



**CONCESSIONI
AUTOSTRADALI
VENETE**

**SEMI-ANNUAL FINANCIAL
STATEMENTS**
AS OF 30 JUNE 2022, AND RELATED REPORTS

Concessioni Autostradali Venete CAV S.p.A.

**Via Bottenigo, 64/A
30175 Marghera (Venezia)**

Share capital EUR 2.000.000,00 fully paid in

**Registration with Companies' Register, Fiscal Code, VAT Registration 03829590276
Registration with the Chamber of Commerce, Venice, R.E.A. VE 0341881**

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Corporate offices

BOARD OF DIRECTORS (1)

Chair
SERATO Luisa (2)

Chief Executive Officer
DIBENNARDO Ugo (3)

Directors
CERON Renzo
MAGGIONI Alessandro
RIBECCHI Federica

BOARD OF STATUTORY AUDITORS (4)

President
USTINO Annamaria

Acting Auditors
BRUTTO Corrado
PALMIERI Incononata

Alternate Auditors
DANESIN Alessandro
MARCHESE Giandomenico

MANAGEMENT

Chief Financial Officer
BORDIGNON Giovanni

*Chief Operating Officer
Legal affairs and Procurement*
MATASSI Angelo

Chief Human Resources
BRAGATO Paolo

Chief Technical Officer
FUSCO Sabato

INDEPENDENT AUDITOR

PRICEWATERHOUSECOOPERS S.p.A.

(1) The Board of Directors was appointed by the Company in general meeting on 18 February 2019 for a term of three years 2019-2021.

(2) Director Luisa Serato was appointed Chair of the Board of Directors by the Company in general meeting on 18 February 2019.

(3) Director Ugo Dibennardo was appointed CEO by the Board of Directors on 27 February 2019.

(4) The Board of Statutory Auditors was appointed by the Company in general meeting on 8 April 2021.

The President of the Board of Statutory Auditors, Ms. Annamaria Ustino, was designated by the Ministry of the Economy and Finance ("MEF");

Acting auditor Mr. Corrado Brutto was designated by the Region Veneto; acting auditor Ms. Incononata Palmieri was designated by the Ministry of Sustainable Infrastructure and Mobility ("MIMS", formerly the Ministry of Infrastructure and Transport, "MIT").

Shareholder structure

SHAREHOLDER	N. OF SHARES HELD	NOMINAL VALUE OF ORDINARY SHARES	SHARE CAPITAL	PERCENTAGE HELD
ANAS S.p.A.	1.000.000	1,00	1.000.000	50
Veneto Region	1.000.000	1,00	1.000.000	50
Total	2.000.000		2.000.000	100

REPORT ON OPERATIONS

INTRODUCTION

Dear Sirs,

The following is a summary of the performance of the first six months of 2022.

THE FINANCIAL STATEMENTS

In the first half of 2022 CAV closed with profit of 9.5 million Euro (EUR 3 million in the same period of 2021).

The value of production amounts to 79.2 million Euro (in the comparative period: 68.2 million Euro) with an increase of 11 million Euro (+16.04%).

Toll revenue result equal to EUR 68.9 million (excluding VAT and the supplementary concession fee payable to ANAS) with an increase of + 18% compared to the previous year (in the comparative period: EUR 58.4 million)

The supplementary concession fee payable to ANAS went from EUR 5.9 million to EUR 7 million (+17.43%) as a consequence of the traffic performance.

Other motorway income totalled EUR 2.7 million (in the comparative period of the previous year: EUR 2.1 million) and is detailed as follows: EUR 1.5 million in royalties on operations at service stations; EUR 0.7 million in other motorway operators' share of collection costs; EUR 0.5 million in recharges of costs.

Costs of production totalled EUR 60 million with an increase of EUR 3.2 million (in the same period of the previous year: EUR 56.8 million; + 5.58%) as specified below.

Cost of services is equal to EUR 15.9 million, with an increase of + 5,41% compared to the same period of the previous year (EUR 15 million). The increase in costs is mainly due to the cost of electricity (from EUR 1 million to EUR 1.9 million; + 90,49%).

Personnel costs amount to EUR 9.9 million (in the comparative period: EUR 9.8; + 1,09%).

Depreciation charges amount to EUR 23.6 million (in the same period of the previous year: EUR 23.2 million; + 1,88%).

With regard to the provision for cycle maintenance, the charge in the year was equal to EUR 8.3 million, and its utilization in the period was equal to EUR 7.9 million.

Other Income item amounts to EUR 9.6 million (EUR 8 million; + 20,09% in the comparative period). The item comprises the concession fee referred to article 1 paragraph 1020 of Law 296/2006, equal to EUR 1.7 million (in the same period of the previous year: EUR 1.4 million), corresponding to 2.4% of net toll revenue: this fee is paid for 21% directly to ANAS and for 79% to the State.

Other operating costs also include the supplementary concession fee payable to ANAS, which went from EUR 5.9 million (in the same period of the previous year) to EUR 7 in the current period (+ 17.43%).

The difference between value and cost of production is EUR 19.2 million (in the same period of the previous year: EUR 11.4 million). The positive deviation of EUR 7.8 million (equal to + 68.06%) is essentially due to the growth in revenues.

Financial charges amount to EUR 6.2 million (in the same period of the previous year: EUR 6.9 million; - 10.35%). This is fully related to the interest expense due to the Project Bond financing transaction.

As a result of the above, profit before tax was equal to EUR 13 million (in the same period of the previous year: loss of EUR 4.6 million; + 186.44%) with an increase of EUR 8.5 million; income taxes (IRES and IRAP and

anticipated taxes) were equal to EUR 3.5 million (EUR 1.5 million in the same period of the previous year); net profit, as already anticipated, amounts to EUR 9.5 million.

With regard to the Activities, Assets as of 30 June 2022 amounts to EUR 110.5 million. In addition to this, special Cash Reserves have been set up (current accounts tied) as required by the contractual documentation related to the Project Bond. The abovementioned Cash reserve on 30 June 2022 amounts to EUR 65.6 million, whereof: Debt Service Reserve Account for EUR 38.9 million, Capex Reserve Account for EUR 18.5 million and Maintenance Reserve Account for EUR 8.2 million. Therefore, the overall amount of cash reserves amounts to about EUR 176.2 million.

TRAFFIC AND TOLL REVENUE

Traffic and Toll revenue (excluding VAT and the supplementary concession fee payable to ANAS) totalled EUR 68.9 million, with an increase of 18.0% compared to the same period of 2021 (amount equal to EUR 58.4 million).

Considering the value referred to 2019 (before the advent of the pandemic and related restrictions) the difference in percentage is equal to only -0.9% (EUR 69.5 million of revenues in 2019).

In the first half of 2022 traffic recorded 847.5 million vehicles/km, with an increase of 24.0% compared to the same period of 2021 (equal to 683.7 million vehicles/km).

Again, it's useful a comparison with 2019, with a percentage deviation equal to -3,2% (875,3 million vehicles/kilometer 2019).

BALANCE SHEET RATIOS AND RECLASSIFIED INCOME STATEMENT

In order to provide more comprehensive information on the economic-financial situation, below are two statements: the first one represents the most significant balance sheet ratios, the second one contains the income statement data reclassified at production value and value added.

Statement of financial statement ratios (in thousands of euros)

		30/06/2022		30/06/2021	
ROE	NET PROFIT	9.492	4,84%	2.650	1,55%
	EQUITY	196.021		170.515	
ROI	EBIT	19.206	1,83%	18.785	1,81%
	AVERAGE FIXED ASSET PORTION OF CAPITAL INVESTED	1.047.810		1.035.342	
ROS	EBIT	19.206	26,60%	18.785	15,98%
	NET SALES REVENUE	72.216		117.527	
ROA	EBIT + INTEREST INCOME	19.206	2,67%	18.791	2,36%
	TOTAL ASSETS	720.002		795.239	
FIXED ASSETS TO TOTAL ASSETS RATIO	FIXED INVESTED CAPITAL	1.052.379	146,16%	1.038.544	130,60%
	INVESTED CAPITAL	720.002		795.239	
DEBT TO EQUITY RATIO	DEBTS	507.023	258,66%	608.568	356,90%
	EQUITY	196.021		170.515	
TOTAL INDEBTEDNESS	LOSS - EQUITY	523.981	267,31%	624.725	366,38%
	EQUITY	196.021		170.515	
EQUITY RATIO	EQUITY	196.021	18,71%	170.515	16,47%
	AVERAGE FIXED ASSET PORTION OF CAPITAL INVESTED	1.047.810		1.035.342	
CURRENT RATIO	CURRENT ASSETS	160.218	135,86%	178.404	142,48%
	CURRENT LIABILITIES	117.928		125.216	

Reclassified income statement (thousands of euro)

	30/06/2022	as % of revenues	30/06/2021	as % of revenues
REVENUE				
Net toll revenue	68.884	95,39%	58.375	93,70%
Other revenue from sales and services	2.742	3,80%	2.128	3,42%
Other income	590	0,82%	1.799	2,89%
TOTAL REVENUE	72.216	100,00%	62.302	100,00%
Production overheads	-16.667	-23,08%	-15.902	-25,52%
Other costs and plus/minus balance	-2.517	-3,49%	-2.132	-3,42%
VALUE ADDED	53.032	73,43%	44.269	71,05%
Net labour costs	-9.910	-13,72%	-9.803	-15,74%
EBITDA	43.122	59,71%	34.465	55,32%
Depreciation/amortisation	-23.600	-32,68%	-23.164	-37,18%
Charges to provisions for risks and charges	-315	-0,44%	127	0,20%
EBIT	19.206	26,60%	11.428	18,34%
Financial income and charges	-6.171	-8,55%	-6.878	-11,04%
Adjustments to assets/disposal of equity investments	0	0,00%	0	0,00%
PROFIT BEFORE TAX	13.035	18,05%	4.551	7,30%
Income taxes	-3.543	-4,91%	-1.517	-2,43%
PROFIT FOR THE PERIOD	9.492	13,14%	3.034	4,87%

**SEMI-ANNUAL FINANCIAL
STATEMENTS as of 30/06/2022**

BALANCE SHEET

	FINANCIAL STATEMENTS as of 30 June 2022	FINANCIAL STATEMENTS As of 30 June 2021
ASSETS		
A) SUBSCRIBED CAPITAL UNPAID	0	0
B) FIXED ASSETS		
<i>I. Intangible assets</i>		
4) Concessions, licenses, trademarks and similar rights	13.393	26.436
6) Assets under construction and payments on account	9.039.396	6.610.233
7) Other intangible assets	484.284.078	507.592.819
	<u>493.336.867</u>	<u>514.229.488</u>
<i>II. Tangible assets</i>		
1) Land and buildings	0	0
2) Plant and machinery	1.677	2.516
3) Commercial and industrial equipment	17.536	19.691
4) Other assets	1.031.050	1.253.555
	<u>1.050.263</u>	<u>1.275.762</u>
<i>III. Financial assets</i>		
<i>Equity investments in:</i>		
d) Other Companies	1.058	1.058
	<u>1.058</u>	<u>1.058</u>
Total Fixed assets	<u><u>494.388.188</u></u>	<u><u>515.506.308</u></u>
C) CURRENT ASSETS		
<i>I. Inventories</i>		
1) Raw materials and consumables	1.303.295	1.163.982
<i>II. Receivables</i>		
1) Trade receivables:		
- Falling due within one year	4.846.413	3.750.311
- Falling due after one year	172.764	255.205
5bis) Tax receivables		
- Falling due within one year	100	2.173
- Falling due after one year	0	0
5ter) Deferred tax assets	1.657.678	1.749.091
5quater) Other receivables:		

- Falling due within one year	41.216.088	36.348.703
- Falling due after one year	65.223.239	64.665.352
	<u>113.116.281</u>	<u>106.770.835</u>

**FINANCIAL STATEMENTS
As of 30 June 2022**

**FINANCIAL STATEMENTS as
of 30 June 2021**

III. Short-term investments

0 0

IV. Cash and cash equivalents

1) Bank and postal deposits	110.484.202	120.903.921
3) Cash in hand	96.357	97.521
	<u>110.580.559</u>	<u>121.001.442</u>

Total Current assets

225.000.135 228.936.259

*D) ACCRUED INCOME AND
PREPAYMENTS*

613.410 67.355

TOTAL ASSETS

720.001.732 744.509.922

	FINANCIAL STATEMENTS As of 30 June 2022	FINANCIAL STATEMENTS as of 30 June 2021
LIABILITIES		
A) SHAREHOLDERS' EQUITY		
I. Share capital	2.000.000	2.000.000
IV. Legal reserve	400.000	400.000
VI. Other reserves:		
- Extrordinary reserve	174.177.589	158.163.286
- Restricted reserve for infrastructure	9.776.227	9.776.227
- Restricted reserve for penalties	175.000	175.000
IX. Profit/(loss) for the six-month fiscal year	9.491.911	16.014.303
	196.020.726	186.528.816
B) PROVISIONS FOR RISKS AND CHARGES		
4) Other provisions:		
a) for risks	1.144.339	786.689
c) for cycle maintenance	15.032.000	14.717.000
	16.176.339	15.503.689
C) PROVISIONS FOR POST-EMPLOYMENT BENEFITS (TFR)		
	409.266	391.568
D) PAYABLES		
1) Bonds		
- Falling due within one year	60.742.232	63.609.213
- Falling due after one year	405.643.447	435.551.478
7) Trade payables	12.936.064	14.161.629
12) Tax payables	3.651.561	7.033.206
13) Social security payables	998.180	1.021.049
14) Other payables	23.051.407	20.354.478
	507.022.891	541.731.053
E) ACCRUED EXPENSES AND DEFERRED INCOME		
	372.511	354.796
TOTAL LIABILITIES	720.001.732	744.509.922

INCOME STATEMENT

	FINANCIAL STATEMENTS as of 30 June 2022	FINANCIAL STATEMENTS as of 30 June 2021
<i>A) VALUE OF PRODUCTION</i>		
1) Revenue from sales and services	78.601.828	66.444.320
5) Other income:		
a) Other	382.340	1.699.917
b) Grants	208.096	98.932
	79.192.263	68.243.169
<i>B) COST OF PRODUCTION</i>		
6) Raw materials, consumables and goods	462.217	331.331
7) Services	15.861.286	15.047.877
8) Leases and rentals	343.556	522.699
9) Personnel:		
a) Wages and salaries	6.883.253	6.895.036
b) Social charges	2.280.061	2.189.758
c) Provision for post-employment benefits (TFR)	502.975	479.635
e) Other personnel costs	243.964	239.004
	9.910.253	9.803.433
10) Amortisation and depreciation:		
a) amortisation of intangible assets	23.321.984	22.857.604
b) depreciation of property, plant and equipment	278.331	306.878
	23.600.315	23.164.482
11) Change in stocks of raw materials, consumables and goods	-139.313	51.594
13) Other accruals		
b) Charges to provision for cycle maintenance	8.257.000	8.477.000
c) Utilisation of provision for cycle maintenance	-7.942.000	-8.604.394
14) Other operating costs	9.632.639	8.020.936
	59.985.953	56.814.958
<i>DIFFERENCE BETWEEN VALUE AND COST OF PRODUCTION</i>	19.206.310	11.428.211

	FINANCIAL STATEMENTS as of 30 June 2022	FINANCIAL STATEMENTS as of 30 June 2021
<i>C) FINANCIAL INCOME AND CHARGES</i>		
16) Other financial income:		
d) financial income other than the above	32	6.421
17) Interest and other financial charges	6.171.401	6.884.036
	<hr/> -6.171.369	<hr/> -6.877.615
 <i>D) ADJUSTMENTS TO THE VALUES OF FINANCIAL ASSETS AND LIABILITIES</i>		
	0	0
<i>PROFIT(LOSS) BEFORE TAX</i>	13.034.941	4.550.596
 20) Income tax for the six-month fiscal year		
a) Current income taxes	3.451.617	1.376.463
b) Deferred tax liabilities	0	0
c) Deferred tax assets	91.413	140.257
	<hr/> -3.543.030	<hr/> -1.516.720
21) Profit/(Loss) for the year	9.491.911	3.033.876

CASH FLOW STATEMENT

30 June 2022 30 June 2021

A. Cash flows from operating activities (indirect method)		
Net Profit for the period	9.491.911	3.033.876
Income taxes	3.543.030	1.516.720
Interest expense/ (income)	6.171.369	6.877.615
1. Profit/(Loss) for the year before income taxes, interest, dividends, and gains/losses on disposals	19.206.310	11.428.211
<i>Adjustments for non-cash items with no impact on net working capital</i>		
Charges to provisions for risks and charges	8.257.000	8.477.000
Utilisation of provisions for risks and charges	-7.942.000	-8.604.394
Charge to provision for post-employment benefits (TFR)	502.975	479.635
Other provisions	357.650	0
Amortisation of intangible assets	23.321.984	22.857.604
Depreciation of property, plant and equipment	278.331	306.878
Adjustments to the values of financial assets and liabilities	0	0
<i>Total adjustments for non-cash items</i>	<i>24.775.939</i>	<i>23.516.723</i>
2. Cash flow before changes in net working capital	43.982.249	34.944.934
<i>Changes in net working capital</i>		
(Increase)/Decrease in inventories	-139.313	51.594
(Increase)/Decrease in trade receivables	-1.013.661	2.574.736
(Increase)/Decrease in tax receivables	2.073	1.374.793
(Increase)/Decrease in other receivables	-5.425.271	3.391.497
(Increase)/Decrease in accrued income and prepayments	-546.055	-209.250
(Decrease)/Increase in trade payables	-1.225.565	1.902.085
(Decrease)/Increase in social security payables	-22.869	156.327
(Decrease)/Increase in other payables (excluding amounts already included in other items)	2.696.929	-18.603.272
(Decrease)/Increase in accrued expenses and deferred income	17.715	108.001
<i>Total changes in net working capital</i>	<i>-5.656.018</i>	<i>-9.253.488</i>
3. Cash flow after changes in net working capital	38.326.231	25.691.446
<i>Other adjustments</i>		
Interest received/(paid)	-5.381.180	-5.995.237
(Income taxes paid)	-6.833.262	-1.788.577
(Utilisation of provisions)	-485.277	-454.742
<i>Total other adjustments</i>	<i>-12.699.719</i>	<i>-8.238.556</i>
Cash generated from (used in) operating activities (A.)	25.626.512	17.452.890
B. Cash flow from investing activities		
<i>Investing activities</i>		
(Increase) in intangible assets	-2.429.363	-4.566.703
(Increase) in tangible assets	-52.832	-654.423
Cash generated from (used in) investing activities (B.)	-2.482.195	-5.221.126
C. Cash flows from financing activities		
Repayment of bonds	-33.565.200	-31.075.200
Cash generated from (used in) financing activities (C.)	-33.565.200	-31.075.200

Increase (decrease) in cash and cash equivalents	-10.420.883	-18.843.437
Cash and cash equivalents at beginning of period	121.001.442	129.329.641
Cash and cash equivalents at end of period	110.580.559	110.486.204

NOTES TO THE SEMI-ANNUAL FINANCIAL STATEMENTS

PRESENTATION AND CONTENT OF THE FINANCIAL STATEMENTS

Interim Financial Statement as of 30 June 2022 has been prepared in accordance with the provisions of the Civil Code (art. 2423 and following) interpreted and supplemented by the accounting standards issued by OIC, the Italian accounting standards setter (in particular, art. 30).

The layout of the balance sheet and income statement comply with the provisions of articles 2423 ter, 2424, 2424 bis, 2425 and 2425 bis of the Civil Code, which established mandatory layouts.

The semi-annual financial statements are prepared in units of euro, without decimals, are required by article 2423, paragraph 6, of the Civil Code.

The notes to the financial statements – prepared in accordance with the provisions of articles 2427 and 2427 bis of the Italian Civil Code – include the most significant accounting policies applied and comments on the individual financial statements line items, illustrating their composition and the reasons for the most significant variances from the comparative period.

The financial statements include a cash flow statement as required by article 2425 ter of the Civil Code.

ACCOUNTING POLICIES

As required by article 2427 of the Civil Code, below we set out the policies applied in the measurement of financial statements line items, taking into account the new provisions introduced by article 2426 of the Civil Code as a result of Legislative Decree No. 139/2016, and the revised OIC national accounting standards in force since December 2016 and subsequent amendments:

Concessions, licences, trademarks and similar rights

Concessions, licences, trademarks and similar rights are measured at cost less accumulated amortisation calculated systematically on a straight line basis over a period not exceeding five years.

Intangible assets

Intangible assets, comprising software applications, are measured at cost less accumulated amortisation calculated systematically on a straight-line basis over a period of two years.

Other intangible assets

Other intangible assets – comprising the cost of construction of the Mestre Bypass to be refunded to ANAS, the indemnity paid to Società delle Autostrade di Venezia e Padova S.p.A., other works built on the motorway stretches under concession, complementary and completion works of the Mestre Bypass, financing costs resulting from taking over the concession (safety works on provincial road SP81 and the San Giuliano interchange at Mestre), costs for the renovation of the traffic police barracks, costs for the roundabout on entry to the Marco Polo–SS14 link road, , costs refunded to the Region Veneto for safety works on the interchange of A27 with A57, E-roads, automated toll booths and costs related to service stations (feasibility study) – are measured at cost, increased by capitalised financial charges, less grants, and reduced by accumulated amortisation calculated on a straight-line basis over the term of the concession ending on 31 December 2032. The new software platform (SGI) is amortised over five years.

Tangible assets

Tangible assets comprise land and buildings, plant and machinery, industrial and commercial equipment and other assets (furniture and ordinary office machines; electronic office machines, computers and telephone installations; cars; other vehicles) and are recognised at costs less depreciation calculated systematically on a straight-line basis over their useful lives.

Depreciation is calculated by applying the following annual rates deemed reasonable in relation to the remaining useful life of the assets: plant and machinery 20%; industrial and commercial equipment 12%; furniture and ordinary office machinery 12%; electronic machinery, electromechanical, computer and telephone systems 20%; cars 25%; other vehicles 20%.

Equity investments

Equity investments in affiliates are measured, pursuant to article 2426, item 4, of the Civil Code, in accordance with the equity method, i.e. each investment is recognised at a value equal to the proportionate share held by the Company in the investee's equity resulting from its latest available financial statements..

Equity investments in other entities are measured at cost. Purchase cost is increased following subscribed and paid-in capital increases of the investee and new purchases of shares from third parties. The carrying amount is reduced to reflect any impairment losses.

Equity investments are recognised in financial assets or in current assets depending on whether the Company intends to hold them in the long term.

Inventories

Inventories, comprising consumables and other items used in maintenance works on the motorways, are measured at the lower of cost, considered as the weighted average purchase cost of the year, and estimated realisable value derived from the market at the closing date.

Cash and cash equivalents

Cash and cash equivalents comprise cash, bank deposits, deposits on postal accounts and other items equivalent to cash. They are carried at estimated realisable value corresponding to nominal value; cash is measured at its face value. Restricted cash items are classified in receivables.

Receivables and payables

Receivables and payables are carried at amortised cost, having regard to the time value of money and, with reference to receivables, estimated realisable value. Restricted cash items are classified in receivables. The Company used the option allowed by Legislative Decree No. 139/2016 not to consider the time value of money in the measurement of transactions recorded before 1 January 2016.

Prepayments, accruals and deferrals

Prepayments, accruals and deferrals represent time-based apportionments of income and expenditure items that relate to more than one accounting period.

Shareholders' equity

Equity is the difference between total assets and total liabilities determined on the basis set out above and shows the value of the entity's own funds, i.e. internal sources of funds.

Provision for post-employment benefits (TFR)

The provision for post-employment benefits (*Trattamento di Fine Rapporto di lavoro subordinato*, TFR) is calculated in accordance with article 2120 of the Civil Code and the labour contracts and legislation in force.

Provision for cycle maintenance

The provision for cycle maintenance is increased during each period to provide for the renovation costs of assets that comprise the stretches of motorway under concession. 'Renovation costs' refers to restoration or replacement as well as maintenance, repairs, upgrades and transformation. The charge for the year is estimated by the Company in an amount suitable to maintain the motorway in good condition and efficient. The provision is utilised for the actual renovation costs incurred during each period.

Provision for taxes

The provision for taxes comprises tax liabilities that are probable, the amounts or timing of which cannot be determined accurately at the year end, and deferred tax liabilities arising from temporary differences between net profit per the financial statements and taxable income.

Provisions for risks and charges

Provisions for risks and charges, included within liabilities, are made for contingent liabilities, based on realistic estimates of the amount to be settled. Provisions are made only for specific losses or liabilities that are certain or probable, the amounts or timing of which cannot be determined accurately at the year end. Risks where the occurrence of a liability is probable are illustrated in the notes to the financial statements and a provision is

posted for an appropriate amount. Risks where the occurrence of a liability is merely possible are disclosed in the notes to the financial statements but no provision is posted, in accordance with the applicable financial reporting standards.

Deferred tax assets and liabilities

Deferred tax assets and liabilities originate from temporary differences that will reverse in subsequent years between the carrying amounts of assets and liabilities and the corresponding fiscal values.

The rates applied in the calculation of deferred tax assets and liabilities are 3.90% for the purpose of IRAP, regional trade income tax, and 27.50% for the purpose of IRES, corporation tax.

Revenues and costs

Revenues and costs are recognised in accordance with the principle of prudence and the accrual basis of accounting.

Off-balance sheet commitments

They include goods belonging to third parties registered with the Company at their current value.

NOTES TO THE BALANCE SHEET INFORMATION: ASSETS

Intangible assets

Intangible assets show a net decrease of EUR 20,892,621. Movements during the period may be analysed as follows:

	Balance as of 31 Dec. 2021	Increase	Decrease	Account transfer	Balance as of 30 Jun. 2022
Industrial patent rights	26.436	200	13.243	0	13.393
Assets under construction and payments on account	6.610.233	2.429.163	0	0	9.039.396
Other intangible assets	507.592.819	0	23.308.741	0	484.284.078
Total	514.229.488	2.429.363	23.321.984	0	493.336.867

'Industrial patent rights' comprised the net book value of costs incurred for software licences. Amortisation is calculated on a straight line basis over a period of two years.

'Assets under construction and payments on account' comprises: a) the costs incurred for the other works carried out on the managed route not yet completed at the balance sheet date; b) the costs incurred for the New Software Platform (SGI) project; c) costs incurred for the E-roads project; d) costs (feasibility study) related to Service Areas; e) Other investments (including PNRR investment projects for EUR 492,334).

The other intangible fixed assets item covers only depreciation.

The movements in fixed assets during the period can be analysed as follows:

	Balance as of 31 Dec. 2021	Increase	Decrease	Giro	Balance as of 30 June 2022
Other works on the motorways under concession	449.518	0	0	0	449.518
New Software Platform (SGI)	1.171.653	174.124	0	0	1.345.777
E-Roads	4.940.262	1.463.977	0	0	6.404.239
Service stations	48.800	0	0	0	48.800
Other investment	0	791.061	0	0	791.061
Total	6.610.233	2.429.163	0	0	9.039.396

'Other intangible assets' comprises the net book value of the costs of the Mestre Bypass, complementary and completion works of the Mestre Bypass, the indemnity paid to Società delle Autostrade di Venezia e Padova

S.p.A., other works on the motorways under concession, safety works on provincial road SP81 between the Mira/Oriago toll gate and the roundabout on state road SS319 at Malcontenta, works on the San Giuliano interchange at Mestre, the renovation of the traffic police barracks, the roundabout on entry to the Marco Polo–SS14 link road, the interchange of A27 with A57, the new software platform (SGI), E-roads, and automated toll booths.

Amortisation is calculated on a straight line basis over the entire term of the concession, except for the new software platform (amortisation period of 5 years).

Movements of other intangible assets in the half-year can be analysed as follows::

Other intangible assets	Balance as of 31 Dec 2021	Historical cost		Balance as of 30 June 2022	Balance as of 31 Dec 2021	Accumulated amortisation		Balance as of 30 June 2022	Net book value Balance as of 30 June 2022
		Additions and account transfers	Decreases			Amortisation charge	Decreases		
Mestre Bypass	705.199.639	0	0	705.199.639	389.215.593	14.362.911	0	403.578.504	301.621.135
Complementary and completion works	225.679.451	0	0	225.679.451	91.186.566	6.111.870	0	97.298.436	128.381.015
Indemnity paid to Società delle Autostrade di Venezia e Padova	74.689.185	0	0	74.689.185	39.099.691	1.617.704	0	40.717.395	33.971.790
Other works on the motorways	6.995.909	0	0	6.995.909	2.681.318	195.809	0	2.877.127	4.118.782
Safety works on provincial road SP 81	5.384.004	0	0	5.384.004	2.634.854	124.961	0	2.759.815	2.624.189
San Giuliano Interchange at Mestre	7.746.853	0	0	7.746.853	3.847.311	162.481	0	4.009.792	3.737.061
Renovation of Traffic Police Barracks	300.000	0	0	300.000	120.945	8.139	0	129.084	170.916
Roundabout on entry to the Marco Polo - SS14 link road	800.000	0	0	800.000	326.952	21.503	0	348.455	451.545
Safety works on the A27–A57 interchange	5.633.418	0	0	5.633.418	1.030.614	209.218	0	1.239.832	4.393.586
New Software Platform (SGI)	3.821.636	0	0	3.821.636	1.014.839	381.135	0	1.395.974	2.425.662
E-roads	1.534.004	0	0	1.534.004	40.427	67.497	0	107.924	1.426.080
Automated toll booths	1.047.811	0	0	1.047.811	39.981	45.513	0	85.494	962.317
Total	1.038.831.910	0	0	1.038.831.910	531.239.091	23.308.741	0	554.547.832	484.284.078

The historical costs reported in the table above are illustrated below.

The costs of construction of the Mestre Bypass, amounting to EUR 705,199,639, which the Company refunded to ANAS in accordance with article 2, paragraph 290, of Law No. 244/2007 and article 6.2 of the Concession Agreement, comprise: costs actually incurred of EUR 986,400,000; financial charges capitalised up to the date of inauguration of the Bypass of EUR 20,828,985; less government grants (pursuant to CIPE Resolution No. 92 of 31 October 2002) of EUR 113,116,500 already collected by ANAS; government grants (referred to in article 1 paragraph 78, letters c) and i), of Law No. 266/2005) of EUR 70,537,502 deducted directly from the cost of the Mestre Bypass in 2011; government grants (referred to in article 1, paragraph 1045, of Law No. 296/2006) of EUR 100,000,000 deducted directly from the cost of the Mestre Bypass in 2013; as well as net revenues relating to the additional kilometres travelled preceding the opening of the Bypass, classified as government grants, of EUR 18,375,345. The costs of construction of the Bypass also include EUR 35,297,480 relating to steel price increases as well as the related provision referred to in article 135, paragraph 4, of Legislative Decree No. 163/2006; the amount of the provision has already been collected by ANAS as a grant from the Ministry, therefore the account has been closed and does not generate any impact on the Company's income statement or cash flows. 'Complementary and completion works' in operation comprise: Bypass landscaping ("Passante Verde"), environmental impact mitigation, sundry roads leading to the Mestre Bypass (Campocroce variant, junction between A4 and provincial road SP64 in the territory of Mogliano Veneto, junction between provincial road SP27 and Via Dante in the territory of Mirano, Marcon motorway link), complementary works to the main tender (Robegano variant, removal of the Roncade toll gate in the territory of Mogliano Veneto), the Martellago/Scorzè toll gate and the northern ring road at Mogliano Veneto.

The indemnity that the Company is required to pay pursuant to article 6.3 of the Concession Agreement relates to the cost of works not yet amortised by Società delle Autostrade di Venezia e Padova S.p.A. at the date of the transfer of the concession for the operation of the motorway, which took place on 1 December 2009. The amount of the indemnity was set by ANAS S.p.A., which notified the Company on 8 March 2010.

'Other works on the motorways' comprises signage for EUR 391,752; the supply and installation of storm drain grids on the Mestre Bypass for EUR 223,170; chloride storage plants for EUR 395,773; automation of toll payment equipment for EUR 2,496,419; upgrading of remote traffic management systems for EUR 443,073; remote access at Preganziol and Spinea toll gates for EUR 39,491; miscellaneous works for EUR 3,006,231. The costs incurred for safety works on provincial road SP81 (in operation since 2011) between the Mira/Oriago toll gate and the roundabout on state road SS319 at Malcontenta, the reorganisation of the San Giuliano interchange at Mestre (in operation since 2011) and for the roundabout on entry to the Marco Polo-SS14 link road (in operation since 2015) are part of the contractual commitments resulting from the concession of Società delle Autostrade di Venezia e Padova S.p.A. that CAV assumed on taking over the concession. The expenditure relates to the construction of works that will remain the property of, and will be maintained by, third parties. The costs relating to renovation of the traffic police barracks went into operation in 2015.

The refund due to the Region Veneto in accordance with the Concession Agreement for safety works on the interchange of A27 with A57 went into operation in 2019. The new software platform (SGI), E-roads, and new automated toll booths went into operation in 2021.

Tangible assets

Tangible assets are shown at the net book value after accumulated depreciation.

	Balance as of 31 Dec 2021	Increase	Decrease	Balance as of 30 June 2022
Land and buildings	0	0	0	0
Plant and machinery	2.516	0	839	1.677
Industrial and commercial equipment	19.691	0	2.155	17.536
Other assets	1.253.555	52.832	275.337	1.031.050
Total tangible assets	1.275.762	52.832	278.331	1.050.263

'Land and buildings' comprises light constructions.

'Plant and machinery' comprises snow ploughs and salt spreaders.

'Industrial and commercial equipment' comprises miscellaneous small items.

'Other assets' comprises furniture and ordinary office machines, electronic office machines, computers, telephone installations, cars and other vehicles. The increase in tangible fixed assets mainly refers to the purchase of patrol vehicles.

The decrease refers to the amortisation allowances. Consumption of fixed capital is calculated based on rates, as indicated above, which are considered to be representative of the remaining estimated useful life of the assets.

The movements during the period can be summarized as follows:

Tangible assets	Historical cost				Accumulated depreciation			Net book value	
	Balance as of 31 Dec 2021	Additions	Disposals	Balance as of 30 June 2022	Balance as of 31 Dec 2021	Depreciation charge	Disposals	Balance as of 30 June 2022	Balance as of 30 June 2022
Land and buildings	17.419	0	0	17.419	17.419	0	0	17.419	0
Plant and machinery	709.218	0	0	709.218	706.702	839	0	707.541	1.677
Industrial and commercial equipment	96.595	0	0	96.595	76.904	2.155	0	79.059	17.536
Other assets	3.630.012	52.832	0	3.682.844	2.376.457	275.337	0	2.651.794	1.031.050
Total	4.453.244	52.832	0	4.506.076	3.177.482	278.331	0	3.455.813	1.050.263

Financial assets

'Financial assets' comprises equity investments

	Balance as of 31 Dec 2021	Increase	Decrease	Balance as of 30 June 2022
Other entities:				
• Consorzio Autostrade Italiane Energia	1.058	0	0	1.058
Total	1.058	0	0	1.058

Equity investments are measured using the equity method based on the last available financial statements.

Information on the investee is as follows:

	Registered office	Capital	Equity	Profit for the period	% held
Other Entities:					
• Consorzio Autostrade Italiane Energia (*)	Roma	114.865	114.255	0	0,99

(*) Figures refer to the draft financial statements as of 31 December 2021, approved by the Board of Directors on 21 January 2022.

Inventories

The item increases by EUR 139,313 and is composed as follows:

	Balance as of 30 June 2022	Balance as of 31 Dec. 2021
Consumables	201.505	109.919
Assets for use in maintenance	1.101.790	1.054.063
Total	1.303.295	1.163.982

Receivables

Receivables totalled EUR 113,116,281 with an increase of EUR 6,345,446 compared to the previous period.

The item is composed as follows:

	Balance as of 30 June 2022	Balance as of 31 Dec. 2021
Trade receivables:		
• Falling due within one year	4.846.413	3.750.311
• Falling due after one year	172.764	255.205
Tax receivables		
• Falling due within one year	100	2.173
• Falling due after one year	0	0
Deferred tax assets	1.657.678	1.749.091
Other receivables		
• Falling due within one year	41.216.088	36.348.703
• Falling due after one year	65.223.239	64.665.352

Total	113.116.281	106.770.835
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Trade receivables increased of EUR 1,013,661 and are composed as follows:

	Balance as of 30 June 2022	Balance as of 31 Dec. 2021
Trade accounts receivable	4.597.965	1.248.752
Invoices to be issued	421.212	2.756.764
Total	5.019.177	4.005.516

The amounts reported are net of provisions posted in the year for certain doubtful debts, equal to EUR 242,890 (whereof EUR 42,802 against trade accounts receivable, EUR 17,542 against invoices to be issued falling due within one year and EUR 182,546 against invoices to be issued falling due after one year)

Trade receivables falling due after one year relate to crossing fees and their collection is considered certain based on the negotiations in progress. These accounts originated before 1 January 2016 and do not earn interest, however, they are not discounted to present value because, as allowed by article 2423, paragraph 4, of the Civil Code "it is not necessary to comply with recognition, measurement, presentation and disclosure requirements when compliance has a negligible effect on a true and fair presentation".

Tax credits decrease of EUR 2.073 compared to the previous period:

	Balance as of 30 June 2022	Balance as of 31 Dec. 2021
Amount paid as withholding agent to be recovered	100	2.173
Total	100	2.173

Other receivables increased by EUR 5.425.271 and are composed as follows:

	Balance as of 30 June 2022	Balance as of 31 Dec. 2021
Receivables from interconnected motorway operators	39.627.261	33.563.844
Restricted cash		
• falling due within one year	417.421	1.274.955
• falling due after one year	65.198.750	64.642.863
Other		
falling due within one year		
• falling due after one year	1.171.405	1.509.904
Restricted cash		
• falling due within one year	24.489	22.489
Total	106.439.326	101.014.055

Receivables from interconnected motorway operators relates to the settlement of transactions arising from the interconnection of motorways.

'Restricted cash' comprises deposits that are restricted as a result of the contractual obligations assumed by the Company in connection with the project bond. Italian accounting standard OIC 14, item 9, provides that "restricted cash items are recognised as receivables in current or fixed assets depending on the characteristics of the restriction". They amount to EUR 65.616.171 and the balance comprises: a) *capex reserve account* of EUR 18.491.836 (whereof EUR 417.421 falling due after one year); b) *maintenance reserve account* of EUR 8.250.000 (entirely falling due after one year); c) *debt service reserve account* of EUR 38.874.335 (entirely falling due after one year).

It should be noted that the portion falling due after one year is not discounted because the rate at which cash and cash equivalents earn interest does not differ from the market interest rate. The restriction will apply up to 31 December 2030 and coincides with the term of the project bond, except for the capex reserve account whose amount is reduced as assets are built.

'Other' comprises receivables recognised after a provision for doubtful debts equal to EUR 180,653. The provision was posted against 100% of a receivable from a company that was declared bankrupt in 2013.

Cash and cash equivalents

The balance decreases of EUR 10.420.883 and may be analysed as follows:

	Balance as of 30 June 2022	Balance as of 31 Dec. 2021
Bank and postal deposits	110.484.202	120.903.921
Cash in hand	96.357	97.521
Total	110.580.559	121.001.442

Bank and postal deposits comprises: a) postal deposits of EUR 4,793,796; b) bank deposits of EUR 105,226,009; c) toll payments not yet credited to the Company's current accounts of EUR 464,397.

Accrued income and prepayments

The balance increases of EUR 546.055 compared to the previous period.

	Balance as of 30 June 2022	Balance as of 31 Dec. 2021
Prepayments	613.410	67.355

Prepayments' comprises long term services that are billed in advance.

BALANCE SHEET INFORMATION: LIABILITIES

Shareholders' equity

Shareholders' equity increases of EUR 9.491.911 compared to the previous period, and may be analysed as follows:

	Balance as of 31 Dec. 2021	Increase	Decrease	Balance as of 30 June 2022
I. Share capital	2.000.000	0	0	2.000.000
IV. Legal reserve	400.000	0	0	400.000
VII. Other reserves:				
- Extraordinary reserve	158.163.286	16.014.303	0	174.177.589
Restricted reserve for road infrastructure	9.776.227	0	0	9.776.227
Restricted reserve for fines and penalties	175.000	0	0	175.000
IX. Profit / (loss) of the period	16.014.303	9.491.911	16.014.303	9.491.911
Total	186.528.816	25.506.213	16.014.303	196.020.726

Share capital comprises 2,000,000 ordinary shares of nominal EUR 1.00 each.

At the annual general meeting of 21 April 2022 allocated the 2021 operating profit of EUR 16,014,303 as extraordinary reserve.

The restricted reserve for road infrastructure was set up in 2014 pursuant to article 2.1 of the Articles of Association, to fund the additional expenditure on road infrastructure required by CIPE Resolution of 26 January 2007.

The restricted reserve for fines and penalties was set up as a consequence of two fines levied by the grantor: the first, amounting to EUR 150,000, notified on 9 April 2010 and the second, amounting to EUR 25,000, notified on 5 March 2012.

The following tables analyse shareholders' equity referred to the last two financial years, showing the origin, possible use and distributable amount of each item and whether they were actually utilised.

Nature / Description	Amount	Possible use	Available amount	Summary of uses in the previous three years	
				Loss coverage	Loss coverage
Capital					
Share capital	2.000.000				
Reserves from profit					
Legal reserve	400.000	B	0		
Extraordinary reserve	174.177.589	A, B, C	174.177.589		
Restricted reserve	9.776.227	B, C	0		
Restricted reserve	175.000	B	0		
Restricted reserve	0	B	0		
Total	186.528.816		174.177.589		
Non-distributable quota			0		
Distributable amount			174.177.589		

Legend

A: Capital increase

B: Loss coverage

C: Dividend distribution

	Share capital	Legal reserve	Extraordinary reserve	Restricted reserve for road infrastructure	Restricted reserve for fines and penalties	Restricted reserve for difference on maintenance works	Profit/ (Loss) for the year	Total
As of 31 Dec. 2020	2.000.000	400.000	155.513.784	9.776.227	175.000	0	2.649.502	170.514.513
Appropriation to Extraordinary reserve			2.649.502					2.649.502
Utilization of profit 2020							- 2.649.502	- 2.649.502
Profit/(Loss) 2021							16.014.303	16.014.303
As of 31 Dec. 2021	2.000.000	400.000	158.163.286	9.776.227	175.000	0	16.014.303	186.528.816
Use of the operating result 2020							- 16.014.303	- 16.014.303
Appropriation to extraordinary reserve			16.014.303					16.014.303
Profit / (Loss) as of 30/06/2022							9.491.911	9.491.911

As of 30/06/2022	2.000.00 0	400.000	174.177.589	9.776.227	175.000	0	9.491.911	196.020.726
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Provision for risks and charges

The balance decreases of EUR 127.394. The movements occurred during the period may be analysed as follows:

	Balance as of 31 Dec. 2021	Increase	Decrease	Balance as of 30 June 2022
Provision for risks	786.689	357.650	0	1.144.339
Provision for cycle maintenance	14.717.000	8.257.000	7.942.000	15.032.000
Total	15.503.689	8.614.650	7.942.000	16.176.339

Provision for risks relates to a personnel issue, for EUR 786.689, and another one related to taxes, for EUR 357.650.

The change in the provision for renewals refers to the provision for the period. The section on evaluation criteria describes the nature of the mentioned item.

Provision for post-employment benefits (Trattamento di fine rapporto di lavoro subordinato, TFR)

The provision increased by EUR 24.893. The movements occurred during the period are as follows:

	Balance as of 31 Dec 2021	Increase	Decrease	Balance as of 30 June 2022
Provision for post-employment benefits (TFR)	391.568	502.975	485.277	409.266

The increase relates to the accrual for the year; the decrease includes, inter alia, advances and severance payments and transfers to the INPS, payments to 'Fondo di garanzia TFR', a fund securing payment of TFR and salaries in the event of insolvency of employers, to ASTRI, a pension fund for motorway, road, transport, infrastructure and rental industry workers, and to other items.

Payables

Payables totalled EUR 507.022.891, with a decrease of EUR 34.708.162. The balance falling due after five years was EUR 200,606,430 and corresponds to the outstanding portion of the project bond maturing on 31 December 2026, calculated under the amortised cost method.

The heading is analysed below.

A) Bonds

The item decreases of EUR 32.775.011 compared to the previous period. The item is detailed as follows:

	Balance as of 31 Dec. 2021	Increase	Decrease	Balance as of 30 June 2022
Bonds	499.160.690	6.160.289	38.935.300	466.385.679

On 12 April 2016 the project bond was issued for a nominal value of EUR 830,000,000.

During the period the Company repaid EUR 38,935,300. With regard to the ancillary costs of the bond, the amortised cost method – as prescribed by article 2426, paragraph 1, item 8, amended by Legislative Decree No. 139/2015, article 6, paragraph 8, letter g, and reflected in the revised Italian accounting standard OIC 19 – requires the recognition of the net amount of the debt after deduction of those costs and the value of the debt to be increased by the portion of the ancillary costs attributable to the period.

The nominal interest rate of the project bond is 2.115%, the effective rate (calculated by the amortised cost method) was equal to 2.504%.

With regard to the fairness of the contractual interest rate when compared with rates available in the market, on 23 February 2016 a leading international consulting firm issued a report to CAV on this matter which contains a comparison between bank loans and other corporate bond issues comparable to the project bond in amount and nature. . The report's conclusion was: "our findings indicate that the interest rate at which the bond will be issued is in line with the market interest rates applied to other project bond issues related to comparable transactions."

The amount of EUR 466,385,679 comprises: EUR 60,742,232 falling due within one year and EUR 405,643,447 falling due after one year (whereof EUR 200,606,430 falling due after five years).

The nominal debt (debt on issuance less principal repayments) as of 30 June 2022 amounts to EUR 473,863,600.

The Company has given the following guarantees to subscribers of the project bond and to the EIB: a) a privileged lien on all present and future movable property; b) a general lien on all present and future movable property; c) a pledge as collateral of receivables arising, inter alia, from project contracts and insurance policies; d) a pledge on bank current accounts; e) a pledge as collateral of receivables arising from the concession held by the Company; f) a pledge on receivables from ANAS in connection with VAT.

Subscribers of the project bond are also covered by the EIB through a letter of credit ("PBCE Agreement") for 20% of the amount of the bond.

The securities relating to the project bond are listed on the non-regulated market operated by Bourse de Luxembourg, in Luxembourg (the "Euro MTF" market).

B) Trade payables

The item decreased by EUR 1.225.565 compared to the previous period. In detail:

	Balance as of 30 June 2022	Balance as of 31 Dec. 2021
Trade accounts payable	2.095.739	2.561.968
Invoices to be issued	10.660.601	11.416.465
Contractual guarantee deposits	179.725	183.196
Total	12.936.064	14.161.629

C) Tax payables

The balance decreased by EUR 3.381.645 and is so composed:

	Balance as of 30 June 2022	Balance as of 31 Dec. 2021
IRPEF, personal income tax, on the remuneration of employees and freelancers	411.032	559.570
IRES, corporation tax	375.554	3.243.132
IRAP, regional trade income tax	183.752	671.986
VAT	2.643.719	2.521.014
Other taxes (TOSAP)	37.504	37.504
Total	3.651.561	7.033.206

D) Social security payables

The balance decreased by EUR 22.869 compared to the previous period.

	Balance as of 30 June 2022	Balance as of 31 Dec. 2021
Social security payables	998.180	1.021.049

A) Other payables

The item decreased of EUR 2.696.929 compared to the previous period:

	Balance as of 30 June 2022	Balance as of 31 Dec. 2021
Payables to interconnected motorway operators	9.799.849	6.383.210
Payables to the State		
• Concession fee (MIMS)	1.306.045	2.532.167
• Concession fee (ANAS)	1.020.285	673.108

• Supplementary concession fee pursuant to Law No. 102/2009 (ANAS)	8.241.977	7.245.163
• Sub-concession fee (MIMS)	6.340	18.540
Payables to personnel	1.880.811	1.730.331
Payables to ANAS		
Refund of the costs of construction of the Mestre Bypass and related complementary and completion works		
• Interest on the subordinated loan from shareholder	417.421	1.274.955
Other	378.680	497.004
Total	23.051.407	20.354.478

Payables to interconnected motorway operators' relates to the settlement of interconnection transactions.

'Payables to the State', totalling EUR 10,468,979, comprises the concession fee pursuant to article 1, paragraph 1020, of Law No. 296/2006 payable to the State (79%) and to ANAS (21%); the sub concession fee payable to the Ministry of Sustainable Infrastructure and Mobility; and the supplementary concession fee payable to ANAS pursuant to Law No. 102/2009.

'Payables to personnel' comprises the 14th month salaries, holidays and leaves not taken.

'Payables to ANAS', totalling EUR 417,421 comprises the costs of construction of the Mestre Bypass and related complementary and completion works.

Accrued expenses and deferred income

The heading shows a decrease of EUR 17.715 compared to the previous period.

	Balance as of 30 June 2022	Balance as of 31 Dec. 2021
Deferred income	372.511	354.796

'Deferred income' relates to the portion attributable to future years of crossing fees already billed at the balance sheet date.

Commitments, guarantees and contingent liabilities

These comprise:

	Balance as of 30 June 2022	Balance as of 31 Dec. 2021
Third party assets held by the Company	97.900	31.150

'Third party assets held by the Company' relates to the Viacard prepaid cards sold by the Service Centre on behalf of Autostrade per l'Italia S.p.A.

As concerns guarantees in favour of subscribers of the project bond we make reference to the comments to the relevant item in the notes to the financial statements.

INCOME STATEMENT INFORMATION

Value of production

Value of production totalled EUR 79.192.263 and increased by EUR 10.949.094 (+16,04%) compared to the previous period.

The item is so composed:

A) Revenue from sales and services

“Revenue for sales and services” is detailed as follows:

	Balance as of 30 June 2022	Balance as of 31 Dec. 2021
Toll revenue:	68.884.230	58.375.264
• Toll revenue		
• Supplementary concession fee pursuant to Law No. 102/09 and Law No. 122/2010	6.976.050	5.940.749
Other motorway income		
• Income from service stations	1.517.042	1.171.605
• Share of toll collection costs paid by interconnected motorway operators		
• Recharges of costs of abnormal load movements and unpaid tolls	699.703	544.076
Toll revenue:	524.803	412.626
Total	78.601.828	66.444.320

‘Toll revenue’ comprises proceeds from tolls paid by vehicles travelling on the various motorway stretches operated by the Company, specifically by traffic on the Mestre Bypass (A4) and the Padova – Mirano/Dolo stretch (on A4, in the closed system; the Mirano/Dolo – Venezia Mestre stretch on A57 is in the open system and is toll free) and traffic through the toll gates at Venezia Mestre, Mira/Oriago and Mirano/Dolo (on A57, operated by CAV), Venezia Nord (on A27, operated by Autostrade per l’Italia) and Venezia Est (on A4, operated by Autostrade Venete) where toll is applied for Km. 6,200 for the Mestre ring road and for Km. 18,330 for the additional kilometres applied to finance construction of the Bypass.

Tolls revenue (after deducting the supplementary concession fee payable to ANAS) are increased by EUR 10,508,966 (+ 18.00%). The result is determined by the course of traffic.

The amount of the supplementary concession fee payable to ANAS was calculated in application of article 15, paragraph 4, of Law Decree No. 78/2010, converted into Law No. 122/2010: in 2021 (as in previous years) on each kilometre travelled the toll was increased by 6 thousandths of a euro for vehicle classes A e B and by 18 thousandths of a euro for classes 3, 4 and 5. As a consequence of the fall in traffic and of the composition of the classes in which traffic is distributed, the supplementary concession fee payable to ANAS increased by EUR 1,035,301 (17.43%).

Income from service stations comprises royalties paid by oil companies and by restaurants and hotels on sales at the service stations. There are four service stations: two in the closed system, i.e. Arino Ovest and Arino Est (located close to entry to the Mestre Bypass) and two in the open system, i.e. Marghera Ovest and Marghera Est (on the roundabout at Marghera); a hotel is present at the Marghera Est service station. Income from service stations rose by EUR 345,437 (29.48%).

The share of toll collection costs paid by interconnected motorway operators rose by 28.60%. This item of income arises from the application of article 17 of the interconnection agreement between all Italian motorway operators.

All revenues are generated by activities located on the motorways under concession. Please refer to the introductory report for a more in-depth discussion of the existing issues.

B) Other income

	Balance as of 30 June 2022	Balance as of 31 Dec. 2021
- Other	382.340	1.699.917
- Grants	208.096	98.932
Total	590.435	1.798.849

'Other income' comprises: sub concession fees of EUR 51.793, refunds of damage caused to structures by motorway users for EUR 86,429, contract works for 13,000, refund of lighting costs for EUR 77,550, contractual indemnities for EUR 13,047, gains and non-recurring income of EUR 57,977, grants of EUR 208,096 and other items of income for EUR 82,544.

Cost of production

Cost of production totaled EUR 59.985.953, in increase of EUR 3.170.995 (+ 5,58%) compared to the previous year.

The item is so detailed:

A) Raw materials, consumables and goods

'Raw materials, consumables and goods' increased compared with the previous year by EUR 130.886 equal to + 39,50% and is detailed as follows:

	Balance as of 30 June 2022	Balance as of 31 Dec. 2021
Purchases of items for maintenance	229.825	127.347
Purchase of other assets	232.392	203.984
Total	462.217	331.331

B) Services

Cost of services may be analysed as follows

	Balance as of 30 June 2022	Balance as of 31 Dec. 2021
Maintenance and renovation works	8.749.119	8.477.767
Contract work	13.000	1.160.248
Operating services		
• Share of toll collection costs	2.259.958	1.794.624
• Processing of traffic and proceeds data	327.178	299.792
• Electricity	1.911.525	1.003.488
• Other	670.042	487.412
Administrative services:		
• Administrative professional services	438.518	325.929
• Technical professional services	217.341	542.670
• Insurance	547.053	487.213
• Telephone	18.186	1.545
• Meal vouchers	126.479	133.340
• Tender evaluation committee members	106.819	109.550
• Other	329.962	85.001
Directors' remuneration	78.980	75.652
Statutory auditors' remuneration	37.927	38.080
Supervisory Board remuneration	29.200	25.566
Total	15.861.286	15.047.877

Cost of services increased by EUR 813.409, equal to +5,41%, compared to the previous year.

'Maintenance' totalled EUR 8.749.119 (EUR 8.477.767 in the comparative period), with an increase of EUR 271.352, equal to 3,20%.

'Operating services' totalled EUR 5.168.702 (EUR 3.585.316 in the comparative period) with an increase of EUR 1.583.386 equal to 44,16%.

'Administrative services' totalled EUR 1.784.358 (EUR 1.685.248 in the comparative period) with an increase of EUR 99.110, equal to 5,98%.

'Directors' remuneration' comprises emoluments (EUR 64.800), social charges (EUR 6.434) and expense refunds (EUR 7.746).

'Statutory auditors' remuneration' comprises emoluments (EUR 35.000), social charges (EUR 1.600) and expense refunds (EUR 1.327).

'Supervisory Board remuneration' comprises emoluments (EUR 25.000), social charges (EUR 1.800) and expense refunds (EUR 2.400).

C) Leases and rentals

	Balance as of 30 June 2022	Balance as of 31 Dec. 2021
Leases and rentals	343.556	522.699

'Leases and rentals' dropped by EUR 179. compared to the previous period and are related to car rental (EUR 29.788) and other rental (EUR 313.768).

D) Personnel

The cost of personnel is analysed as follows:

	Balance as of 30 June 2022	Balance as of 31 Dec. 2021
Wages and salaries	6.883.253	6.895.036
Social charges	2.280.061	2.189.758
Provision for post-employment benefits (TFR)	502.975	479.635
Other personnel costs	243.964	239.004
Total	9.910.253	9.803.433

Personnel costs increased of EUR 106.820, equal to +1,09%, compared to the previous period.

The average headcount was 214,017 (214,260 in the comparative period).

Handling in personnel is as follows

	as of 30 June 2022	as of 31 Dec. 2021	Average number
Executives	4	4	4
Middle managers	12	13	12,663
Clerical staff	146	141	141,277
• full time	129	120	
• part time	16	17	
• on term contracts	1	4	
Toll collectors			
• full time	60	56	50,077
• part time	38	46	
• on term contracts	8	10	
Workers	14	0	
• full time	6	7	6
• part time	6	7	
	0	0	
Total	228	221	214,017

(*) The average headcount is calculated considering also staff on term contracts, which numbered 15 in the period under consideration.

E) Amortization, depreciation and write-downs

Amortisation, depreciation and write downs increased compared with the previous year EUR 435.833 and may be analysed as follows:

	Balance as of 30 June 2022	Balance as of 31 Dec. 2021
Amortisation of intangible assets	23.321.984	22.857.604
Depreciation of tangible assets	278.331	306.878
Total	23.600.315	23.164.482

'Amortisation of intangible assets' comprises: a) amortization for software for EUR 13.243.

b) amortisation of other intangible assets for EUR 23.308.741, which is analysed in detail in these notes to the financial statements in the comments on movements in intangible assets. 'Depreciation of tangible assets' is analysed in detail in these notes to the financial statements in the comments on movements in tangible assets.

F) Change in inventories

	Balance as of 30 June 2022	Balance as of 31 Dec. 2021
Change in inventories	-139.313	51.594

'Change in inventories' is the difference between opening inventories as of 1 January 2022 equal to EUR 1.163.982 and closing inventories as of 30 June 2022 equal to EUR 1.303.295.

G) Other accruals

	Balance as of 30 June 2022	Balance as of 31 Dec. 2021
Provisions for renovation works	8.257.000	8.477.000
Use of fund for renovation works	-7.942.000	-8.604.394
Total	315.000	-127.394

Provisions for renewals considers the scheduled maintenance and renovation works.

H) Other operating costs

The item increased of EUR 1.611.703 equal to 20,09% and is so composed:

	Balance as of 30 June 2022	Balance as of 31 Dec. 2021
Taxes and duties	432.029	182.583
Supplementary concession fee pursuant to article 19, paragraph 9 bis, of Law No. 102/09 and Law No. 122/2010	6.976.050	5.940.749
Concession fee pursuant to article 10 L. 537/93 and article 1, paragraph 1020, of Law No. 296/2006	1.653.222	1.401.004
Sub-concession fee pursuant to article 13 of the Concession Agreement	31.377	24.458
Other costs	539.961	472.142
Total	9.632.639	8.020.936

The supplementary concession fee is owed to ANAS, as established, lastly, by article 15, paragraph 4 of Law No. 122/2010. It is applied to each kilometer travelled and is equal to 6 thousandths of a euro per km for vehicle classes A and B, and 18 thousandths of a euro per km for classes 3, 4 and 5.

The concession fee, as established by article 1, paragraph 1020, of Law No. 296/2006 and also article 12 of the Concession Agreement, is equal to 2.4% of net toll revenue: 21% is paid to ANAS and the remaining 79% is paid to the State.

The sub concession fee payable to the Ministry of Infrastructure – Directorate General for Supervision of Motorway Operators is established by article 13 of the Concession Agreement and is equal to 2% of the income from retailing activities.

Financial income and charges

The heading is analysed as follows:

	Balance as of 30 June 2022	Balance as of 31 Dec. 2021
Financial income:		
• financial income other than the above	32	6.421
Interests and other financial charges	6.171.401	6.884.036
Total	-6.171.369	-6.877.615

The item *financial income* amounts to EUR 32 and comprises interest income on the clearing account with other interconnected operators.

'Interest expenses and other financial charges' include EUR 6.160.289 of effective interest charges on the project bond (effective interest rate 2,504%, nominal interest rate 2,115%).

Income taxes

The item is so composed:

	Balance as of 30 June 2022	Balance as of 31 Dec. 2021
Income taxes:		
• IRES, corporation tax	2.675.080	917.146
• IRAP, regional trade income tax	776.537	459.317
• Deferred tax expense	0	0
• Deferred tax income	91.413	140.257
Total	3.543.030	1.516.720

ADDITIONAL DISCLOSURES

Remuneration of corporate boards

Pursuant to item 16 of article 2427 of the Civil Code, we disclose the remuneration payable to the corporate boards for the functions discharged in the year under consideration.

The remuneration of members of the Board of Directors comprises emoluments (EUR 64.800), social charges (EUR 6.434) and expense refunds (EUR 7.746).

The remuneration of members of the Board of Statutory Auditors comprises emoluments (EUR 35.000), social charges (EUR 1.600) and expense refunds (EUR 1.327).

The remuneration of members of the Supervisory Board comprises emoluments (EUR 25.000), social charges (EUR 1.800) and expense refunds (EUR 2.400).

Independent auditor's fees

Pursuant to item 16 bis of article 2427 of the Civil Code, we report that on 8 April 2021 the Company in general meeting awarded the external auditor fees for the three-year period 2021-2023 equal to EUR 152.980 (EUR 50,993 per annum) for the audit of the annual financial statements.

Repurchase agreements

During the year the Company did not enter into any repurchase agreements.

Dividend-right shares, convertible bonds, other securities

The Company has not issued any dividend-right shares or convertible bonds.

The Company has not issued any security falling into the scope of article 2427, item 18, of the Civil Code

Other financial instruments issued

The Company has not issued any other financial instruments referred to in item 19 of the first paragraph of article 2427 of the Civil Code.

Equity reserves or borrowings appropriated for specific purposes

At the closing date there were no equity reserves or borrowings appropriated for specific purposes as defined in items 20 e 21 of the first paragraph of article 2427 of the Civil Code.

Monetary revaluations

Pursuant to article 10 of Law No. 72 of 19 March 1983 and subsequent legislation, we state that no monetary revaluations were applied to existing tangible or intangible assets.

Finance leases

Italian law provides for finance leases to be recognised as operating leases, with the lease payments recognised as operating costs under leases and rentals. We state that as of 30 June 2022 there were no finance leases in place.

Disclosure of transactions with related parties

In accordance with the provisions of article 2427, item 22 bis, of the Civil Code, we state that during the year the Company did not carry out significant transactions with related parties other than at arm's length. For details of transactions with shareholders we make reference to the report on operations.

Direction and co-ordination

Pursuant to article 2497-bis of the Civil Code, we state that the Company is not subject to direction and co-ordination by another entity.

Off-balance sheet transactions

During the year there were no off-balance sheet transactions.

Fair value of financial instruments

The Company does not hold any financial instruments.

Transactions with the Region Veneto

Payables to/receivables from the Region Veneto:

In accordance with the instructions given by the Region Veneto in its letter Ref. 49883 dated 7 February 2018, we disclose details of payables to and receivables from the Region at the date of the balance sheet.

Cash flows: The Company's receivables from the Region Veneto as of 30 June 2022 comprised deposits for an amount of EUR 1.146 (whereof EUR 566 relating to a water concession, file W08_001281, referred to Unità Organizzativa Genio Civile Venezia, falling due on 31 December 2032; and a guarantee deposit of EUR 580 relating to a water concession, file DD133 n.1367/C, referred to Unità Organizzativa Genio Civile Padova, falling due on 31 December 2032).

As of 30 June 2022 there were no payables by the Company to the Region Veneto (not even by way of advances against loans from the Region Veneto to the Company), nor bonds subscribed by the Region Veneto.

Guarantees given:

As of 30 June 2022 there were no sureties issued by the Region in favour of the Company nor letters of 'strong' patronage in favour of the Company, nor other forms of guarantees issued by the Region in favour of the Company. In this connection it is necessary to mention the arrangement with the Region Veneto known as "Region Agreement" reflected in the project bond issue. While the Region Agreement does not constitute any form of guarantee or fall back guarantee or letter of patronage, through it the Region Veneto has undertaken, in favour of the secured creditors, not to sell, transfer or encumber the Company's shares it owns.