid to employees following the operating results for 2020 for €1.1 million;
- ◆ an increase in the use of paid leave and a reduction in overtime for €0.5 million.

The decrease in the cost of labour compared to the previous year was also due to lower attendance allowances due to the health emergency, the different method of payment of meal vouchers, the lower number of public holidays recognised and lower redundancy incentives.

The lower costs were partially offset by the effects of the renewal of the sector agreement as well as the carry-over of remuneration policies for €0.4 million.

The charge relating to the performance bonus of €1,260,762 was allocated to the provision for future charges, showing the total cost under item 9e) Other personnel costs and represents, the best estimate, the cost borne by the Company in terms of wages and salaries, social security and welfare costs and costs for welfare services. In the previous year the provision referred only to the balance.

Average workforce F.T.E.	31 December 2020	31 December 2019	Change in value	Change %
Executives	7.00	6.42	0.58	
Office workers	207.72	211.69	-3.97	
Part-time employees	15.95	15.82	0.13	
Shifters	262.08	276.42	-14.34	
Part-Time shifters	62.64	63.67	-1.03	
Total for permanent contracts	555.39	574.02	-18.63	-3.25
Fixed-term	1.00	1.18	-0.18	-15.25
Grand total	556.39	575.20	-18.81	-3.27

10) Depreciation, amortisation and write-downs

Depreciation, amortisation and write-downs	31 December 2020	31 December 2019	Change in value	Change %
Amortisation of intangible assets	1,353,348	1,260,958	92,390	7.33
Depreciation of property, plant and equipment				
freely revertible assets (financial depreciation portion)	48,000,000	48,000,000	0	=
non-revertible assets (economic/technical depreciation portion)	755,540	646,504	109,036	16.87
Total depreciation of property, plant and equipment	48,755,540	48,646,504	109,036	0.22
Provision for bad debts	315,630	366,450	-50,820	-13.87
Total	50,424,518	50,273,912	150,606	0.30

Depreciation of assets freely revertible assets to the Awarding Body is given by the portion of financial depreciation taken from the Economic and Financial Plan attached to the Additional Agreement signed on 7 November 2007, approved by Interministerial Decree no. 422 of 2 December 2016 and registered by the Court of Auditors on 1 February 2017, which took effect on 10 March 2017 following notification by the Awarding Body, calculated based on the term of the concession and the purchase cost of the works, including capitalised borrowing costs, revaluations carried out and net of capital grants.

11) Changes in inventories

Changes in inventories	31 December 2020	31 December 2019	Change in value	Change %
Assets for motorway infrastructure maintenance	199,425	-46,530	245,955	<100
Other assets	-65,733	31,098	-96,831	>100
Changes in inventories	133,692	-15,432	149,124	<100

The change in inventories represents the change between opening inventories, measured in 2019 using the LIFO method in steps, and closing inventories, measured in 2020 at weighted average cost. If we had valued both years using the weighted average cost method, the change in inventories would have been €147,643, and if we had continued to value inventories using the LIFO method in steps, the change in inventories would have been €119,282.

12) Provision for risks and charges

Provisions for risks and charges	31 December 2020	31 December 2019	Change in value	Change %
Provisions for risks and charges	110,501	7,432,754	-7,322,253	-98.51

The provisions as of 31 December 2019 were mainly relating to the difference between the expenses for maintenance carried out which are lower than the corresponding provisions of the current Economic and Financial Plan; On the other hand, the increased maintenance carried out as at 31 December 2020 allowed the provision to be partially released, with the approval of the Awarding Body.

13) Other provisions

Other provisions	31 December 2020	31 December 2019	Change in value	Change %
Service costs più accantonamento a fondo oneri futuri rinnovo contratto manutenzione fibre ottiche	-26,568,425	-16,776,781	-9,791,644	58.36
Costs of raw materials, supplies, consumables and goods	-378,150	-710,223	332,073	-46.76
Changes in inventories	-199,425	-46,530	-152,895	>100
Labour costs	-2,474,658	-2,616,093	141,435	-5.41
Total use of renewal provision	-29,620,658	-20,149,627	-9,471,031	47.00
Allocation to the renewal provision	29,620,658	20,149,627	9,471,031	47.00
Provision net of use	0	0	0	-

This item represents the provision net of the use made during the year 2020.

The value of the provision is in line with the maintenance programme and allows for motorway sections to be returned in a good state of preservation and operation when the concession expires. The amount set aside is valued taking into account scheduled maintenance and the progress of the investment plan, as provided for in the Economic and Financial Plan attached to the current Additional Agreement.

Expenditure incurred during the year for the maintenance of the motorway infrastructure, classified under items B6) costs for raw materials, supplies and consumables, B7) service costs, B9) personnel costs and B11) change in inventories of raw materials, supplies and consumables, are detailed in the following tables:

Freely revertible assets maintenance	31 December 2020				31 December 2019			
	Works	Material consumption	Labour costs	Total	Works	Material consumption	Labour costs	Total
Traffic island and fence	2,387,342	293,846	0	2,681,188	1,313,205	418,431	0	1,731,636
Vertical and horizontal signs	2,677,888	0	0	2,677,888	2,508,922	47	0	2,508,969
Paving	12,217,625	10,080	0	12,227,705	5,473,839	0	0	5,473,839
Structures	5,065,887	0	0	5,065,887	2,944,295	0	0	2,944,295
Structural restorations	31,593	0	0	31,593	1,216,585	0	0	1,216,585
Buildings/light constructions/civil works	528,630	0	0	528,630	573,733	0	0	573,733
Collection systems	1,370,973	235,521	2,474,658	4,081,152	516,668	300,118	2,616,093	3,432,879
Electro-climate and fire-fighting systems	1,229,512	38,128	0	1,267,640	1,148,598	22,892	0	1,171,490
Special installations	1,058,975	0	0	1,058,975	1,080,936	15,265	0	1,096,201
Total	26,568,425	577,575	2,474,658	29,620,658	16,776,781	756,753	2,616,093	20,149,627

Freely revertible assets maintenance	31 December 2020	31 December 2019	Change in value	Change %
Traffic island and fence	2,681,188	1,731,636	949,552	54.84
Vertical and horizontal signs	2,677,888	2,508,969	168,919	6.73
Paving	12,227,705	5,473,839	6,753,866	>100
Structures	5,065,887	2,944,295	2,121,592	72.06
Structural restorations	31,593	1,216,585	-1,184,992	-97.40
Buildings/light constructions/civil works	528,630	573,733	-45,103	-7.86
Collection systems	4,081,152	3,432,879	648,273	18.88
Electro-climate and fire-fighting systems	1,267,640	1,171,490	96,150	8.21
Special installations	1,058,975	1,096,201	-37,226	-3.40
Total	29,620,658	20,149,627	9,471,031	47.00

The change mainly refers to paving, following the greater amount of deep-seated interventions and renovation work on the motorway surface carried out mainly during the period of traffic reduction.

14) Other operating expenses

Other operating expenses	31 December 2020	31 December 2019	Change in value	Change %
Concession fee	4,027,462	5,635,840	-1,608,378	-28.54
Sub-concession fee	198,131	243,380	-45,249	-18.59
Supplementary concession fee pursuant to law 109/2009	16,482,550	22,712,417	-6,229,867	-27.43
Membership fees	343,933	343,538	395	0.11
Donations	3,000	200	2,800	-
Taxes and duties	275,615	335,944	-60,329	-17.96
Non-recurring expenses	602,727	475,889	126,838	>100
Other costs	773,475	477,926	295,549	>100
Total	22,706,893	30,225,134	-7,518,241	-24.87

This item mainly refers to motorway concession fees, changes in which are influenced by toll revenues and traffic trends.

The higher other costs relate to the loss on receivables arising from a transaction with an oil company.

C - FINANCIAL INCOME AND EXPENSES

16) Other financial income

Other financial income	31 December 2020	31 December 2019	Change in value	Change %
from receivables recorded as non-current assets				
- from subsidiaries	3,658,023	3,751,073	-93,050	-2.48
- others	299,102	232,298	66,804	28.76
income other than the above				
- others	1,212,584	4,452	1,208,132	>100
Total	5,169,709	3,987,823	1,181,886	29.64

a) from receivables recorded as non-current assets

The financial income “from subsidiaries” refers to the interest accrued on the loans granted to Autostrada Pedemontana Lombarda S.p.A.: the first one of €100 million disbursed in several tranches starting from 15 May 2014 and a second one of €50 million disbursed in February 2016, both outstanding as of 31 December 2020.

“Others” refers to income accrued on insurance policies taken out with reference to “Employee severance indemnities” for employees and interest accrued during the year on loans granted to the investees Tangenziale Esterna S.p.A. in December 2013 and S.A.Bro.M. S.p.A. in October 2018 and November 2020.

d) income other than the above

The item mainly refers for €893,963 to the recognition of notional income from the amortised cost principle for the loan of €150 million granted by a pool of banks due to the favourable contractual conditions that are more advantageous than the Company’s internal rate of return.

This item also includes interest income of €242,585, paid in July and December, relating to the IRES (corporate income tax) refund request for IRAP (regional business tax) not deducted for the years 2008 to 2011.

17) Interest and Other financial expenses

Interest and Other financial expenses	31 December 2020	31 December 2019	Change in value	Change %
Others:				
Interest expense on financing	7,485,580	7,652,132	-166,552	-2.18
Notional financial expenses - amortised cost	720,175	134,326	585,849	>100
Other interest expense and financial expenses	699,852	271,686	428,166	>100
Total	8,905,607	8,058,144	847,463	10.52

The item “interest expense on financing” refers to interest accrued on both long-term and short-term loans; a portion, equal to €1,397,836, was capitalised on the value of the works relating to the motorway infrastructure not yet in operation at 31 December 2020. The item includes €2,322,538 for the negative IRS differential relating to financial hedging contracts.

The “notional financial expenses - amortised cost” refer for €398,746 to the loan granted by the pool of banks at the end of 2019 and €321,429 to the loan granted by Finlombarda S.p.A. resulting from the recalculation of the Company’s internal rate of return modified following the latest negotiations.

The item “other interest expense and financial expenses” refers to €336,000 in commissions for non-utilisation of the credit line granted by the pool of banks and €346,594 in interest paid to contractors on the signing of three settlements to resolve claims for the posting of reserves.

17-bis) Foreign exchange gains and losses

Foreign exchange gains and losses	31 December 2020	31 December 2019	Change in value	Change %
Gains	57	217	-160	-73.73
Losses	-1	-5	4	-80.00
Total	56	212	-156	-73.58

This item refers to tolls collected in currencies other than the euro by foreign users.

D - VALUE ADJUSTMENTS OF FINANCIAL ASSET

Value adjustments of financial assets	31 December 2020	31 December 2019	Change in value	Change %
Write-ups of equity interests	386,073	3,195,361	-2,809,288	-87.92
Write-downs of equity interests	-13,378,908	-4,136,032	-9,242,876	>100
Total	-12,992,835	-940,671	-12,052,164	>100

18) Write-ups of equity interests

The revaluation refers in its entirety to the profit realised in the year by the subsidiary Milano Serravalle Engineering S.r.l. to adjust the value of the equity interests to the portion of shareholders' equity held.

19) Write-downs of equity interests

Revaluations for the year refer to:

- ◆ €3,728,404 for the share of the loss recorded in the year by the subsidiary Autostrada Pedemontana Lombarda S.p.A. to adjust the value of the equity interest to the portion of shareholders' equity held;
- ◆ €9,199,892 for the write-down of goodwill recorded in the value of the equity interest held in Autostrada Pedemontana Lombarda S.p.A.;
- ◆ €96,059 for the portion of the loss suffered in 2019 by Tangenziali Esterne di Milano;
- ◆ €62,464 for the greater share of the losses incurred by the investee company Confederazione Autostrade S.p.A.;
- ◆ €36,124 for the write-down of the equity interests attributable to the company S.A.Bro.M. S.p.A.;
- ◆ €55,784 for the write-down of the equity interests attributable to the estimated losses of Tangenziale Esterna S.p.A.;
- ◆ €200,181 for the write-down of the equity interests attributable to the estimated losses of Società di Progetto Brebemi S.p.A.

INCOME TAXES

20) Current, prepaid and deferred income taxes for the period

Income tax	31 December 2020	31 December 2019	Change in value	Change %
IRES (CORPORATE INCOME TAX)	6,827,270	25,354,755	-18,527,485	-73.07
IRAP (REGIONAL BUSINESS TAX)	1,038,617	3,952,230	-2,913,613	-73.72
Total current taxes	7,865,887	29,306,985	-21,441,098	-73.16
Deferred tax assets (IRES - IRAP)	-129,972	-2,396,487	2,266,515	>100
Taxes for previous years	-31,105	57,866	-88,971	<100
Total non-current taxes	-161,077	-2,338,621	2,177,544	>100
Total	7,704,810	26,968,364	-19,263,554	-71.43

Current taxes have been determined according to current rates and regulations, based on a realistic forecast of taxable income, also determined in relation to costs and charges that are not deductible for tax purposes and/or that have limited deductibility.

Deferred tax assets calculated on the fair value of derivative instruments, recorded using the cash flow hedge method, were recorded with a balancing entry in shareholders' equity under the item "Reserve for expected cash flow hedges".

Deferred taxes are recognised to the extent that there is a reasonable certainty of their future recovery. With particular reference to the IRES (corporate income tax) surcharge of 3.5 percentage points, on income from concessionary activities for the tax years 2019, 2020, 2021, recalling the principle of prudence, this surcharge was recorded only if there is certainty of recovery by 2021.

The tables below do not take into account the deferred tax assets calculated on the fair value of derivative instruments for €1,369,463.

Description	Amount at the end of the previous year	Change during the year	Amount at end of the year	IRES rate	IRES tax effect	IRAP rate	IRAP tax effect	Total tax effect
Use of renewal provision	23,179,288	8,221,293	31,400,581	24.00%	7,536,139	0.00%	0	7,536,139
Directors' fees within 2021	28,600	21,880	50,480	27.50%	13,882	0.00%	0	13,882
Provisions for risks and charges (IRES)	27,972,027	-5,782,097	22,189,930	24.00%	5,325,583	0.00%	0	5,325,583
Provision for risks and charges within 21	2,050,437	-789,675	1,260,762	27.50%	346,709	0.00%	0	346,709
Provisions for risks and charges (IRAP)	29,281,292	-6,263,880	23,017,412	0.00%	0	3.90%	897,679	897,679
Total					13,222,313		897,679	14,119,992

RECOGNITION OF DEFERRED AND PREPAID TAXES AND CONSEQUENT EFFECTS				
	IRES 24%	IRES 27.5%	IRAP 3.9%	Total
A) Temporary differences				
Temporary deductible differences				
Use of renewal provision	-31,400,581	0	0	
Directors' fees	0	-50,480	0	
Provisions for risks and charges	-22,189,930	-1,260,762	-23,017,412	
Total	-53,590,511	-1,311,242	-23,017,412	
Taxable temporary differences				
Total	0	0	0	
Net temporary differences	-53,590,511	-1,311,242	-23,017,412	
B) Net of tax				
Provision for deferred tax at the beginning of the period	0	0	0	0
Deferred tax assets at the beginning of the period	-12,276,316	-571,735	-1,141,970	-13,990,021
Total at 01/01/2020	-12,276,316	-571,735	-1,141,970	-13,990,021
Deferred taxes for the period	0	0	0	0
Prepaid taxes for the period	-585,407	211,145	244,291	-129,971
Total	-585,407	211,145	244,291	-129,971
Provision for deferred tax at the end of the period	0	0	0	0
Deferred tax assets at the end of the period	-12,861,723	-360,590	-897,679	-14,119,992
Total at 31/12/2020	-12,861,723	-360,590	-897,679	-14,119,992

RECONCILIATION SCHEDULE BETWEEN THE NOTIONAL AND ACTUAL IRES TAX RATE						
Amounts in thousands of euros		IRES 2020	Rate	IRES 2019	Rate	
Earnings before tax for the year	12,490			84,817		
Actual income taxes (current and prepaid)		6,453	51.67%	23,244	27.40%	
Lower taxes (compared to the notional rate)						
- other decreases	4,471	1,230	9.84%	7,028	1,933	2.27%
Higher taxes (compared to the notional rate)						
- other increases	-15,447	-4,248	-34.01%	-6,735	-1,852	-2.17%
		3,435	27.50%	23,325	27.50%	
Notional income tax		3,436	27.50%	23,325	27.50%	

RECONCILIATION SCHEDULE BETWEEN THE NOTIONAL AND ACTUAL IRAP RATE						
Amounts in thousands of euros		IRAP 2020	Rate	IRAP 2019	Rate	
Value added (A - B)	29,219			89,827		
Costs not relevant for IRAP purposes	1,421			3,551		
TAX BASE	30,640			93,378		
Actual income taxes (current and prepaid)		1,283	4.19%	3,666	3.93%	
Lower taxes (compared to the notional rate)						
- other decreases	31	1	0.00%	1,810	71	0.08%
Higher taxes (compared to the notional rate)						
- other increases	-2,303	-90	-0.29%	-2,443	-95	-0.10%
		1,195	3.90%	3,642	3.90%	
Notional income tax		1,195	3.90%	3,642	3.90%	

ADDITIONAL INFORMATION REQUIRED BY ARTICLE 2427 OF THE ITALIAN CIVIL CODE

At the closing date of the financial statements there were no agreements not resulting from the Balance Sheet, as required by paragraph 22-ter) of Article 2427 of the Italian Civil Code and that the conditions relative to the obligation to indicate what is provided for in paragraphs 6bis, 6ter, 18, 19, 19bis, 20 and 21 of Article 2427 of the Italian Civil Code do not subsist.

As required by **paragraph 22 of Article 2427 of the Italian Civil Code**, the table containing financial lease transactions is shown below.

RECOGNITION OF LEASING TRANSACTIONS USING THE FINANCIAL METHOD
EFFECT ON SHAREHOLDERS' EQUITY - FINANCIAL STATEMENTS AT 31/12/2020

ASSETS

A) ONGOING CONTRACTS

Leased assets at the end of the previous year		
net of total depreciation and amortisation equal to	9,802,130	22,441,720
+ Assets purchased under financial lease during the year		0
- Leased assets redeemed during the year (net of the fund)		0
- Depreciation rates for the year		1,031,803
- Leased assets sold		0
Leased assets at the end of the year		
net of total depreciation and amortisation equal to	10,833,933	21,409,917
B) REDEEMED ASSETS		0
TOTAL ASSETS (A + B)		21,409,917

LIABILITIES

Leasing liability for financial leasing operations of the previous year		-17,522,151
+ leasing payables during the year		0
due within 12 months	0	
due within five years	0	
due after five years	0	
- reductions for repayment of capital shares and redemptions during the year		-1,679,976
- changes due to transfer of contracts or takeovers		0
Leasing liabilities for financial leasing operations at the end of the year		-15,842,175
due within 12 months	-1,732,559	
due within five years	-7,489,774	
due after five years	-6,619,842	
TOTAL LIABILITIES (C)		-15,842,175
D) TOTAL GROSS EFFECT AT YEAR-END (A+B+C)		5,567,742
E) TAX EFFECT		-1,553,400
F) EFFECT ON EQUITY AT YEAR-END (D+E)		4,014,342

EFFECT ON THE INCOME STATEMENT - FINANCIAL STATEMENTS AT 31/12/2020

A - Reversal of lease fees and other economic effects		1,905,311
B - Recognition of financial expenses on leasing transactions		-225,335
C - Depreciation rates		
on existing contracts	-1,031,803	
on redeemed assets	0	-1,031,803
D - EFFECT ON PROFIT BEFORE TAX (A+B+C)		648,173
E - TAX EFFECT		-180,840
F - EFFECT ON THE RESULT FOR THE YEAR (D+E)		467,333

With regard to the requirements of **paragraph 22-bis) of Article 2427 of the Italian Civil Code**, reference should be made to chapter 5.2) of the Directors' Report on Operations - Transactions with subsidiaries, associated companies, parent companies and companies subject to the control of the latter - since all transactions are substantially at market price.

SUBSEQUENT EVENTS

Paragraph 22 quater) Article 2427 of the Italian Civil Code

Relations with the Awarding Body:

On 13 January 2021, following the preliminary investigation performed by the Awarding Body in relation to the transfer of the majority shareholding held by Regione Lombardia to FNM S.p.A., the Awarding Body sent the Company, in accordance with current legislation, a positive decision to conclude the procedure, subject to the release by the purchaser, FNM S.p.A., of certain declarations relating to the concession obligations defined in the current agreement.

On the following 19 January, FNM S.p.A. positively accepted the requirements set by the Awarding Body and, consequently, the authorisation measure for the transfer of the Company's majority shareholding became fully effective.

On 25 February 2021 the Awarding Body, in consideration of the higher expenditure for maintenance incurred in 2020 compared to the contractual forecasts, expressed its authorisation to release part of the "Provision for delayed maintenance". This is without prejudice to the Company's obligation to carry out all the maintenance operations necessary to ensure the full functioning of the infrastructure under its management in compliance with the contractual commitments and the obligations arising from current legislation.

Transfer of shares from Regione Lombardia to FNM S.p.A.

On 26 February 2021, FNM S.p.A. completed the acquisition of 82.4% of the share capital of the Company from Regione Lombardia in execution of the sale and purchase agreement signed on 3 November 2020. FNM S.p.A.'s shareholding with this transaction increases to 96%, considering the 13.6% stake already acquired on 29 July 2020. This therefore confirms the establishment of a new hub for the management of the "*mobility system*" in Lombardy that integrates rail transport, local public road transport and motorway infrastructure.

Autostrada Pedemontana Lombarda S.p.A.

On 11 January 2021, the Shareholders' Meeting of the Subsidiary resolved to postpone the terms of the capital increase approved by the Shareholders' Meeting of 28 February 2020, confirming the deadline of 31 March 2021, already set forth for the subscription and postponing from 15 January to 8 February 2021 the deadline for the exercise of the option right and from 31 January to 11 February 2021 the new deadline for the exercise of the pre-emption right.

On 5 February 2021, the Company notified the Subsidiary that it had waived the terms for the exercise of its option rights. Subsequently, Regione Lombardia expressed its willingness to subscribe, as indirect controlling shareholder of the investee, any unopted shares resulting from the share capital increase.

As a result of the above, the Board of Directors of the investee, at its meeting on 12 February 2021, having acknowledged the waiver and the failure of the Shareholders to exercise the option right granted to them in relation to the capital increase, as well as the content of the communication sent by Regione Lombardia, resolved to offer to Regione Lombardia for subscription the 350,000 ordinary shares of the Company that remained unopted at a subscription price per share of €1,000 for a total of €350 million.

The above capital increase was subscribed and paid up by Regione Lombardia on 26 February 2021, which coincides with the transfer of the Company's shares from Regione Lombardia to FNM S.p.A. With the completion of this subscription, Regione Lombardia acquired a direct equity investment in Autostrada Pedemontana Lombarda equal to 53.77%, assuming the role of Controlling Shareholder, while the equity investment of the Company decreased to 36.66%, thus removing the investee Autostrada Pedemontana Lombarda S.p.A. from the Company's scope of consolidation.

On the same date, Regione Lombardia signed a pledge on the new shares of Autostrada Pedemontana Lombarda in favour of the secured creditors (banks).

PRIVACY POLICY

Paragraph 22-quinquies and sexies), Article 2427 of the Italian Civil Code

Company that prepares the consolidated financial statements of the largest group

Regione Lombardia

Piazza Città di Lombardia 1, 20124 Milan

Company that prepares the consolidated financial statements of the smallest group

Milano Serravalle Milano Tangenziali S.p.A.

Via del Bosco Rinnovato 4/A, 20057 Assago (MI)

With regard to the requirements of **Article 2427-bis**, in relation to the financial hedging contracts in place at 31 December 2020, the table below summarises the main contractual conditions:

Type of derivative contract	INTEREST RATE SWAP (FIXED/VARIABLE RATE)				VALUES AT 31/12/2020
	BANCO BPM	UBIBANCA	BANCA NAZIONALE DEL LAVORO	MONTE DEI PASCHI DI SIENA	
Agreement date	15/04/2011	15/04/2011	14/06/2011	14/06/2011	=
Purposes	coverage	coverage	coverage	coverage	=
Notional value	20,000,000	25,000,000	37,500,000	37,500,000	120,000,000
Creditor rate	EUR 6 months	EUR 6 months	EUR 6 months	EUR 6 months	=
Debt rate	3.99%	3.99%	3.56%	3.56%	=
Effectiveness of cash transfers	30/06/2012	30/06/2012	31/12/2012	31/12/2012	=
Expiration	31/12/2025	31/12/2025	31/12/2025	31/12/2025	=
Underlying financial risk	interest rate variability	interest rate variability	interest rate variability	interest rate variability	=
Notional reference value	8,333,333	10,416,667	15,625,000	15,625,000	50,000,000
Fair Value	-1,011,992	-1,264,989	-1,714,556	-1,714,556	-5,706,092
Covered assets/liabilities	Long-term loan Centrobanca/BPV	Long-term loan Centrobanca/BPV	Long-term loan BNL/MPS	Long-term loan BNL/MPS	=

FULFILMENTS FOR THE PURPOSES OF ART. 2497 BIS OF THE ITALIAN CIVIL CODE

The Board of Directors' meeting of 20 May 2019 acknowledged and consequently declared the existence, pursuant to art. 2497 et seq. of the Italian Civil Code, of the management and coordination activity by the majority shareholder Regione Lombardia on Milano Serravalle-Milano Tangenziali S.p.A.

in euros

SUMMARY OF THE BALANCE SHEET OF THE COMPANY
WITH MANAGEMENT AND COORDINATION
Lombardy Region

BALANCE SHEET		<i>Last year</i>	<i>Last year</i>
Date of last approved financial statements		31/12/2019	31/12/2018
A	Receivables from shareholders for payments still due		
B	Fixed assets	4,520,405,318	4,343,114,814
C	Current assets	21,805,406,971	23,423,098,484
D	Accruals, prepayments and deferrals	3,798,185	6,386,093
TOTAL ASSETS		26,329,610,474	27,772,599,391
A	Shareholders' Equity		
	Share capital	210,621,519	210,621,519
	Reserves	2,544,184,348	2,065,930,396
	Profit (loss) for the year	391,743,051	532,951,049
TOTAL SHAREHOLDERS' EQUITY		3,146,548,918	2,809,502,964
B	Provisions for risks and charges	176,228,547	161,763,224
C	Provision for severance indemnities	204,496	222,896
D	Payables	21,450,743,028	23,514,963,279
E	Accruals, prepayments and deferrals	1,555,885,485	1,286,147,028
TOTAL LIABILITIES		26,329,610,474	27,772,599,391
INCOME STATEMENT		<i>Last year</i>	<i>Last year</i>
Date of last approved financial statements		31/12/2019	31/12/2018
A	Production value	24,674,928,211	24,723,444,639
B	Production costs	-24,325,166,872	-24,104,149,031
C	Financial income and expenses	-50,004,552	-29,145,074
D	Value adjustments of financial assets	102,238,996	-46,768,012
	Income tax for the period	-10,252,732	-10,431,473
	Profit (loss) for the financial year	391,743,051	532,951,049

These financial statements at 31 December 2020 present the financial position and results of operations for the year 2020 and correspond to the results in the accounting records.

on behalf of the Board of Directors

The Chairperson

Maura Tina Carta, attorney-at-law

Assago, 11 March 2021

PROPOSAL FOR ALLOCATION OF PROFIT

Paragraph 22 quater) Article 2427 of the Italian Civil Code

Dear Shareholders,

- ◆ In the light of the health emergency linked to the spread of the Covid-19 virus, which has led to a significant reduction in traffic volumes with consequent economic and financial effects, based on which it is not currently possible to make a reliable estimate of the time needed to restore the normal situation;
- ◆ and the consequent instructions of the Awarding Body concerning the allocation of the result of the financial year, or that, in order to ensure the availability of the financial resources necessary for the continuation of investment and maintenance programmes, the policies for the allocation of the profits for the financial year should be aimed primarily at increasing the capital.

We propose that you allocate the profit for the year of €4,785,250, having already complied with the requirements of Article 2430 of the Italian Civil Code regarding the legal reserve, as follows:

- ◆ to the “Non-distributable reserve pursuant to Article 2426 of the Italian Civil Code”
€386,073
- ◆ to the “Extraordinary reserve” €4,399,177

APPOINTMENT OF THE BOARD OF DIRECTORS AND THE BOARD OF STATUTORY AUDITORS

Dear Shareholders,

In accordance with the Company’s Bylaws, our term of office expires at the same time as your Shareholders’ Meeting to approve the financial statements for the year ended 31 December 2020.

We would like to thank you for the trust you have placed in us and invite you to appoint the new Board of Directors and decide on its duration, after determining the number of members.

Dear Shareholders,

With the Shareholders’ Meeting convened to approve the financial statements for the year ended 31 December 2020, the three-year term of office of the Board of Statutory Auditors expires, and in thanking its members for the activities carried out during their term of office, we invite you to proceed with the appointment of the new Board of Statutory Auditors, in accordance with the procedures set forth in art. 19 of the Bylaws.

on behalf of the Board of Directors

The Chairperson

Maura Tina Carta, attorney-at-law

Assago, 11 March 2021

SHAREHOLDERS' MEETING RESOLUTIONS

The Ordinary Shareholders' Meeting held on 28 April 2021 resolved:

- ◆ to approve the financial statements at 31 December 2020 as proposed by the Board of Directors and to allocate the profit for the year as follows:
 - ◆ €386,073 to the Non-distributable reserve pursuant to Article 2426 of the Italian Civil Code;
 - ◆ €4,399,177 to the Extraordinary reserve.

- ◆ to postpone the appointment of the Board of Directors and the Board of Statutory Auditors to a date to be determined.

Annexes

Overall toll-paying traffic by vehicle category

Broken down into categories of light and heavy vehicles, with reference to paying traffic (vehicles/kilometres), as per CIPE resolution of 21 December 1995:

SERRAVALLE MILAN A7			
Period	2018	2019	2020
GLOBAL PAYING TRAFFIC (Vehicles / Kilometre)			
JANUARY	110,881,730	112,133,021	113,386,006
FEBRUARY	103,699,497	105,763,131	105,308,314
MARCH	118,622,115	129,462,882	44,428,501
APRIL	137,301,968	132,939,016	23,598,268
MAY	139,218,810	131,870,371	47,791,622
JUNE	152,554,055	155,282,886	107,808,528
JULY	167,951,957	165,366,072	126,256,744
AUGUST	131,841,927	135,362,800	116,823,202
SEPTEMBER	142,894,673	144,063,093	125,573,371
OCTOBER	130,482,693	132,677,814	106,064,065
NOVEMBER	118,475,772	116,441,897	60,703,244
DECEMBER	117,417,276	116,576,046	67,419,369
	1,571,342,473	1,577,939,029	1,045,161,234
LIGHT PAYING TRAFFIC (Vehicles / Kilometre)			
JANUARY	88,125,828	88,597,454	89,745,681
FEBRUARY	80,391,539	82,188,636	81,245,709
MARCH	92,322,190	102,885,589	25,156,864
APRIL	112,532,637	107,114,350	8,908,692
MAY	110,863,041	103,265,217	27,993,933
JUNE	125,493,516	128,318,178	84,190,178
JULY	140,097,799	136,116,173	99,483,489
AUGUST	110,480,540	114,387,294	96,713,822
SEPTEMBER	117,113,393	117,087,100	99,573,978
OCTOBER	102,724,902	103,805,255	79,655,165
NOVEMBER	93,330,169	91,596,885	36,884,465
DECEMBER	95,440,538	94,133,117	45,550,510
	1,268,916,092	1,269,495,248	775,102,486
HEAVY PAYING TRAFFIC (Vehicles / Kilometre)			
JANUARY	22,755,902	23,535,567	23,640,325
FEBRUARY	23,307,958	23,574,495	24,062,605
MARCH	26,299,925	26,577,293	19,271,637
APRIL	24,769,331	25,824,666	14,689,576
MAY	28,355,769	28,605,154	19,797,689
JUNE	27,060,539	26,964,708	23,618,350
JULY	27,854,158	29,249,899	26,773,255
AUGUST	21,361,387	20,975,506	20,109,380
SEPTEMBER	25,781,280	26,975,993	25,999,393
OCTOBER	27,757,791	28,872,559	26,408,900
NOVEMBER	25,145,603	24,845,012	23,818,779
DECEMBER	21,976,738	22,442,929	21,868,859
	302,426,381	308,443,781	270,058,748

WEST BYPASS: TERRAZZANO BARRIER			
Period	2018	2019	2020
GLOBAL PAYING TRAFFIC (Vehicles / Kilometre)			
JANUARY	21,916,240	15,808,413	20,914,472
FEBRUARY	20,817,917	19,079,538	19,198,323
MARCH	24,038,367	23,252,058	8,290,131
APRIL	25,471,777	24,103,591	4,593,269
MAY	27,579,800	24,654,580	10,452,130
JUNE	27,915,893	26,421,256	18,867,380
JULY	31,189,520	28,665,809	24,661,388
AUGUST	26,044,344	25,067,589	22,742,864
SEPTEMBER	27,618,620	26,236,611	23,948,013
OCTOBER	26,697,246	25,507,267	21,120,932
NOVEMBER	23,980,499	21,932,875	11,882,210
DECEMBER	6,227,973	21,966,826	13,324,677
	289,498,197	282,696,413	199,995,789
LIGHT PAYING TRAFFIC (Vehicles / Kilometre)			
JANUARY	17,357,603	12,039,090	16,459,524
FEBRUARY	16,168,808	14,667,436	14,691,190
MARCH	18,666,189	18,176,398	4,783,375
APRIL	20,420,714	19,103,958	2,020,126
MAY	21,767,855	19,181,688	6,640,005
JUNE	22,309,194	21,147,010	14,339,291
JULY	25,360,851	22,980,582	19,352,584
AUGUST	21,850,010	21,132,787	18,917,656
SEPTEMBER	22,230,651	20,877,428	18,613,930
OCTOBER	20,856,130	19,804,812	15,793,154
NOVEMBER	18,860,617	17,168,873	7,522,840
DECEMBER	5,525,743	17,717,702	9,181,210
	231,374,364	223,997,763	148,314,885
HEAVY PAYING TRAFFIC (Vehicles / Kilometre)			
JANUARY	4,558,637	3,769,323	4,454,948
FEBRUARY	4,649,109	4,412,102	4,507,133
MARCH	5,372,178	5,075,660	3,506,756
APRIL	5,051,062	4,999,632	2,573,143
MAY	5,811,945	5,472,892	3,812,125
JUNE	5,606,699	5,274,246	4,528,090
JULY	5,828,669	5,685,228	5,308,804
AUGUST	4,194,335	3,934,802	3,825,208
SEPTEMBER	5,387,970	5,359,184	5,334,083
OCTOBER	5,841,116	5,702,455	5,327,778
NOVEMBER	5,119,882	4,764,002	4,359,370
DECEMBER	702,230	4,249,124	4,143,467
	58,123,833	58,698,650	51,680,904

WEST BYPASS: (TO-MI) GHISOLFA BARRIER			
Period	2018	2019	2020
GLOBAL PAYING TRAFFIC (Vehicles / Kilometre)			
JANUARY	4,489,478	4,628,393	4,889,137
FEBRUARY	4,353,596	4,436,633	4,573,649
MARCH	4,768,423	5,091,093	2,143,808
APRIL	4,677,788	4,777,495	1,237,402
MAY	4,909,133	5,019,689	2,171,440
JUNE	4,813,707	4,980,424	3,703,984
JULY	5,169,471	5,199,759	4,806,279
AUGUST	4,235,613	4,465,163	4,031,361
SEPTEMBER	4,874,272	5,517,316	4,545,648
OCTOBER	5,039,402	5,534,988	4,416,495
NOVEMBER	4,792,029	4,874,159	2,876,315
DECEMBER	4,835,423	4,905,410	3,104,703
	56,958,335	59,430,521	42,500,222
LIGHT PAYING TRAFFIC (Vehicles / Kilometre)			
JANUARY	3,140,008	3,204,627	3,446,245
FEBRUARY	3,020,929	3,045,281	3,118,292
MARCH	3,292,522	3,556,224	905,801
APRIL	3,351,329	3,362,594	345,209
MAY	3,390,849	3,461,015	970,005
JUNE	3,353,030	3,510,269	2,297,871
JULY	3,643,863	3,650,252	3,200,611
AUGUST	3,068,510	3,324,198	2,883,705
SEPTEMBER	3,437,882	3,946,953	2,973,783
OCTOBER	3,432,788	3,869,973	2,730,171
NOVEMBER	3,297,502	3,390,584	1,349,167
DECEMBER	3,540,783	3,560,713	1,653,183
	39,969,994	41,882,684	25,874,043
HEAVY PAYING TRAFFIC (Vehicles / Kilometre)			
JANUARY	1,349,469	1,423,765	1,442,892
FEBRUARY	1,332,667	1,391,352	1,455,357
MARCH	1,475,901	1,534,869	1,238,007
APRIL	1,326,459	1,414,901	892,193
MAY	1,518,284	1,558,674	1,201,435
JUNE	1,460,677	1,470,155	1,406,113
JULY	1,525,608	1,549,507	1,605,668
AUGUST	1,167,103	1,140,965	1,147,655
SEPTEMBER	1,436,391	1,570,363	1,571,866
OCTOBER	1,606,613	1,665,014	1,686,324
NOVEMBER	1,494,527	1,483,574	1,527,148
DECEMBER	1,294,641	1,344,697	1,451,520
	16,988,341	17,547,837	16,626,179

WEST BYPASS: MELEGNANO BARRIER AND STATION			
Period	2018	2019	2020
GLOBAL PAYING TRAFFIC (Vehicles / Kilometre)			
JANUARY	21,453,587	21,782,666	22,329,901
FEBRUARY	20,533,882	20,846,286	20,535,957
MARCH	23,689,822	24,994,015	8,555,354
APRIL	24,597,648	25,551,316	5,064,493
MAY	26,625,164	25,787,445	10,997,081
JUNE	27,241,672	27,443,071	20,362,679
JULY	29,333,960	29,106,107	25,985,812
AUGUST	24,781,399	24,988,819	24,433,537
SEPTEMBER	26,937,242	26,567,827	24,854,055
OCTOBER	26,097,815	26,627,729	22,387,753
NOVEMBER	24,143,706	24,057,750	13,484,675
DECEMBER	23,425,106	23,743,638	15,057,735
	298,861,002	301,496,668	214,049,033
LIGHT PAYING TRAFFIC (Vehicles / Kilometre)			
JANUARY	16,557,641	16,648,319	17,201,633
FEBRUARY	15,630,558	15,777,095	15,388,301
MARCH	18,095,586	19,262,156	4,574,800
APRIL	19,411,577	20,062,848	2,078,187
MAY	20,645,451	19,729,684	6,575,355
JUNE	21,488,742	21,712,853	15,150,922
JULY	23,370,620	22,882,699	19,985,740
AUGUST	20,390,147	20,664,373	20,049,417
SEPTEMBER	21,313,822	20,773,034	18,927,749
OCTOBER	19,961,908	20,348,014	16,330,073
NOVEMBER	18,554,552	18,526,570	8,164,690
DECEMBER	18,621,031	18,842,038	10,086,968
	234,041,635	235,229,684	154,513,834
HEAVY PAYING TRAFFIC (Vehicles / Kilometre)			
JANUARY	4,895,946	5,134,347	5,128,268
FEBRUARY	4,903,324	5,069,191	5,147,656
MARCH	5,594,236	5,731,860	3,980,555
APRIL	5,186,071	5,488,467	2,986,307
MAY	5,979,713	6,057,761	4,421,727
JUNE	5,752,930	5,730,217	5,211,757
JULY	5,963,340	6,223,408	6,000,073
AUGUST	4,391,252	4,324,446	4,384,120
SEPTEMBER	5,623,419	5,794,793	5,926,306
OCTOBER	6,135,907	6,279,715	6,057,679
NOVEMBER	5,589,154	5,531,180	5,319,985
DECEMBER	4,804,074	4,901,600	4,970,767
	64,819,367	66,266,984	59,535,199

WEST BYPASS: MILAN BARRIER (MI-GE)			
Period	2018	2019	2020
GLOBAL PAYING TRAFFIC (Vehicles / Kilometre)			
JANUARY	15,219,199	15,483,220	15,671,065
FEBRUARY	14,621,530	14,839,253	14,605,860
MARCH	16,570,476	17,711,253	5,897,302
APRIL	17,794,056	17,329,387	3,010,367
MAY	18,628,826	17,912,235	7,112,728
JUNE	19,348,390	19,571,186	13,803,713
JULY	20,383,570	20,231,551	16,117,776
AUGUST	15,044,017	15,044,148	13,436,978
SEPTEMBER	18,388,889	18,575,778	16,014,875
OCTOBER	17,949,310	18,208,087	14,424,249
NOVEMBER	16,508,016	16,430,180	8,461,326
DECEMBER	16,222,834	16,340,482	9,601,278
	206,679,113	207,676,759	138,157,519
LIGHT PAYING TRAFFIC (Vehicles / Kilometre)			
JANUARY	12,902,816	13,099,958	13,238,137
FEBRUARY	12,247,868	12,450,377	12,124,460
MARCH	13,896,435	15,016,370	3,966,854
APRIL	15,316,544	14,737,209	1,547,684
MAY	15,776,507	15,037,326	5,027,818
JUNE	16,656,424	16,849,661	11,361,112
JULY	17,608,262	17,302,598	13,339,282
AUGUST	12,973,421	13,027,596	11,409,331
SEPTEMBER	15,785,028	15,847,725	13,384,772
OCTOBER	15,162,017	15,266,143	11,694,505
NOVEMBER	13,970,496	13,879,915	5,955,922
DECEMBER	14,010,374	14,028,707	7,285,132
	176,306,190	176,543,586	110,335,008
HEAVY PAYING TRAFFIC (Vehicles / Kilometre)			
JANUARY	2,316,383	2,383,263	2,432,928
FEBRUARY	2,373,663	2,388,875	2,481,401
MARCH	2,674,041	2,694,883	1,930,448
APRIL	2,477,512	2,592,178	1,462,683
MAY	2,852,319	2,874,909	2,084,910
JUNE	2,691,966	2,721,525	2,442,601
JULY	2,775,308	2,928,953	2,778,494
AUGUST	2,070,597	2,016,552	2,027,647
SEPTEMBER	2,603,861	2,728,053	2,630,103
OCTOBER	2,787,294	2,941,943	2,729,744
NOVEMBER	2,537,520	2,550,266	2,505,404
DECEMBER	2,212,461	2,311,775	2,316,146
	30,372,923	31,133,174	27,822,510

EAST BYPASS A51			
Period	2018	2019	2020
GLOBAL PAYING TRAFFIC (Vehicles / Kilometre)			
JANUARY	24,176,009	24,359,699	24,659,674
FEBRUARY	23,695,932	23,492,274	22,779,705
MARCH	26,140,660	26,907,140	8,665,111
APRIL	25,469,821	24,826,984	4,375,293
MAY	27,150,461	26,802,854	12,327,289
JUNE	26,171,171	26,093,665	18,841,394
JULY	26,529,867	26,441,207	21,722,870
AUGUST	18,299,177	17,562,727	16,035,279
SEPTEMBER	26,036,049	25,791,116	22,381,944
OCTOBER	27,594,697	27,330,654	21,694,387
NOVEMBER	26,075,933	25,580,113	13,599,430
DECEMBER	25,191,361	25,115,961	15,766,478
	302,531,138	300,304,394	202,848,854
LIGHT PAYING TRAFFIC (Vehicles / Kilometre)			
JANUARY	20,730,060	20,862,543	21,142,836
FEBRUARY	20,231,575	20,032,376	19,260,969
MARCH	22,261,395	23,080,850	6,284,967
APRIL	21,924,071	21,248,266	2,744,885
MAY	23,144,238	22,831,653	9,387,040
JUNE	22,336,223	22,328,241	15,412,891
JULY	22,563,957	22,384,011	17,847,635
AUGUST	15,480,894	14,924,988	13,382,083
SEPTEMBER	22,342,827	22,055,215	18,688,345
OCTOBER	23,538,814	23,311,860	17,880,317
NOVEMBER	22,323,665	21,942,622	10,099,960
DECEMBER	21,951,709	21,828,027	12,561,757
	258,829,428	256,830,652	164,693,685
HEAVY PAYING TRAFFIC (Vehicles / Kilometre)			
JANUARY	3,445,949	3,497,156	3,516,838
FEBRUARY	3,464,357	3,459,898	3,518,736
MARCH	3,879,265	3,826,290	2,380,144
APRIL	3,545,750	3,578,718	1,630,408
MAY	4,006,223	3,971,201	2,940,249
JUNE	3,834,948	3,765,424	3,428,503
JULY	3,965,910	4,057,196	3,875,235
AUGUST	2,818,283	2,637,739	2,653,196
SEPTEMBER	3,693,222	3,735,901	3,693,599
OCTOBER	4,055,883	4,018,794	3,814,070
NOVEMBER	3,752,268	3,637,491	3,499,470
DECEMBER	3,239,652	3,287,934	3,204,721
	43,701,710	43,473,742	38,155,169

NORTH BYPASS A52			
Period	2018	2019	2020
GLOBAL PAYING TRAFFIC (Vehicles / Kilometre)			
JANUARY	29,917,395	30,846,435	30,377,490
FEBRUARY	29,884,920	29,829,195	28,962,990
MARCH	32,969,895	34,072,395	12,423,345
APRIL	32,125,995	31,963,635	6,768,120
MAY	34,591,185	34,105,260	17,339,535
JUNE	33,931,830	33,513,390	26,005,110
JULY	34,614,495	34,603,605	30,562,440
AUGUST	24,572,505	24,249,360	22,818,765
SEPTEMBER	33,247,800	33,170,895	30,522,885
OCTOBER	34,676,925	35,328,075	29,092,875
NOVEMBER	32,289,825	32,468,715	18,912,210
DECEMBER	31,902,060	31,107,060	20,923,125
	384,724,830	385,258,020	274,708,890
LIGHT PAYING TRAFFIC (Vehicles / Kilometre)			
JANUARY	23,988,435	24,707,970	24,380,310
FEBRUARY	23,778,780	23,705,595	22,766,715
MARCH	26,124,675	27,272,505	7,981,230
APRIL	25,922,595	25,537,935	3,628,860
MAY	27,536,955	26,976,870	11,991,945
JUNE	27,130,935	26,847,105	19,759,470
JULY	27,572,310	27,239,340	23,389,425
AUGUST	19,971,735	19,717,785	18,241,575
SEPTEMBER	26,829,450	26,455,095	23,697,450
OCTOBER	27,490,905	27,963,930	22,167,435
NOVEMBER	25,754,655	25,998,600	12,639,720
DECEMBER	26,031,870	25,390,515	15,252,930
	308,133,300	307,813,245	205,897,065
HEAVY PAYING TRAFFIC (Vehicles / Kilometre)			
JANUARY	5,928,960	6,138,465	5,997,180
FEBRUARY	6,106,140	6,123,600	6,196,275
MARCH	6,845,220	6,799,890	4,442,115
APRIL	6,203,400	6,425,700	3,139,260
MAY	7,054,230	7,128,390	5,347,590
JUNE	6,800,895	6,666,285	6,245,640
JULY	7,042,185	7,364,265	7,173,015
AUGUST	4,600,770	4,531,575	4,577,190
SEPTEMBER	6,418,350	6,715,800	6,825,435
OCTOBER	7,186,020	7,364,145	6,925,440
NOVEMBER	6,535,170	6,470,115	6,272,490
DECEMBER	5,870,190	5,716,545	5,670,195
	76,591,530	77,444,775	68,811,825

TOTAL NETWORK			
Period	2018	2019	2020
GLOBAL PAYING TRAFFIC (Vehicles / Kilometre)			
JANUARY	228,053,636	225,041,847	232,227,745
FEBRUARY	217,607,274	218,286,310	215,964,798
MARCH	246,799,758	261,490,836	90,403,553
APRIL	267,439,052	261,491,423	48,647,212
MAY	278,703,379	266,152,433	108,191,826
JUNE	291,976,719	293,305,878	209,392,789
JULY	315,172,840	309,614,110	250,113,310
AUGUST	244,818,983	246,740,606	220,321,986
SEPTEMBER	279,997,545	279,922,636	247,840,792
OCTOBER	268,538,088	271,214,614	219,200,756
NOVEMBER	246,265,780	241,785,689	129,919,410
DECEMBER	225,222,033	239,755,423	145,197,364
	3,110,595,087	3,114,801,805	2,117,421,541
LIGHT PAYING TRAFFIC (Vehicles / Kilometre)			
JANUARY	182,802,390	179,159,961	185,614,366
FEBRUARY	171,470,056	171,866,797	168,595,636
MARCH	194,658,992	209,250,092	53,653,891
APRIL	218,879,467	211,167,161	21,273,642
MAY	223,124,896	210,483,453	68,586,101
JUNE	238,768,065	240,713,317	162,511,735
JULY	260,217,662	252,555,654	196,598,765
AUGUST	204,215,256	207,179,021	181,597,590
SEPTEMBER	229,053,053	227,042,549	195,860,008
OCTOBER	213,167,464	214,369,988	166,250,821
NOVEMBER	196,091,655	192,504,049	82,616,763
DECEMBER	185,122,047	195,500,818	101,571,689
	2,517,571,004	2,511,792,861	1,584,731,007
HEAVY PAYING TRAFFIC (Vehicles / Kilometre)			
JANUARY	45,251,246	45,881,886	46,613,379
FEBRUARY	46,137,218	46,419,513	47,369,162
MARCH	52,140,766	52,240,744	36,749,662
APRIL	48,559,585	50,324,262	27,373,570
MAY	55,578,483	55,668,980	39,605,725
JUNE	53,208,654	52,592,561	46,881,054
JULY	54,955,179	57,058,455	53,514,545
AUGUST	40,603,727	39,561,585	38,724,396
SEPTEMBER	50,944,492	52,880,087	51,980,784
OCTOBER	55,370,624	56,844,626	52,949,935
NOVEMBER	50,174,125	49,281,639	47,302,646
DECEMBER	40,099,986	44,254,604	43,625,675
	593,024,084	603,008,944	532,690,534

Global paying traffic by fare class

Broken down into the five toll rate categories relating to paying traffic (vehicle/kilometres), as per CIPE resolution of 21 December 1995:

SERRAVALLE MILAN A7						
OVERALL TOLL-PAYING TRAFFIC BY TOLL CATEGORY-CLASS (Vehicles / Kilometre)						
Period	Class A	Class B	Class 3	Class 4	Class 5	Total
JANUARY	89,745,681	8,206,160	1,398,951	1,016,896	13,018,318	113,386,006
FEBRUARY	81,245,709	8,356,381	1,443,666	1,044,977	13,217,581	105,308,314
MARCH	25,156,864	4,839,232	1,199,103	845,608	12,387,694	44,428,501
APRIL	8,908,692	3,323,866	937,721	601,725	9,826,264	23,598,268
MAY	27,993,933	6,112,742	1,215,034	868,752	11,601,161	47,791,622
JUNE	84,190,178	8,428,585	1,444,641	1,011,588	12,733,536	107,808,528
JULY	99,483,489	9,531,885	1,685,607	1,162,055	14,393,708	126,256,744
AUGUST	96,713,822	7,595,466	1,334,321	771,657	10,407,936	116,823,202
SEPTEMBER	99,573,978	9,672,782	1,640,847	1,113,689	13,572,075	125,573,371
OCTOBER	79,655,165	9,555,269	1,569,723	1,156,908	14,127,000	106,064,065
NOVEMBER	36,884,465	7,584,872	1,378,447	1,054,397	13,801,063	60,703,244
DECEMBER	45,550,510	7,214,108	1,236,238	978,765	12,439,748	67,419,369
	775,102,486	90,421,348	16,484,299	11,627,017	151,526,084	1,045,161,234

WEST BYPASS: TERRAZZANO BARRIER						
OVERALL TOLL-PAYING TRAFFIC BY TOLL CATEGORY-CLASS (Vehicles / Kilometre)						
Period	Class A	Class B	Class 3	Class 4	Class 5	Total
JANUARY	16,459,524	2,098,078	312,265	271,965	1,772,640	20,914,472
FEBRUARY	14,691,190	2,104,634	321,234	279,883	1,801,382	19,198,323
MARCH	4,783,375	1,299,292	266,326	227,239	1,713,899	8,290,131
APRIL	2,020,126	928,700	194,857	151,167	1,298,419	4,593,269
MAY	6,640,005	1,684,077	274,244	237,792	1,616,012	10,452,130
JUNE	14,339,291	2,168,407	328,738	274,866	1,756,079	18,867,380
JULY	19,352,584	2,578,648	408,850	317,282	2,004,024	24,661,388
AUGUST	18,917,656	1,953,141	302,201	211,536	1,358,329	22,742,864
SEPTEMBER	18,613,930	2,699,180	410,818	306,715	1,917,370	23,948,013
OCTOBER	15,793,154	2,597,711	389,506	333,340	2,007,220	21,120,932
NOVEMBER	7,522,840	1,887,059	315,610	297,110	1,859,590	11,882,210
DECEMBER	9,181,210	1,890,730	283,568	272,379	1,696,790	13,324,677
	148,314,885	23,889,657	3,808,218	3,181,275	20,801,755	199,995,789

WEST BYPASS: MELEGNANO BARRIER AND STATION						
OVERALL TOLL-PAYING TRAFFIC BY TOLL CATEGORY-CLASS (Vehicles / Kilometre)						
Period	Class A	Class B	Class 3	Class 4	Class 5	Total
JANUARY	17,201,633	2,086,136	359,954	343,434	2,338,744	22,329,901
FEBRUARY	15,388,301	2,065,286	359,929	351,155	2,371,285	20,535,957
MARCH	4,574,800	1,239,307	285,550	279,389	2,176,308	8,555,354
APRIL	2,078,187	891,290	214,070	202,632	1,678,314	5,064,493
MAY	6,575,355	1,654,302	309,382	313,867	2,144,176	10,997,081
JUNE	15,150,922	2,121,218	359,194	353,687	2,377,658	20,362,679
JULY	19,985,740	2,494,260	432,708	400,837	2,672,268	25,985,812
AUGUST	20,049,417	1,890,693	333,843	284,847	1,874,737	24,433,537
SEPTEMBER	18,927,749	2,511,017	426,907	395,109	2,593,272	24,854,055
OCTOBER	16,330,073	2,526,483	415,142	424,570	2,691,484	22,387,753
NOVEMBER	8,164,690	2,025,204	345,844	392,234	2,556,703	13,484,675
DECEMBER	10,086,968	1,942,409	323,164	376,041	2,329,153	15,057,735
	154,513,834	23,447,606	4,165,687	4,117,803	27,804,103	214,049,033

WEST BYPASS: MILAN BARRIER (MI-GE)						
OVERALL TOLL-PAYING TRAFFIC BY TOLL CATEGORY-CLASS (Vehicles / Kilometre)						
Period	Class A	Class B	Class 3	Class 4	Class 5	Total
JANUARY	13,238,137	1,133,432	140,990	93,040	1,065,466	15,671,065
FEBRUARY	12,124,460	1,163,678	147,542	96,667	1,073,513	14,605,860
MARCH	3,966,854	689,368	122,983	77,909	1,040,188	5,897,302
APRIL	1,547,684	470,674	94,135	55,466	842,409	3,010,367
MAY	5,027,818	895,162	127,468	83,342	978,938	7,112,728
JUNE	11,361,112	1,153,841	148,343	93,669	1,046,749	13,803,713
JULY	13,339,282	1,302,584	171,742	107,297	1,196,872	16,117,776
AUGUST	11,409,331	962,769	130,589	70,850	863,438	13,436,978
SEPTEMBER	13,384,772	1,277,298	162,395	101,447	1,088,963	16,014,875
OCTOBER	11,694,505	1,309,128	157,893	105,802	1,156,921	14,424,249
NOVEMBER	5,955,922	1,089,298	141,807	100,230	1,174,070	8,461,326
DECEMBER	7,285,132	1,046,487	126,921	94,927	1,047,811	9,601,278
	110,335,008	12,493,719	1,672,808	1,080,646	12,575,338	138,157,519

WEST BYPASS: (TO-MI) GHISOLFA BARRIER: ALL DIRECTIONS						
OVERALL TOLL-PAYING TRAFFIC BY TOLL CATEGORY-CLASS (Vehicles / Kilometre)						
Period	Class A	Class B	Class 3	Class 4	Class 5	Total
JANUARY	1,937,543	275,666	48,441	64,147	505,632	2,831,428
FEBRUARY	1,741,437	270,402	48,790	63,013	509,884	2,633,526
MARCH	492,912	174,938	46,069	60,990	518,266	1,293,176
APRIL	168,607	117,331	36,581	40,862	390,861	754,242
MAY	452,712	192,761	44,906	51,540	459,780	1,201,700
JUNE	1,361,565	256,208	52,344	60,471	503,014	2,233,602
JULY	1,937,033	312,549	58,892	66,726	551,389	2,926,589
AUGUST	1,899,998	244,358	48,346	52,353	403,364	2,648,419
SEPTEMBER	1,753,344	295,464	60,433	70,601	548,412	2,728,253
OCTOBER	1,587,704	308,665	61,179	78,841	597,127	2,633,517
NOVEMBER	714,883	257,342	54,470	73,086	563,910	1,663,691
DECEMBER	889,689	255,651	50,510	71,820	543,290	1,810,960
	14,937,426	2,961,337	610,961	754,450	6,094,929	25,359,103

WEST BYPASS: (TO-MI) GHISOLFA BARRIER: RHO, ARLUNO, MESO-MARCALLO						
OVERALL TOLL-PAYING TRAFFIC BY TOLL CATEGORY-CLASS (Vehicles / Kilometre)						
Period	Class A	Class B	Class 3	Class 4	Class 5	Total
JANUARY	1,508,702	256,114	37,328	29,229	226,337	2,057,709
FEBRUARY	1,376,856	260,215	40,163	29,673	233,217	1,940,123
MARCH	412,889	167,747	34,086	23,805	212,105	850,632
APRIL	176,602	109,450	24,957	16,046	156,105	483,160
MAY	517,293	191,041	37,139	24,022	200,246	969,740
JUNE	936,306	228,236	40,985	27,745	237,110	1,470,382
JULY	1,263,578	265,498	46,381	30,561	273,672	1,879,690
AUGUST	983,707	172,056	25,912	20,015	181,251	1,382,941
SEPTEMBER	1,220,439	263,844	45,199	27,963	259,951	1,817,396
OCTOBER	1,142,467	283,509	49,055	30,958	276,989	1,782,979
NOVEMBER	634,284	243,234	44,349	31,062	259,695	1,212,624
DECEMBER	763,494	228,747	40,427	31,733	229,342	1,293,743
	10,936,617	2,669,691	465,980	322,812	2,746,019	17,141,119

EAST BYPASS A51						
OVERALL TOLL-PAYING TRAFFIC BY TOLL CATEGORY-CLASS (Vehicles / Kilometre)						
Period	Class A	Class B	Class 3	Class 4	Class 5	Total
JANUARY	21,142,836	2,283,567	240,136	127,023	866,112	24,659,674
FEBRUARY	19,260,969	2,271,555	243,074	127,855	876,252	22,779,705
MARCH	6,284,967	1,293,968	191,750	90,337	804,089	8,665,111
APRIL	2,744,885	809,874	136,604	66,391	617,539	4,375,293
MAY	9,387,040	1,798,251	206,024	119,977	815,997	12,327,289
JUNE	15,412,891	2,170,480	224,185	135,876	897,962	18,841,394
JULY	17,847,635	2,473,523	254,605	159,458	987,649	21,722,870
AUGUST	13,382,083	1,693,237	168,402	98,527	693,030	16,035,279
SEPTEMBER	18,688,345	2,389,504	236,340	139,438	928,317	22,381,944
OCTOBER	17,880,317	2,485,457	242,931	147,394	938,288	21,694,387
NOVEMBER	10,099,960	2,176,148	227,903	148,668	946,751	13,599,430
DECEMBER	12,561,757	2,046,356	206,167	131,794	820,404	15,766,478
	164,693,685	23,891,920	2,578,121	1,492,738	10,192,390	202,848,854

NORTH BYPASS A52						
OVERALL TOLL-PAYING TRAFFIC BY TOLL CATEGORY-CLASS (Vehicles / Kilometre)						
Period	Class A	Class B	Class 3	Class 4	Class 5	Total
JANUARY	24,380,310	3,408,105	467,370	263,355	1,858,350	30,377,490
FEBRUARY	22,766,715	3,469,305	476,070	289,560	1,961,340	28,962,990
MARCH	7,981,230	2,161,230	398,355	192,720	1,689,810	12,423,345
APRIL	3,628,860	1,481,820	285,660	129,270	1,242,510	6,768,120
MAY	11,991,945	2,936,205	440,130	244,980	1,726,275	17,339,535
JUNE	19,759,470	3,510,705	488,475	296,115	1,950,345	26,005,110
JULY	23,389,425	4,051,095	569,880	319,665	2,232,375	30,562,440
AUGUST	18,241,575	2,581,215	358,755	202,035	1,435,185	22,818,765
SEPTEMBER	23,697,450	3,814,605	535,215	317,490	2,158,125	30,522,885
OCTOBER	22,167,435	3,941,220	535,320	316,695	2,132,205	29,092,875
NOVEMBER	12,639,720	3,493,320	491,925	286,365	2,000,880	18,912,210
DECEMBER	15,252,930	3,231,405	436,770	259,125	1,742,895	20,923,125
	205,897,065	38,080,230	5,483,925	3,117,375	22,130,295	274,708,890

TOTAL NETWORK						
OVERALL TOLL-PAYING TRAFFIC BY TOLL CATEGORY-CLASS (Vehicles / Kilometre)						
Period	Class A	Class B	Class 3	Class 4	Class 5	Total
JANUARY	185,614,366	19,747,258	3,005,434	2,209,088	21,651,599	232,227,745
FEBRUARY	168,595,636	19,961,456	3,080,468	2,282,783	22,044,455	215,964,798
MARCH	53,653,891	11,865,083	2,544,222	1,797,998	20,542,360	90,403,553
APRIL	21,273,642	8,133,005	1,924,585	1,263,560	16,052,421	48,647,212
MAY	68,586,101	15,464,542	2,654,327	1,944,272	19,542,584	108,191,826
JUNE	162,511,735	20,037,681	3,086,904	2,254,017	21,502,453	209,392,789
JULY	196,598,765	23,010,043	3,628,664	2,563,881	24,311,957	250,113,310
AUGUST	181,597,590	17,092,936	2,702,369	1,711,821	17,217,271	220,321,986
SEPTEMBER	195,860,008	22,923,693	3,518,155	2,472,452	23,066,484	247,840,792
OCTOBER	166,250,821	23,007,442	3,420,750	2,594,509	23,927,234	219,200,756
NOVEMBER	82,616,763	18,756,477	3,000,355	2,383,152	23,162,663	129,919,410
DECEMBER	101,571,689	17,855,893	2,703,766	2,216,584	20,849,433	145,197,364
	1,584,731,007	217,855,508	35,269,998	25,694,115	253,870,912	2,117,421,541

TRANSITS AT BARRIERS						
TRANSITS AT BARRIERS	ANNUAL TRAFFIC			AVERAGE DAILY TRAFFIC		
	2020	2019	var. %	2020	2019	var. %
Serravalle	26,904,119	39,037,650	-31.1	73,509	106,952	-31.3%
Terrazzano	13,513,229	19,101,109	-29.3	36,921	52,332	-29.4%
Ghisolfa	4,497,378	6,288,944	-28.5	12,288	17,230	-28.7%
Milan A7	16,910,345	25,419,432	-33.5	46,203	69,642	-33.7%
Melegnano A1	22,087,496	31,350,561	-29.5	60,348	85,892	-29.7%
Melegnano open	4,111,896	5,552,336	-25.9	11,235	15,212	-26.1%
West Bypass	61,120,344	87,712,382	-30.3	166,995	240,308	-30.5%
Vimercate	6,457,548	9,673,584	-33.2	17,789	26,503	-32.9%
Venice	9,146,210	13,426,754	-31.9	24,990	36,786	-32.1%
East Bypass	15,603,758	23,100,338	-32.5	42,779	63,289	-32.4%
Sesto	13,399,990	18,595,498	-27.9	36,612	50,947	-28.1%
Monza	4,913,936	7,088,370	-30.7	13,426	19,420	-30.9%
North Bypass	18,313,926	25,683,868	-28.7	50,038	70,367	-28.9%
TOTAL NETWORK	121,942,147	175,534,238	-30.5	333,321	480,916	-30.7%

Typology of toll booths (ENTRANCES)	A7	West bypass	East bypass	North bypass	Total
Automatic entrances	3	0	2	0	5
Telepass entrances	4	0	2	0	6
Automatic entrances + telepass	11	0	1	0	12
Reversible - Automatic entrance with manual exit	4	0	0	0	4
Reversible - Aut. entrance + telepass with manual exit	2	0	0	0	2
Reversible - Aut. entrance + telepass with telepass	2	0	0	0	2
Reversible - Manual exit to North with manual exit to South	0	4	0	0	4
Manual exits	6	4	5	6	21
Aut. exits + fast pay	3	4	3	3	13
Aut. exits + fast pay + telepass	8	2	0	1	11
Telepass exits	8	6	7	7	28
Tollbooth exit + manual	10	6	6	4	26
Automatic + manual + telepass exits	0	0	0	0	0
Tollbooth exits + manual + telepass	3	0	0	0	3
Manual exits + telepass	2	0	0	0	2
Total Lanes	66	26	26	21	139
Tollbooth armoured panels	27	18	11	10	66

ANNEX "F" Additional Act to the 2007 Single Agreement- ORDINARY MAINTENANCE		
in thousands of euros	31/12/2020	31/12/2019
Paving	12,228	5,474
Road structures (interventions on structures)	5,066	2,944
Safety (traffic island, fences, signage)	5,359	4,426
Toll collection	1,930	1,174
Buildings	225	32
Miscellaneous supplies and maintenance (plants)	2,321	2,263
Winter Operations	3,327	3,066
Green and Clean	3,374	2,775
Other Motorway Infrastructure Elements	4,184	5,137
TOTAL ORDINARY MAINTENANCE	38,014	27,291
Internal labour costs of the collection systems	2,475	2,616
TOTAL ANNEX F	40,489	29,907

Amounts in thousands of euros	INVESTMENTS IN THE MOTORWAY INFRASTRUCTURE AS AT 31/12/2020														
	TOTAL INVESTMENTS AS AT 31/12/2019					CHANGES IN 2020					TOTAL INVESTMENTS AS AT 31/12/2020				
	WORKS	AVAILABLE SUMS	GRANTS RECEIVED	FINANCIAL EXPENSES	TOTAL	WORKS	AVAILABLE SUMS	GRANTS RECEIVED	FINANCIAL EXPENSES	CHANGES	WORKS	AVAILABLE SUMS	GRANTS RECEIVED	FINANCIAL EXPENSES	TOTAL
INVESTMENTS - HISTORICAL COST															
Milan - Serravalle Motorway	241,627	77,566	0	7,614	326,807	0	0	0	0	0	241,627	77,566	0	7,614	326,807
West bypass	31,995	24,673	-4,545	1,401	53,525	0	0	0	0	0	31,995	24,673	-4,545	1,401	53,525
East bypass	102,197	65,020	0	12,281	179,499	0	0	0	0	0	102,197	65,020	0	12,281	179,499
North bypass	100,444	82,783	-56,423	0	126,804	0	0	0	0	0	100,444	82,783	-56,423	0	126,804
Upgrading of plants and services on the entire network	1,708	23,894	0	0	25,602	0	0	0	0	0	1,708	23,894	0	0	25,602
Unallocated financial expenses	0	0	0	238,757	238,757	0	0	0	0	0	0	0	0	238,757	238,757
Revaluations and other	0	119,649	-123	0	119,526	0	0	0	0	0	0	119,649	-123	0	119,526
TOTAL	477,971	393,586	-61,091	260,053	1,070,519	0	0	0	0	0	477,971	393,586	-61,091	260,053	1,070,519
INVESTMENTS AGREEMENT 7/12/99															
Completion of Works - Law 205	6,573	17,073	0	0	23,646	0	43	0	0	43	6,573	17,116	0	0	23,689
Gropello tollbooth link - South bypass	0	516	0	0	516	0	0	0	0	0	0	516	0	0	516
Third lane from Po bridge to the A21	100,608	17,809	0	4,735	123,152	0	0	0	0	0	100,608	17,809	0	4,735	123,152
Beregardo PV link	16,336	4,484	0	1,195	22,015	0	49	0	0	49	16,336	4,533	0	1,195	22,064
Binasco tollbooth	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Renovation of Traffic Police Barracks	2,153	365	0	59	2,577	0	0	0	0	0	2,153	365	0	59	2,577
Change on last exit on A1 to MI	5,430	1,839	0	879	8,149	0	0	0	0	0	5,430	1,839	0	879	8,149
Changes on the new junction Rozzano SS35	4,066	418	-4,506	264	242	0	0	0	0	0	4,066	418	-4,506	264	242
Fortanini junction redevelopment	20,701	1,434	0	484	22,620	0	0	0	0	0	20,701	1,434	0	484	22,620
Lambrate junction and road network completion of I	54,008	17,208	-57,756	4,390	17,849	0	12	0	0	12	54,008	17,220	-57,756	4,390	17,861
Landfill on SS36 ANAS Milan District	0	5,793	0	443	6,237	0	0	0	0	0	0	5,793	0	443	6,237
Wastewater disposal / "Variante di Lentate"	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Telematic network	16,774	3,549	0	1,487	21,810	0	0	0	0	0	16,774	3,549	0	1,487	21,810
Lighting installations	1,693	563	0	90	2,346	0	0	0	0	0	1,693	563	0	90	2,346
Noise barriers on the entire network	12,998	5,542	-431	274	18,383	0	3	0	0	3	12,998	5,544	-431	274	18,386
Upgrading of Plants and Services on the entire network	0	8,359	0	0	8,359	0	0	0	0	0	0	8,359	0	0	8,359
TOTAL	241,340	84,953	-62,693	14,301	277,901	0	107	0	0	107	241,340	85,060	-62,693	14,301	278,007
INVESTMENTS ADDITIONAL AGREEMENT 11/06/2003															
Exhibition Centre - First phase	5,294	1,962	0	0	7,256	0	0	0	0	0	5,294	1,962	0	0	7,256
Exhibition Centre - Second phase	70,534	13,898	-33,753	2,379	53,058	0	0	0	0	0	70,534	13,898	-33,753	2,379	53,058
TOTAL	75,827	15,861	-33,753	2,379	60,314	0	0	0	0	0	75,827	15,861	-33,753	2,379	60,314
INVESTMENTS AGREEMENT 07/11/2007															
Po river bridge defence interventions	3,891	956	0	340	5,188	0	0	0	0	0	3,891	956	0	340	5,188
Environmental and landscape interventions	5,585	4,623	0	522	10,730	0	7	0	0	7	5,585	4,630	0	522	10,737
Interventions for sector quality standards	90,295	22,466	0	7,690	120,451	7,511	9,850	466	17,828	97,806	32,317	8,157	0	8,157	138,279
Construction of parking areas for heavy vehicles	0	871	0	17	887	0	0	0	0	0	0	871	0	17	887
Improvement of the Cascina Gobba junction road	0	1,520	0	39	1,559	0	10	0	0	10	0	1,530	0	39	1,569
Contributions to Public Bodies	0	1,860	0	241	2,101	0	0	0	0	0	0	1,860	0	241	2,101
Redevelopment of SP46 (Rho-Monza)	95,747	58,688	-20,000	9,205	143,639	18,512	1,666	0	576	20,754	114,259	60,353	-20,000	9,780	164,393
TOTAL	195,518	90,984	-20,000	18,053	284,556	26,023	11,533	0	1,042	38,598	221,542	102,517	-20,000	19,095	323,154
INVESTMENTS ADDITIONAL AGREEMENT 15/6/16															
Completion of IC Segrate road network	39,690	7,525	-3,303	1,934	45,846	10,652	1,815	-428	356	12,396	50,343	9,341	-3,731	2,290	58,242
New Binasco tollbooth in A7 and access roads	0	306	0	0	306	0	0	0	0	0	0	306	0	0	306
New designs	0	635	0	0	635	0	0	0	0	0	0	635	0	0	635
TOTAL	39,690	8,467	-3,303	1,934	46,788	10,652	1,815	-428	356	12,396	50,343	10,282	-3,731	2,290	59,184
PROPOSAL															
A50 4th lane - Advanced feasibility study	0	8	0	0	8	0	8	0	0	8	0	8	0	0	8
Upgrading of A52-A4-SS36 junction 2026 Olympics	0	286	0	0	286	0	286	0	0	286	0	286	0	0	286
TOTAL	0	294	0	0	294	0	294	0	0	294	0	294	0	0	294
TOT. MOTORWAY INFRASTRUCTURE INVESTMENTS	1,030,347	593,851	-180,840	296,720	1,740,077	36,676	13,749	-428	1,398	51,395	1,067,023	607,600	-181,268	298,118	1,791,472
	1,030,347	593,851	-180,840	296,720	1,740,077	36,676	13,749	-428	1,398	51,395	1,067,023	607,600	-181,268	298,118	1,791,472

Report of the Independent Auditors

**Independent Auditor's Report in accordance with article 14
of the Legislative Decree nr. 39 dated January 27, 2010**

(Translated from original in Italian)

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To the Shareholders of
MILANO SERRAVALLE - MILANO TANGENZIALI S.p.A.

Audit opinion on the Statutory Financial Statements

Opinion

We have audited the accompanying financial statements of MILANO SERRAVALLE - MILANO TANGENZIALI S.p.A. S.p.A (the Company), which comprise the balance sheet as at December 31, 2020, the income statement, the cash flow statements for the year then ended and the explanatory notes

In our opinion, the financial statements give a true and fair representation of the financial position of the company at December 31, 2020 and of the results of its operations and cash flow for the year then ended, in accordance with the Italian law governing their preparation criteria.

Elements of the Opinion

We performed the audit in accordance with international auditing standards (ISA Italia). Our responsibilities under these principles are further described in the section "Auditor's responsibility for auditing of the financial statements" of this report.

We are independent of the Company in compliance with the rules and principles on ethics and independence applicable in the Italian law for auditing of the financial statements. We believe we have acquired sufficient and appropriate audit evidence on which to base our judgment.

Other aspects

The company, as required by law, has included in the notes the main data of the latest approved financial statements of the entity which manages and coordinates the activities of MILANO SERRAVALLE - MILANO TANGENZIALI S.p.A.. Our opinion on the financial statements does not include such data.

Responsibilities of the management and the board of statutory auditors for the financial statements

Management is responsible for the preparation of the financial statements as they give a true and fair representation in accordance with Italian laws which govern their preparation criteria, and within the terms established by law, for that part of the internal control they deem necessary to allow the preparation of a financial statement that does not contain significant errors due to fraud or unintentional behavior or events.

Management is responsible for assessing the Company's ability to continue operating as an operating entity and, in preparation of the financial statements, for the appropriateness of the use of the going concern assumption, as well as for adequate disclosure in matter. Management uses the assumption of business continuity in the preparation of the financial statements unless they have assessed that exist the conditions for the liquidation of the Company or for the interruption of the activity or have no realistic alternatives to such choices.

The Board of Statutory Auditors is responsible for supervising, within the terms established by law, and for the process of preparing the Company's financial information.

Auditor's responsibility for auditing of the financial statements

Our objectives are the acquisition of reasonable assurance that the financial statements as a whole do not contain significant errors, due to fraud or unintentional behavior or events, and the issuance of a review report that includes our opinion. Reasonable assurance means a high level of security which, however, does not provide the assurance that an audit carried out in accordance with international auditing standards (ISA Italia) will always identify a significant error, if any. Errors can result from fraud or unintentional behavior or events and are considered significant if it can reasonably be expected that they, individually or as a whole, are able to influence the economic decisions made by the users on the basis of the financial statements.

As part of the audit conducted in accordance with international auditing standards (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. Furthermore:

- we have identified and assessed the risks of material misstatement in the financial statements due to fraud or unintentional behavior or events; we have defined and performed audit procedures in response to these risks; we have acquired sufficient and appropriate audit evidence on which to base our opinion. The risk of not identifying a significant error due to fraud is higher than the risk of not identifying a significant error deriving from unintentional behaviors or events, since fraud can imply the existence of collusion, falsification, intentional omission, misleading representations or forcing internal control;
- we have acquired an understanding of the internal control relevant for auditing purposes in order to define appropriate audit procedures in the circumstances and not to express an opinion on the effectiveness of the internal control of the Company;
- we have assessed the appropriateness of the accounting principles used and the reasonableness of accounting estimates made by the management, including the related disclosure;
- we have reached a conclusion on the appropriateness of the use by the management of the assumption of business continuity and, based on the audit evidence, on the existence of significant uncertainty regarding events or circumstances that may give rise to significant doubts about the Company's ability to continue operating as an operating entity. In the presence of significant uncertainty, we are obliged to call attention to the audit opinion on the related disclosures in the financial statements, or, if such disclosure is inadequate, to reflect this fact in the formulation of our judgment. Our conclusions are based on the audit evidence obtained up to the date of this report. However, subsequent events or circumstances may result in the Company ceasing to operate as an operating entity;
- we assessed the presentation, structure and content of the financial statements as a whole, including the disclosure, and whether the financial statements represent the underlying transactions and events in order to provide a correct representation.

We have communicated to the managers of the governance activities, identified at an appropriate level as required by the ISA Italia, among other aspects, the scope and timing planned for the audit and the significant results emerged, including any significant deficiencies in the internal control identified in the audit course.

Relazione su altre disposizioni di legge e regolamentari**Giudizio ai sensi dell'art. 14, comma 2, lettera e), del D.Lgs. 39/10****Report on the other law and regulations****Opinion on consistency of the Report on Operations with the financial statements**

Management of MILANO SERRAVALLE - MILANO TANGENZIALI S.p.A. is responsible for the preparation of the Report on operations of MILANO SERRAVALLE - MILANO TANGENZIALI S.p.A. at December 31, 2020 included its consistency with the related financial statements and its compliance with the law.

We have performed the procedures required under Standard on Auditing (SA Italia) n. 720B in order to express an opinion on the consistency of the Report on Operations with the financial statements of MILANO SERRAVALLE - MILANO TANGENZIALI S.p.A. as at December 31, 2020, as required by laws and on its compliance with the law, as well as to make a statement about any material misstatement.

In our opinion the Report on operations is consistent with the financial statements of MILANO SERRAVALLE - MILANO TANGENZIALI S.p.A. as at December 31, 2020 and is prepared in accordance with the law.

With reference to the declaration pursuant to art. 14, co. 2, letter e) of Legislative Decree 39/10, issued on the basis of the knowledge and understanding of the company and the relative context acquired during the audit, we have nothing to report

Milan, March 30, 2021

Ria Grant Thornton S.p.A.

Michele Milano
Partner