



# **FINANCIAL STATEMENTS**

**AS OF 31 DECEMBER 2019 AND RELATED REPORTS**

**Concessioni Autostradali Venete CAV S.p.A.**

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

**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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# Notice of Annual General Meeting

To:  
SHAREHOLDERS  
Their addresses

SUBJECT: Notice of meeting

Pursuant to article 2364 of the Civil Code, notice is hereby given that the annual general meeting of Concessioni Autostradali Venete - CAV S.p.A. will be held at the Company's registered office in Venezia-Marghera, Via Bottenigo, 64/a on 27 March 2020 at 12:00am in first call, and if necessary, on 9 April 2020 at 12:00am in second call, to transact the following

#### BUSINESS:

- 1) Draft financial statements as of 31 December 2019 and report on operations for the year then ended, report of the Board of Statutory Auditors and independent auditor's report: related resolutions;
- 2) Appointment of the Board of Statutory Auditors for the three years 2020-2022 and approval of the remuneration of its members in accordance with article 21 of the Articles of Association;
- 3) Report on corporate governance for the year 2019.

Pursuant to article 12 of the Articles of Association, shareholders are entitled to attend the annual general meeting and to vote on resolutions if they are duly registered in the shareholders' register or have applied for registration at least three days before the date of the general meeting in first call.

Pursuant to article 2372 of the Civil Code and article 12 of the Articles of Association, shareholders are entitled to appoint a proxy to attend and vote on their behalf, subject to filing an instrument of proxy in writing.

Pursuant to article 11.2 of the Articles of Association, shareholders may also attend via audio or video conference.

Yours faithfully

THE CHAIR  
(Luisa SERATO)

## Corporate boards

### BOARD OF DIRECTORS <sup>(1)</sup>

*Chair*  
SERATO Luisa <sup>(2)</sup>

*Chief Executive Officer*  
DIBENNARDO Ugo <sup>(3)</sup>

*Directors*  
CERON Renzo  
MAGGIONI Alessandro  
RIBECHI Federica

### BOARD OF STATUTORY AUDITORS <sup>(4)</sup>

*President*  
DIANA Giovanni

*Acting auditors*  
GIRARDI Claudio  
PALMIERI Incononata

*Alternate auditors*  
SALOMONI RIGON Maurizio  
SOLIMENE Silvia

### TOP MANAGEMENT

*Chief Financial Officer*  
BORDIGNON Giovanni

*Chief Operating Officer*  
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 28 June 2017. The President of the Board of Statutory Auditors, Mr. Giovanni Diana, was designated by the Ministry of the Economy and Finance ("MEF"); The acting auditor Mr. Claudio Girardi was designated by the Region Veneto; the acting auditor Ms. Incononata Palmieri was designated by the Ministry of Infrastructure and Transport ("MIT").

## Shareholder structure

SHAREHOLDER	NO. OF SHARES HELD	NOMINAL VALUE OF ORDINARY SHARES	SHARE CAPITAL	PERCENTAGE %
<b>ANAS SpA</b>	<b>1,000,000</b>	<b>1.00</b>	<b>1,000,000</b>	<b>50</b>
<b>Region Veneto</b>	<b>1,000,000</b>	<b>1.00</b>	<b>1,000,000</b>	<b>50</b>
Total	<b>2,000,000</b>		<b>2,000,000</b>	<b>100</b>

# REPORT ON OPERATIONS

## INTRODUCTION

Dear Sirs,

This report illustrates the key events of financial year 2019, first of all the result of operations which was highly satisfactory, the year having closed with significant net profit.

### THE FINANCIAL STATEMENTS

The financial year 2019 closed with profit of EUR 27.0 million.

The figure is particularly satisfactory and exceeds all expectations and forecasts, as well as the already good performance of FY 2018.

Two factors contributed to making this result possible: on the one hand, toll revenue, generated by the growth of traffic and rate increases and, on the other hand, operating costs.

We will therefore focus first on traffic.

The number of vehicles per km travelling on motorways operated by CAV rose by 0.45%.

The second focus is on the rate increases.

For FY 2019 the Company has been authorised to apply an increase of 2.06%.

With regard to both rates and traffic, additional figures, analyses and information are provided in other sections of this annual report.

Finally, the other important and significant factor that contributed to the strong result of operations was careful, constant attention to the operating costs of all corporate operations.

We believe the situation summarised above is testimony to the solid standing of the Company, which is capable of meeting all its commitments with peace of mind.

### THE BUSINESS PLAN AND REGULATORY FINANCIAL PLAN 2015-2019

The Business Plan 2015-2032 and the accompanying Regulatory Financial Plan for the five-year period 2015-2019 were revised and submitted to the Ministry for Infrastructure and Transport/Directorate General for Supervision of Motorway Operators ("MIT/DGVCA") in June 2015.

The approval process was completed with the issuance of inter-ministerial decree No. 139 of 11 April 2019, subsequently filed with the Court of Auditors on 24 May 2019, as communicated by MIT on 3 June 2019.

The Addendum to the Concession Arrangement, and therefore also the Business Plan 2015-2032 (also, "BP") and the Regulatory Financial Plan for the five-year period 2015-2019 (also, "RFP") appended thereto, became fully effective from the date of registration of the inter-ministerial decree with the Court of Auditors on 24 May 2019.

The main effects of this approval are the following:

1) Approval, with effect from 1 January 2020, following submission of a specific request, of the new length of the motorways under concession, which specify very precisely the kilometres operated by CAV in order to implement the provisions of the approved Business Plan. It is worth mentioning that surveys were carried out by a leading engineering company that applied calculation methods with homogeneous, uniform criteria using



state-of-the-art technology with measurements accurate to the metre. Therefore, the definition of the length of the motorway network took place on a basis of certainty and absolute precision, in application of a principle of utmost transparency versus users and, more generally, of the obligations arising from the Concession Agreement;

2) Abandonment of a dispute with MIT that had been ongoing of a few years (specifically, R.G. 13974/2014, a proceeding filed with the administrative court in connection with two notes received from MIT dated 2 July 2014 with the following subject "Highly automated toll gates. Presence of toll collectors and manning", designed to obtain from CAV information about the status of toll gates. CAV had filed an appeal with the Regional Administrative Court ("TAR") of Lazio stating that the measures being challenged were in contrast with the Concession and were vitiated by a misuse of powers and, as a result, seeking to have them voided);

3) Release of a previously restricted reserve for maintenance costs. Also in this case, following submission of a specific request, MIT gave its timely approval.

## **THE TRANSPORT REGULATOR'S RESOLUTION NO. 67/2019 AND THE COMPANY'S CHALLENGE**

On 19/06/2019 the transport regulation authority (Autorità di Regolazione dei Trasporti, "ART") issued Decision No. 67/2019.

The decision – which concerns specifically CAV's position as a motorway operator, a separate decision having been issued for each operator – comes at the end of a public consultation process, started in February 2019, through which ART intended to modify the toll charging system for all motorway operators in light of recent regulatory changes.

It should be noted, in particular, that ART set a productivity factor "X" for CAV equal to 5.13% per annum; as a result, over the five years of the next regulatory period (i.e. starting from 2020) the Company should reduce its production costs by 23.13%.

CAV, in light of the contents of the Decision (paragraph 20, item 4, letter a), will ask the grantor to define a different value for the productivity factor "X" as this is allowed in specific conditions (such as, in the circumstances, the total length of the motorway sections under concession being below the minimum threshold defined by ART's Decision No. 70/2016).

CAV, in addition to submitting written comments during the public consultation period, filed an appeal against the above-mentioned decision with the Regional Administrative Court of Veneto ("TAR Veneto").

The appeal, drawn up by a leading law firm, became necessary after ART failed to consider the criticism made by CAV about the willingness to change the toll charging system and the manner of such change.

The appeal, first of all, challenges the decision as non-compliant with Italy's constitution and EU laws and, consequently, raises exceptions of unconstitutionality in both the Italian legal system (with a petition to the court to refer the matter to the constitutional Court) and the European legal system (with a petition to the court to refer the matter to the European Court of Justice).

As to the substance of the matter, the appeal also points out that: a) the changes to the Concession Agreement in force, solely related to the updating/extension of the Business Plan, appear to be in contrast with civil laws (and, as mentioned, constitutional provisions) in that they introduce unilateral requirements that de facto modify

to a significant extent the contents of the contractual relationship agreed at the time the Concession Agreement was signed, with a resulting failure to observe legal certainty, contractual good faith and related principles; b) the limits of the powers and different responsibilities of CIPE, the inter-ministry committee for economic planning, as established in article 11 of Law No. 498 of 23 December 1992, as subsequently amended and supplemented, are not well defined, nor are those of ART; c) the financial balance of the Business Plan is thus distorted, all risks being allocated to the motorway operators.

The appeal also values the adverse impact that the toll charging system would have on shareholders, foreign institutional investors (in connection with the project bond) and, more generally, on any investor in motorway infrastructure, with adverse consequences also for the public interest.

With regard to the latter point, indeed, the appeal emphasises the public sector nature of the Company, with the appropriation of corporate profits being restricted to works for the community.

One of CAV's shareholders, the Region Veneto, considering itself directly damaged by the decision, lodged a separate appeal seeking a valuation of the damage suffered (lower revenues with lower profits and consequently lower funds to finance regional works, as provided by the protocol signed by MIT and the Region Veneto on 11 February 2019).

TAR Veneto has confirmed preliminarily that it has territorial jurisdiction to adjudicate on the case and, as a measure of inquiry, authorised CAV to access the documents of the preliminary inquiry that led to the decision being challenged, so as to be able to verify more carefully the calculations made by ART.

That access took place on 8 January 2020 with the help of specialist consultants that prepared a technical report which enabled the Company's counsels to file an appeal with added pleas in addition to the main plea in law.

#### **THE NEW BUSINESS PLAN AND REGULATORY FINANCIAL PLAN 2020-2024**

Article 13 of Law Decree No. 162 of 30 December 2019 No. 162 (known as "Mille proroghe", the 'Thousand Extensions' decree, which was still in the process of being converted into law at the date of preparation of this report) requires operators whose addendum to the Concession Agreement has expired or is close to expiring (as is the case with CAV) to submit a new business plan and a new regulatory financial plan prepared using the new calculation rules introduced by ART.

In accordance with the decree, the Company shall submit new plans using the new rules but this does not mean in any way that it agrees with the requirement.

We point out that article 35 of the aforementioned decree states that upon the revocation, lapsing or termination of a concession for the operation of a road or motorway, responsibility for its operation shall be provisionally assigned to ANAS S.p.A. until a new tender procedure has been completed and also, which may generate significant impacts in future, that when the termination of the concession is a consequence of a breach by the concession holder the indemnification payable to the concession holder should be calculated solely in accordance with article 176, paragraph 4, letter a) of Legislative Decree No. 50 of 18 April 2016.

This should also take place, under the current wording, in connection with the replacement of any concession clauses, of substance and of procedure that even though approved by law are inconsistent, which are to be

considered null and void pursuant to article 1419, second paragraph, of the Civil Code, without the agreement being terminated by law.

We point out that at the date of preparation of this report the decree is still in the process of being converted into law and it is possible that Parliament may introduce amendments and/or decide not to convert the above provisions, in whole or in part.

## THE PROJECT BOND AND RELATED ASPECTS

In April 2016, for the purpose, among other things, of raising the necessary financial resources to repay the entire amount owed to ANAS for the costs incurred for the construction of the “Passante di Mestre”, the motorway bypassing Venice/Mestre (the “Bypass”), CAV issued a bond in the form of a project bond pursuant to article 157 of Legislative Decree No. 163 of 12 April 2006. As in previous years, during 2019 the Company complied with all the obligations established by the financing agreement, and specifically – in addition to meeting various disclosure and reporting requirements – it paid both the principal and interest portions of the two half-yearly instalments falling due on 30 June and 31 December 2019, respectively.

### *Rating*

The financing agreement made between the parties following completion of the procedure for raising funds to finance construction of the Bypass through a project bond requires CAV periodically to have its creditworthiness rated and to obtain a long-term credit rating, for the purpose of constant monitoring by the institutional investors involved in the transaction.

The Company's rating was confirmed as Baa1 with a stable outlook.

That rating is the best among all those issued by rating agencies to Italian companies.

### *Subordinated loan from ANAS*

For completeness of information, even though it is no longer in place, we note that on 11 April 2019 CAV repaid the loan disbursed by ANAS in connection with the project bond. The loan, which was repayable in half-yearly instalments (April / October) of variable amount, was repaid in full one year earlier than the date established in the Financial Model of April 2016.

## INVESTMENT

The commitments made by the Company and set forth in the Concession Agreement involve an overall financial commitment of around EUR 1,340 million that is analysed as follows: EUR 986 million for repayment to ANAS of the costs of the Bypass; EUR 75 million as indemnity to be paid to Società Autostrade di Venezia e Padova Spa by CAV for taking over the concession; another EUR 279 million for sundry works.

The Company has paid in full its debts to ANAS for the costs of the Bypass and the indemnity due to Società Autostrade di Venezia e Padova for taking over the concession.

With regard to the remaining works for EUR 279.4 million budgeted in the Business Plan, works for EUR 242.7 million have been completed. The works yet to be completed amount to EUR 36.7 million, of which the most part, about EUR 14.4 million, is referred to complementary and completion works on the Bypass.

Out of the total financial commitment mentioned above, 97.3% of which has been met, the part yet to be completed now accounts for 2.7% only.

A detailed analysis of investment expenditure in 2019 is provided in a different section of this report on operations.

In brief, we note that works performed related to activities included in the current BP/RFP or to safety works that could not be deferred, specifically complementary and completion works on the Bypass, a feasibility study for new service stations, automation of toll payment equipment, safety management and environmental protection.

## **CAV 2.0 PROJECT – INTEGRATED MANAGEMENT SYSTEMS**

The purpose of the project is to define a consistent and integrated digital organisation, based on the use of innovative technological tools, with a view to streamlining business processes and increasing their efficiency.

The project is part of CAV's broader strategy that identifies participation in the national plan for the modernisation and digitalisation of motorway infrastructure as one of its key general objectives.

This is a multi-disciplinary project that involves professionals with skills cutting across various fields – technical, technological, legal and administrative and in which the leading industry players are engaged.

The overall duration of the project is 48 months, although the first results will start to emerge when the new software applications (SAP, Maggioli, Zucchetti, ...) go live in January 2021.

Moreover, starting from January 2021 a software application for dynamic monitoring of infrastructure will be in place, implementing the current monitoring system.

The project's objectives will be pursued through the following main activities: software development, maintenance, operation and assistance, and organisational support services.

With regard to the fields of application of the above services, the project's objectives are the following:

- Software development: developing an integrated management system also through the implementation of new software suitable for monitoring, maintenance and operation activities that allows the standardisation and digitalisation of processes and the uniformity of information systems;
- Maintenance, operation and assistance: integration and optimisation of existing information systems through appropriate cooperation between applications, software components and existing data bases and development of new functionalities, at the same time ensuring constant assistance and accurate monitoring to mitigate IT risks;
- Organisational support services: review and implementation of the management system in accordance with the ISO 9001, 14001, 39001, 27001, 45001 and SA8000 standards, also with the aim of defining a new organisation based on innovative technological solutions.

## **GOVERNANCE**

With regard to governance it should be noted that the term of the current Board of Statutory Auditors, appointed on 28 June 2017, ended with the year 2019.

It is therefore necessary to appoint a new Board of Statutory Auditors for the three years 2020-2022.

We take this opportunity to thank the outgoing board for their precious collaboration and their contribution to the Company's results.

#### **ADDITIONAL DISCLOSURES PURSUANT TO ARTICLE 2428 OF THE CIVIL CODE**

In accordance with article 2428 of the Civil Code we state that the Company did not carry out any research and development activities; the Company does not hold any treasury shares; it does not hold any financial instruments; the Company has no branches.

#### **SIGNIFICANT EVENTS OCCURRING AFTER THE BALANCE SHEET DATE**

Significant events occurring after the balance sheet date are illustrated in a separate section of the notes to the financial statements.

## BUSINESS AND FINANCIAL PERFORMANCE

### BUSINESS PERFORMANCE

The year 2019 closed with a positive result: net profit after tax was around EUR 27 million (FY 2018: EUR 23.4 million).

Value of production was equal to EUR 166.2 million (FY 2018: EUR 162.9 million), an increase of EUR 3.3 million (+2.03%).

Within value of production, toll revenue (excluding VAT and the supplementary concession fee payable to ANAS) was equal to EUR 144.1 million, higher than in the previous year (FY 2018: EUR 139.9 million; +3.03%): the figure is directly related to the growth of traffic and the rate increases approved by MIT/MEF from the start of the year (for these aspects – traffic and rates – we make reference to the specific paragraphs in the report on operations).

The supplementary concession fee payable to ANAS went from EUR 14.4 million to EUR 14.5 million (an increase of EUR 0.1 million; +0.85%) as a consequence of the traffic performance.

Other motorway income totalled EUR 6.4 million (FY 2018: EUR 7.1 million) and is detailed as follows: EUR 4.2 million in royalties on operations at service stations; EUR 1.4 million in other motorway operators' share of collection costs; EUR 0.8 million in recharges of costs.

Cost of production totalled EUR 110.2 million, an increase of EUR 1.1 million (FY 2018: EUR 109 million; +1.04%) as specified below.

Cost of services was EUR 30.4 million (FY 2018: EUR 25.4 million; +19.86%).

The increase was mainly due to annual and cycle maintenance costs, which rose from da EUR 14 million to EUR 17.9 million (+27.9%).

Another significant component was CAV's share of the collection costs incurred by other motorway operators as established in the motorway interconnection agreement, equal to EUR 4.8 million, an increase of 0.1 million on FY 2018.

Personnel costs were equal to EUR 18.5 million (FY 2018: EUR 19.2; -3.65%).

Depreciation charges in 2019 were equal to EUR 45.6 million (FY 2018: EUR 45.2 million; +0.21%), most of which relates to the cost of the Bypass, accounting for EUR 28.7 million alone (unchanged from FY 2018); this is calculated on a straight-line basis.

With regard to the provision for cycle maintenance, the charge in the year was equal to EUR 13 million (FY 2018: EUR 13 million); utilisation in 2019 was equal to EUR 17.8 million (FY 2018: EUR 13.9 million; +28.02%).

Another important component was other operating costs, equal to EUR 19 million (FY 2018: EUR 18.6 million; +2.09%).

Other operating costs include the concession fee referred to in article 1, paragraph 1020, of Law No. 296/2006, equal to EUR 3.5 million (FY 2018: EUR 3.4 million) and corresponding to 2.4% of net toll revenue: 21% of the concession fee (EUR 0.7 million) is paid directly to ANAS and 79% (EUR 2.7 million) to the State.

Other operating costs also include the supplementary concession fee payable to ANAS, which rose from EUR 14.4 million in FY 2018 to EUR 14.5 in FY 2019 (+0.85%): the amount is equal to the figure recorded under revenue, being simply a collection made on behalf of a third party, i.e. ANAS.

In brief, the figure for cost of production was due to a series of factors, some of which were increases (among these the most significant was services, +EUR 5 million) and others were decreases (among the most important was personnel costs: -0.7 million).

The difference between value and cost of production was equal to EUR 56 (FY for 2018: EUR 53.8 million). The increase of EUR 2.2 million (+4.03%) was due solely to the growth of revenue (around EUR 3.3 million). Costs rose by about EUR 1.1 million.

Financial charges amounted to EUR 16.6 million, being lower than in the previous year (FY 2018: EUR 20.8 million; -20.17%) and relate for EUR 16.5 million to interest expense on the project bond and for EUR 0.1 million to interest expense on the subordinated loan from ANAS.

As a result of the above, profit before tax was equal to EUR 39.4 million (FY 2018: EUR 33.1 million; +19.27%), an increase of EUR 6.4 million; income taxes (IRES, corporation tax, IRAP, regional trade income tax, and deferred tax assets) were equal to EUR 12.4 million (EUR 9.6 million for FY 2018); net profit for the year, as already mentioned, was equal to EUR 27 million.

Financial statements ratios

		FY2019		FY2018	
<b>ROE</b>	NET PROFIT	27,003	<b>16.09%</b>	23,365	<b>16.59%</b>
	EQUITY	167,865		140,862	
<b>ROI</b>	EBIT	56,010	<b>5.44%</b>	53,840	<b>5.25%</b>
	AVERAGE FIXED ASSET PORTION OF CAPITAL INVESTED	1,029,069		1,025,437	
<b>ROS</b>	EBIT	56,010	<b>36.92%</b>	53,840	<b>36.25%</b>
	NET SALES REVENUE	151,707		148,526	
<b>ROA</b>	EBIT + INTEREST INCOME	56,028	<b>6.64%</b>	53,854	<b>6.17%</b>
	TOTAL ASSETS	844,188		872,830	
<b>FIXED ASSETS TO TOTAL ASSETS RATIO</b>	FIXED ASSET PORTION OF INVESTED CAPITAL	1,032,139	<b>122.26%</b>	1,025,999	<b>117.55%</b>
	INVESTED CAPITAL	844,188		872,830	
<b>DEBT TO EQUITY RATIO</b>	DEBT	661,136	<b>393.85%</b>	711,997	<b>505.46%</b>
	EQUITY	167,865		140,862	
<b>TOTAL INDEBTEDNESS</b>	PASSIVO - EQUITY	676,323	<b>402.90%</b>	731,968	<b>519.64%</b>
	EQUITY	167,865		140,862	
<b>EQUITY RATIO</b>	EQUITY	167,865	<b>16.31%</b>	140,862	<b>13.74%</b>
	AVERAGE FIXED ASSET PORTION OF CAPITAL INVESTED	1,029,069		1,025,437	
<b>CURRENT RATIO</b>	CURRENT ASSETS	181,852	<b>153.82%</b>	165,626	<b>148.98%</b>
	CURRENT LIABILITIES	118,223		111,170	



Reclassified income statement (thousands of euro)

	FY 2018	as % of revenues	FY 2018	as % of revenues
<b>REVENUE</b>				
Net toll revenue	144,151	95.02%	139,909	94.20%
Other revenue from sales and services	6,397	4.22%	7,116	4.79%
Other income	1,160	0.76%	1,501	1.01%
<b>TOTAL REVENUE</b>	<b>151,707</b>	<b>100.00%</b>	<b>148,526</b>	<b>100.00%</b>
Production overheads	-31,808	-20.97%	-26,667	-17.95%
Other costs and plus/minus balance	-4,472	-2.95%	-4,108	-2.77%
<b>VALUE ADDED</b>	<b>115,427</b>	<b>76.09%</b>	<b>117,751</b>	<b>79.28%</b>
Net labour costs	-18,541	-12.22%	-19,244	-12.96%
<b>EBITDA</b>	<b>96,886</b>	<b>63.86%</b>	<b>98,507</b>	<b>66.32%</b>
Depreciation/amortisation	-45,584	-30.05%	-45,488	-30.63%
Charges to provisions for risks and charges	4,708	3.10%	822	0.55%
<b>EBIT</b>	<b>56,010</b>	<b>36.92%</b>	<b>53,840</b>	<b>36.25%</b>
Financial income and charges	-16,587	-10.93%	-20,787	-14.00%
Adjustments to assets/disposal of equity investments	0	0.00%	0	0.00%
<b>PROFIT BEFORE TAX</b>	<b>39,422</b>	<b>25.99%</b>	<b>33,054</b>	<b>22.25%</b>
Income taxes	-12,419	-8.19%	-9,689	-6.52%
<b>PROFIT FOR THE YEAR</b>	<b>27,003</b>	<b>17.80%</b>	<b>23,365</b>	<b>15.73%</b>

#### *Future outlook*

With reference to toll revenue, several factors shall influence its value.

The first is traffic performance, which should be positive.

Secondly, it should be noted that in 2020 the additional kilometres travelled applied at toll gates are unchanged, having been confirmed by MIT/MEF as Km. 17,206

The third factor is toll rates: in 2020 they were raised compared with 2019. An inter-ministerial decree by MIT/MEF approved a rate increase of 1.20%.

Having regard to the above, for 2020 a modest increase in revenue compared with the previous year can be prudently estimated.

We believe cost of production shall be substantially equivalent to the figure for 2019.

Finally, with regard to interest expense, the figure should decrease as a result of lower indebtedness following loan repayments.

Based on the above, in summary we expect a positive result also for FY 2020.

#### **FINANCIAL PERFORMANCE**

As of 31 December 2019 cash and cash equivalents totalled approximately EUR 127.0 million (FY 2018: EUR 76.1 million), an increase of EUR 50.9 million.

In addition, specific liquidity reserves (restricted current accounts) have been set up as required by the contractual agreements related to the project bond, for a total of EUR 72.5 million as of 31 December 2019 – in detail: a Debt Service Reserve Account of EUR 41.1 million, a Capex Reserve Account of EUR 27.1 million and a Maintenance Reserve Account of EUR 4.3 million.

As of 31 December 2019 the project bond was confirmed, whereas the subordinated loan from was repaid in April 2019.

The status of financing as of 31 December 2019 was the following: after principal repayments during the year the outstanding balance of the project bond (calculated using the amortized cost method) was EUR 620.5 million.

#### *A note on financing in 2020*

Using the funds mentioned above, which will be supplemented by the cash flow generated from ordinary motorway business and core motorway revenue (tolls), the Company will be able to meet all its financial requirements, first of all, those originating from the project bond, i.e. repayment of principal plus interest payments for a total of EUR 77.7 million (to be settled at half-yearly intervals, on 30 June 2020 for EUR 34.4 million in principal and EUR 6.7 million in interest and on 31 December 2020 ad EUR 30.3 million in principal and EUR 6.3 million in interest) and secondly, those connected with investment expenditure referred both to the operating requirements of the motorways under concession and to completion of complementary and completion works on the Bypass.

## **KEY RISKS AND UNCERTAINTIES**

Below we provide the information required pursuant to article 2428 of the Civil Code to analyse in detail the key risks and uncertainties to which the Company is exposed.

### **TRAFFIC AND RATE RISKS**

The Company is exposed, in generating revenues, to the combined effect of changes in traffic and in rates. Changes in traffic are essentially caused by external factors influenced by the general performance of the economy. Changes in rates are a consequence of the approval process of the grantor and the formulas set out in the Concession Agreement. For details we make reference to the section titled "Motorway business".

### **FINANCIAL RISK**

The financial requirements of ordinary operations, maintenance plans and commitments under the Concession Agreement are met through the existing bond issue (project bond).

Commitments under the Concession Agreement include compliance with the solvency covenant referred to in article 3, paragraph 2, letter t, which refers to Appendix K to the Concession Agreement in force.

## MOTORWAY BUSINESS

Below we provide the key figures relating to the motorway business accompanied, in the final part of this report, by other statistics with the related tables and charts.

### TRAFFIC

First of all, a few simple definitions.

“Actual vehicle count” is the total number of vehicles that entered the motorway, regardless of the number of kilometres travelled; “vehicles per km” is the number of vehicles that joined the motorway multiplied by the total kilometres travelled; “virtual vehicle count” is the number of vehicles that virtually travelled the entire length of the motorways under concession subject to payment of toll.

It should be noted that in the course of 2019 there were no changes in the infrastructure.

To clarify the presentation of data in the following sections, we list the motorways operated by the Company under concession: the stretch of motorway A4 between Padova Est and the interconnection with motorway A57, at Dolo, together with the Mestre Bypass; A57 “Tangenziale di Mestre”, i.e. the Mestre ring road, between the interconnection with A4 and the Venezia/Mestre toll gate (in the closed system) as well as the additional stretch strictly speaking called the Mestre ring road, from the Venezia/Mestre toll gate to the Terraglio junction (in the open system). The Company also operates the junction to Venice “Marco Polo” airport at Tessera in the open system.

Finally, please note that in the summary report below all figures are shown - as usual - with reference to traffic classified as “paying”. This is also for the purpose of more uniform comparison with the accounting data relating to toll revenue.

Traffic relating to the toll-free stretch that is therefore classified as “non-paying” is commented on separately where necessary.

#### *Overall traffic figures*

The first overall figure is vehicles per km (open system plus closed system), which in 2019 totalled 1,826,570,014 (2018: 1,818,474,594), an increase of 0.45%, slightly lower than the 1.01% increase recorded in 2018.

#### *Closed system*

During 2019, in the entire closed system (partly in A4 and partly in A57), the actual vehicle count was 43,993,663, an increase of 185,791 units, +0.42%, on the 2018 figure of 43,807,873.

The related vehicles per km totalled 1,146,302,591, an increase of +0.42% on the 2018 figure of 1,141,461,615. The virtual vehicle count was 24,851,550, an increase of +0.42% on the 2018 figure of 24,746,599.

An analysis on a daily level gives the following results: daily average actual vehicle count (VEMG) of 120,531 versus 120,022 in 2018 (+0.42%); daily average vehicles per km (VkmMG) equal to 3,140,555 versus 3,127,292 in 2018 (+0.42%); daily average virtual vehicle count (VTMG) of 68,086 versus 67,799 in 2018 (+0.42%).

For completeness of information, we also report that traffic recorded at a national level shows an estimated increase in vehicles per km of about +0.5% (source: report as of 30 September 2019 of AISCAT, the association of Italian motorway operators).

#### *Open system*

Traffic in the open system is traffic entering and leaving the motorway at the Venezia/Mestre toll gate (at Marghera), at the Mira/Oriago and Mirano/Dolo toll gates on A57 operated by CAV, at the Venezia Nord toll gate (at Mogliano) on A27 operated by Autostrade per l'Italia and at the Venezia Est toll gate (at Quarto d'Altino) on A4 operated by Autovie Venete.

Transit through one of the above-mentioned gates represents passage from the open to the closed system or vice versa.

In 2019 transits totalled 30,870,731, an increase of 0.48% on 30,723,043 transits in 2018. transits totalled 680,267,429 vehicles per km, an increase of 0.48% on 677,012,978 in 2018.

The transit figures mentioned above do not include vehicles entering or leaving the motorway at Venezia/Mestre, Mira/Oriago and Mirano/Dolo with journeys starting/ending at those same gates, i.e. transactions referred to toll-free internal traffic, which is discussed further below.

Finally, it should also be noted that the above figures do not consider city traffic travelling on the Mestre ring road via the various spur roads (Miranese, Castellana and Terraglio) and on the airport junction that does not enter the closed system (A57, A4, A27) through one of the above-mentioned toll gates.

#### *Application of discounted rates for commuters*

- Application of a frequent traveller discount scheme on the stretch Padova Est – Mirano/Dolo.

In 2019 the number of commuting residents of the municipalities of Mirano, Dolo, Mira, Spinea and Pianiga (in the province of Venice) who benefited from the frequent traveller discount scheme on the stretch Mirano/Dolo – Padova Est (class A; use of Telepass; 40% discount) was equal to 410 (+13% vs. 2018) for an annual total of 22,905 transits, with a reduction in toll revenue for CAV of about EUR 25,000 (including VAT).

The Ministry of Infrastructure has again approved the extension of the scheme for the year 2020.

- Toll reduction for motorcycles

The scheme, started on 1 August 2017 and extended to 31 December 2019, provides for the application of a 30% discount on motorcycle tolls for customers using Telepass, provided that the device is associated with one licence plate only and that no other subsidies are applied to the same Telepass device.

For FY 2019 the reduction in toll revenue for CAV was equal to about EUR 19,000. Upon a request from the Ministry of Infrastructure and Transport the project is set to continue, still as a pilot scheme, until December 2020.

#### *Removal of tolls on traffic between the toll gate at Venezia/Mestre and the Mira/Oriago and Mirano/Dolo toll gates*

In 2019 transits between the toll gate at Venezia/Mestre and the Mira/Oriago and Mirano/Dolo toll gates (not subject to payment of toll) totalled 11,901,509, an increase of 1.00% on 2018 (11,783,198).

### *Classes of traffic and types of payment*

Traffic is classified into five classes according to the axle-shape approach, as follows: class A (motorcycles and vehicles with 2 axles with front axle height of up to 1.30 m) which conventionally indicates light vehicles; class B (vehicles with 2 axles with front axle height exceeding 1.30 m); classes 3, 4 and 5 (vehicles with 3, 4 and 5 axles); classes B to 5 include heavy goods vehicles (HGVs).

The composition of traffic has been substantially stable over the years; vehicles considered light generated 73.77% of total vehicles per km (traffic paying toll both in the closed and in the open system) whereas HGVs generated 26.33%.

Below we provide some figures on the use of the various toll payment systems.

Transits with toll paid in cash accounted for 19.07% of the total (20.62% in 2018) and are detailed as follows: 1.36% as cash at manned gates (3.70% in 2018) and 17.71% as cash at automated toll booths (16.92 in 2018). In this connection it should be noted that in the course of 2019 CAV completed the replacement of manned toll booths at the Venezia/Mestre and Padova Est toll gates with automated toll booths, which can also be manned at times of very heavy traffic (May to September); therefore, all gates on the motorways operated by the Company are fully automated.

The various automated payment systems accounted for 80.93% (79.38% in 2018) of paying transits.

While the difference with the previous year was not marked, the year 2019 confirmed the declining use of cash payments while automated and/or deferred payment systems are becoming increasingly established; this applies in particular to free-flow tolling (Telepass) which in 2019 accounted for 68.92% of total payments, versus 68.33% 2018.

It should be noted that in December 2019 the Company launched a promotional campaign targeting residents of the provinces of Padua, Venice and Treviso, to be implemented in the early months of 2020, and designed to incentivise the use of free-flow tolling.

The promotion consists in offering the annual 'Telepass Family' fee for class A vehicles for one year, the cost of which will be borne by the Company.

## **TOLL REVENUE**

In 2019 toll revenue (excluding VAT and the supplementary concession fee payable to ANAS) totalled EUR 144.2 million, versus EUR 139.9 million in 2018.

The final figure – which rose by around EUR 4.3 million, +3.1% – was determined both by the growth of traffic and by the rate increases approved by MIT/MEF: in this regard we make reference to the specific sections of the report on the motorway business.

A clarification is in order: the approved percentage increases are a nominal increase of the unit rates per kilometre, whereas the final toll amount actually paid by users includes VAT and the rates per kilometre relating to the supplementary concession fee payable to ANAS (the latter were not increased) and reflects final rounding up or down to the nearest 0.10 cents of euro, as established by Law Decree No. 10440/28/133 of 12 November 2001.

The toll revenue reported above comprises proceeds from tolls paid by vehicles travelling on the various motorway stretches operated by CAV, in detail: traffic on the Mestre Bypass (A4) and traffic on the Padova – Mirano/Dolo stretch (partly on A4 and partly on A57) in the closed system, as well as traffic in the open system (recorded at the Venezia/Mestre, Mira/Oriago and Mirano/Dolo toll gates operated by CAV on A57; at the Venezia Nord gate operated by Autostrade per l'Italia on A27 and at the Venezia Est gate operated by Autovie Venete on A4) where toll is applied for 6.200 km for the Mestre ring road and for 15.836 km (2018: 15.836 km) for the additional kilometres applied to finance construction of the Bypass.

The supplementary concession fee payable to ANAS was equal to EUR 14.5 million (FY 2018: EUR 14.4 million; +0.85%). The increase is related to the growth of traffic and its distribution among the five toll classes. For every kilometre travelled (starting from 1 January 2011) the toll for vehicle classes A e B is increased by 6 thousandths of a euro while the toll for classes 3, 4 and 5 is increased by 18 thousandths of a euro: the resulting monthly amounts (payments on account plus balance payments) were regularly paid to ANAS.

## TOLL RATES

The toll for each journey is calculated as the number of kilometres assigned to a given stretch multiplied by the unit toll rate, vehicle class by vehicle class; the resulting amount is increased by any surcharges mandated by law (supplementary concession fee payable to ANAS) and by value added tax (VAT) as provided by the legislation in force.

With regard to the additional kilometres calculated at the Venezia/Mestre, Mirano/Dolo, Mira/Oriago, Venezia Nord and Venezia Est toll gates to finance construction of the Bypass, we confirm that these are determined and approved from year to year by MIT/DGVCA in relation to the provisions of Concession Agreement in force and to the accompanying Regulatory Financial Plan.

The rates applied in 2019 were illustrated at length in the report on operations accompanying the 2018 financial statements.

We therefore provide more recent information on the rates for 2020.

For the year 2020 the Minister of Infrastructure and Transport jointly with the Minister of the Economy and Finance issued an Inter-ministerial Decree dated 31 December 2019 by which they approved the application of new toll rates starting from 1 January 2020: the increase applicable to CAV is equal to 1.20%.

By a note dated 31 December 2019 MIT/DGVCA defined the additional kilometres payable to CAV for the year 2020 applied at the Venezia/Mestre, Mira/Oriago and Mirano/Dolo toll gates operated by CAV on A57; at the Venezia Nord gate operated by Autostrade per l'Italia on A27 and at the Venezia Est gate operated by Autovie Venete on A4 as 17,206 km (an increase on 2019).

By another note dated 24 December 2019 MIT/DGVCA notified CAV that the pilot subsidy scheme (frequent traveller discount of 40%) on the stretch between Mirano/Dolo and Padova Est (which was expected to end on 31 December 2019) may be extended, also as a pilot scheme, for a further 12 months from 1 January 2020 to 31 December 2020.

## LITIGATION AND DISPUTES

With reference to disputes and litigation pending, the number of disputes in which CAV is involved is very small.

Specifically, there are nine proceedings in progress, mostly concerning challenges of notices of assessment for the payment of TOSAP, a tax on occupation of public soil, which were started on the basis of a number of similar challenges where the court ruled in favour of CAV. Finally, CAV filed an appeal seeking the voidance of the decision of ART concerning changes to the toll system relating to the Concession Agreement in force between CAV and ANAS S.p.A..

It should be noted, finally, that CAV is about to file an appeal against its recent inclusion by ISTAT, the national statistics institute, in the list of public administrations included in the consolidated income statement in Italy's national accounts. Indeed, issue No. 262 of the Official Gazette of the Italian Republic, general series, of 8 November 2019 reports that CAV has been classified in "Other Local Administrations" and accordingly included in the above list. However, based on an examination of Law No. 196/2009 (article 1, paragraphs 2 and 3) and of the rulings of the Court of Auditors, the measure will become effective in the year following the publication of the list. In the circumstances, this will take place in 2020.

## INVESTMENT EXPENDITURE

In the course of 2019 the Company refunded the costs incurred by the Region Veneto in connection with "Safety works on the interchange of A27 with A57".

Tender procedures were started and completed for "Completion and installation works on the chloride storage facilities at Spinea, Preganziol and Dese". Delivery of the works is scheduled in the first quarter of 2020.

Also, the "Complementary and completion works of the Mestre Bypass" included in the Company's RFP are being completed by the Veneto Department of ANAS S.p.A.. As part of the above complementary works, in accordance with the provisions of Resolution of the regional government ("DGR") No. 2054 of 28 December 2018 titled "Definition of ordinary road works complementary to the construction of the Mestre Bypass and of the mitigation and compensation works to be built in the municipality of Mirano", in the course of 2019 the Company started "maintenance and safe-making works at via Porara, in the municipality of Mirano" as well as technical and financial feasibility studies relating to "repairs and safe-making of a section of via Basse, in the municipality of Mirano", thus discharging its obligations.

Pending the finalisation of the new RFP, the grantor, MIT, by note No. 15433 of 31 October 2019, authorised the Company to submit to the Ministry itself, for approval, the plans included in the master plan submitted for construction of the so called "Smart Road" along the motorways under concession.

In addition to the above, the Company started preliminary studies and/or engineering designs in connection with the other works budgeted in the RFP as per the Addendum to the Concession approved by Inter-ministerial Decree No. 139 of 11 April 2019 filed with the Court of Auditors on 24 May 2019.

Furthermore, in the course of 2019, as part of CAV's broader strategy that identifies participation in the national plan for the modernisation and digitalisation of motorway infrastructure as one of its key general objectives, the Company started an important project titled "CAV 2.0". The CAV 2.0 project involves several areas, from software upgrades to organisation, digitalisation, monitoring, communication, technological renovation, a



paperless approach, etc. This new vision finds strong application also in the modernisation of the information systems.

In the context of the CAV 2.0 project, the Company's participation in the Consip SGI framework agreement, through signing the implementation agreement, has the purpose of defining a consistent and integrated digital organisation, based on the use of innovative technological tools, with a view to streamlining business processes and increasing their efficiency.

This is a multi-disciplinary project that involves professionals with skills cutting across various fields, technical, technological, legal and administrative and in which the leading industry players are engaged.

The overall duration of the project is 48 months, although the first results will start to emerge in April 2021, when the new software applications for HR management, document management and procurement go live.

Moreover, starting from July 2021 a software application for dynamic monitoring of infrastructure will be in place, supplementing the current monitoring system. The dynamic monitoring system will entail a thorough overhaul of CAV's asset management system that will be wholly renovated according to the integration logic required by the new platform.

Finally, in January 2021 the new SAP planning and controlling platform will go live, in the latest release "S4/HANA".

The project's objectives will be pursued through the following main activities:

- Software development;
- Maintenance, operation and assistance;
- Organisational support services.

With regard to the fields of application of the above services, the project's objectives are the following:

- Software development: developing an integrated management system also through the implementation of new software suitable for the monitoring, maintenance and operation activities that allows the standardisation and digitalisation of processes and the uniformity of information systems;
- Maintenance, operation and assistance: integration and optimisation of existing information systems through appropriate cooperation between applications, software components and existing data bases and development of new functionalities, at the same time ensuring constant assistance and accurate monitoring to mitigate IT risk;
- Organisational support services: review and implementation of the management system in accordance with the ISO 9001, 14001, 39001, 27001, 45001 and SA8000 standards, also with the aim of defining a new organisation based on innovative technological solutions.

## **SAFETY AND ENVIRONMENT**

### *Occupational health and safety management system*

In the course of 2019 we continued updating and supplementing the procedures of the integrated management system, not only through an ongoing review of standards already implemented (ISO 9001:2015, ISO 14001:2015, ISO 39001:2016) but also through the transition from the BS OHSAS18001 standard to the ISO 45001:2018 international standard.

The integrated management system is thus composed of 4 standards updated to the last revision.

In the second half of 2019 the certification of the integrated management system under the above standards was confirmed, no instances of non-compliance having been identified.

The effective implementation of the management system made it possible to comply with the provisions of the Organisational, Management and Control Model adopted pursuant to Legislative Decree No. 231/01.

The goal to be pursued in 2020 is the consistent application of the system in order to have the certification confirmed, through constant adherence to the Company's operations and the implementation of a system of procedures in accordance with the legal design concept.

#### *Environmental protection*

In 2019 compliance with law requirements was verified for environmental aspects, and no instances of non-compliance by the Company were identified.

In order to monitor effectively the environmental aspects having an impact on the Company, mapping was completed of rainwater flows and water discharge points within the relevant land reclamation consortia. The adoption of action plans in accordance with Legislative Decree No. 194/2005 in relation to the motorway stretches operated by the Company involved the start of public tenders with the aim to integrate noise mitigation measures.

## **MAINTENANCE**

In the course of 2019 maintenance activities set out in the Financial Plan approved by the grantor and included in the budget were continued.

The activities related to the entire classification of maintenance works specified in Appendix E to the Concession Agreement for the motorways operated by the Company.

The constant commitment of staff of the Company's technical function made it possible to maintain optimal safety and comfort standards for the tens of thousands of people and vehicles travelling daily on CAV's motorway network.

The works scheduled and performed were:

- Renewal of road surfaces;
- Checks and inspections of road structures;
- Generic and specific activities connected with motorway infrastructure and corporate buildings;
- Repainting of road surface markings and replacement of damaged vertical signs;
- Upgrades to tolling systems and equipment;
- Prevention of ice formation and snowfall monitoring;
- Clearing of carriageways and grass cutting in green areas and verges;
- Implementation of the corporate IT network;
- Maintenance of lighting, monitoring and traffic supervision equipment.

In addition to the above works, which are part of ordinary annual maintenance, in the course of 2019 the following works were carried out:

- Construction of a pilot system for dynamic weighing of vehicles transiting on the flyover of provincial road SP81 across A4;

- Repairs to concrete surfaces of the Marghera and Terraglio structures on the Mestre ring road;
- Replacement of longitudinal and transverse floor joints in connection with sundry structures;
- Continuation of technical activities for safety tests of motorway structures pursuant to the technical requirements "Norme Tecniche Costruzioni 2018".
- Start of engineering activities for repairs to sundry structures and for the renovation of the bridge on the river Brenta;
- Maintenance related to the installation of new electromechanical (boom) barriers for spacing vehicles. Automatic restart barriers ("BRA"), later converted into bi-directional restart barriers ("BRB"), are equipped with an automated bi-directional restart system, where the boom automatically goes back into position whenever it is impacted by a transiting vehicle, both in the normal direction of travel and in the opposite direction, thus relieving toll booth staff from the need for manual restart, as is the case with impacts on traditional 'pivoting' booms. During 2019, 76 BRB booms were installed out of a total of 96 toll lanes equipped with automated bi-directional restart systems. For the remaining 20 toll lanes, 14 of which are located at the Preganziol toll gate and 6 at Padova Est, completion is expected in February/March 2020. With reference to the above, we recorded decreases in accidents at barriers of 59% compared with 2018 and 65% compared with 2017. For the year 2020 we expect a further significant increase in accidents;
- Completion of upgrading of 4 exit lanes at the Venezia/Mestre toll gate, with conversion from type SB96 to Cronos, specifically, exits W24 and W39 and exits U30 to U81 into X40 and X50 with new TPS300 automated toll booths;
- Completion of upgrading of the Padova Est toll gate with conversion of entry lane E86 to exit lane W36 with a TPS300 automated toll booth;
- Upgrading of entry and exit lanes at the gates operated by CAV with the installation of equipment (PC VIC) for remote control of optical scanners;
- Completion of technical activities relating to EETS (European Electronic Toll Service) with the installation of the Cronos and Helios systems and the first VCCF tests required by industry regulations using the OBUs of the first new accredited providers (DKV, Axxès, Telepass);
- Activities preliminary to the installation of the 14 new air conditioning units to be installed at automated booth exits at the Mira/Oriago, Mirano/Dolo, Spinea and Preganziol toll gates;
- Upgrading of the remote alarm monitoring system of the air conditioning system in the buildings of the Villabona headquarters and of toll gates along the motorways under concession;
- Completion of installation of led road lamps along the Mestre ring road, in particular at the Marghera, Carbonifera, Castellana and Terraglio spur roads;
- Replacement of signalling lamps along the junctions at the Mirano Dolo and Dese toll gates with lights embedded in guardrails;
- Revamping of the traffic monitoring system with the installation on the Mestre ring road of new sensors using the IP protocol for total coverage of the stretches of motorway so far not monitored and transmission of data to the Operations Centre;
- Integration into a single software platform of traffic data from the toll collection system (FAG files) with data from the above ground traffic monitoring system on all motorways under concession;

- Streamlining of the entire data transmission network through the gradual elimination of OTN (Open Transport Network) switches and their replacement with new technology based on gigabit ethernet; implementation of the related VLAN for the segregation of data collected by field apparatus (such as VMSs, CCTVs, traffic sensors, etc...);
- Stabilisation of connectivity through transfer of data to the cable network and elimination of wireless equipment that is no longer in production;
- Integration into a single software platform of video surveillance images from cameras installed at toll gates, which will be replaced with new cameras using IP protocol and fibre optic cables;
- Installation along A57 Mestre ring road of Road Station Units suitable for transmission of V2I and I2V data through ETSI G5 protocol relating to the construction of infrastructure in accordance with the C-Roads ITALY project;
- Tests for the purpose of maintenance through the installation on board vans used by traffic officers of a mobile camera for real-time transmission of data to the Operations Centre;
- Engineering relating to the maintenance of special electrical installations of motorway buildings and gates.
- Engineering relating to the upgrading of the radio system used by the Company and the traffic police, including a study of radio coverage of the motorways under concession;
- Transfer to the production environment of a new Citrix virtual environment for remote access management, MDM, network resource sharing and desktop virtualisation. A process of full virtualisation of workstations has been started;
- Transfer to the production environment of Office 365, which provides for distributing a personal mail account to each user and the use of shared resources;
- Participation in a new Consip agreement for mobile telephony that generated significant savings compared with the previous contract, giving a data connection to each user;
- Implementation of a new office network through the renovation of all network equipment and the introduction of a firewalling infrastructure based on the Front End-Back End architecture in order to increase perimeter security;
- Introduction in the networking environment of new Wi-Fi network for use by employees and guests;
- Delivery of works for construction of a new data centre at the Padova Est toll gate and for upgrades to plant and consolidation of infrastructure of the data centre of the headquarters at Marghera (VE);
- Analysis of the Company's information systems and start of introduction of a new software platform serving all corporate areas in order to homogenise all information flows reducing the number of software application in use and implementing their functionalities (see SGI);
- Implementation of a remote SOC service that based on events transmitted by CAV's various systems develops algorithms to forecast possible accidents.

## MANAGEMENT SYSTEMS

On 12 March 2018 ISO published the first certifiable standard on occupational health and safety management systems: UNI ISO 45001.

The standard, which will replace BS OHSAS 18001:2007 in 2021, was developed adopting the High-Level Structure (HLS) format shared by other ISO management systems standards, so as to promote integration between those standards.

Right after the publication of the new standard, Concessioni Autostradali Venete – CAV S.p.A., having achieved integrated certification of its management systems under UNI EN ISO 9001:2015 for Quality management, UNI EN ISO 14001:2015 for Environmental management, UNI ISO 39001:2016 for Road traffic safety (RTS) management and BS OHSAS 18001:2007 for Occupational health and safety management, set itself the target for the year 2019 to make the transition from the BS OHSAS18001 standard to UNI ISO 45001:2018.

Therefore, in the course of 2019 the Company started an update of business processes and procedures that, thanks to the involvement of all corporate structures, made it possible in September 2019 to undergo the first inspection by the certification body RINA Services S.p.A. and to achieve certification of the occupational health and safety management system under the UNI ISO 45001:2018 standard, two years earlier than planned, and to confirm the certifications of the other management systems under the UNI EN ISO 9001:2015, UNI EN ISO 14001:2015 and UNI ISO 39001:2016 standards.

It should also be noted that the inspection did not identify any issues (instances of non-compliance) but only opportunities for improvement.

Also, in the course of 2019 CAV continued reviewing the organisational and management models mandated by law, i.e. administrative liability of legal entities, personal data protection, prevention of corruption and transparency.

To maintain those long implemented models effective, CAV performs periodical revisions reflecting any changes in the organisation and intervening regulatory developments.

Consistently with these requirements, also through the commitment of the Supervisory Board (Organismo di Vigilanza, "OdV") that carefully monitors compliance with the Model and its adequacy, in the course of 2019 CAV updated the Organisational, Management and Control Model adopted pursuant to Legislative Decree No. 231/01 and its and its Ethics Code. Moreover, in the autumn a further review of the 231 Model was started following the publication of the so-called Anticorruption Law.

The final revision of the Model is expected to be completed in March 2020.

In 2019 CAV, with the cooperation of the Data Protection Officer, revised again the procedures for the application of Regulation (EU) 679/2016 on the protection of natural persons with regard to the processing and circulation of personal data.

Also the Model required by Law No. 190/2012, which reorganised the regulations concerning the prevention and repression of corruption and illegal acts in the public administration, connecting with Legislative Decree No. 33/2013 concerning the requirement of publicity and transparency and with Legislative Decree No. 39/2013 concerning ineligibility for and incompatibility between appointments, has been constantly updated in compliance with law requirements on the prevention of corruption and transparency.

The system is managed by the Officer in charge of the Prevention of Corruption and Transparency ("RPCT") who, within the term prescribed by law, has prepared an Annual Report and a Three-year Plan for the Prevention of Corruption and Transparency.

Moreover, the Company continued the necessary information and training of personnel on the administrative liability of legal entities, the protection of personal data, the prevention of corruption and transparency.

## OTHER OPERATING INFORMATION

### *Accidents and Roadside Assistance Service*

In 2019 accidents on the closed and open system stretches of motorway operated by CAV totalled 206, a decrease of 23.70% on 2018; of these, 130 accidents involved light vehicles, a decrease of 23.08% on 2018, and 76 involved HGVs, a decrease of 24.75% on 2018.

To assess the accident performance properly and in context, the figure should be considered in relation to actual traffic volumes and expressed as an accident rate: the accident rate is the ratio of the number of accidents to kilometres travelled by vehicles (i.e. vehicles per km) in the period considered: the accident rate is conventionally expressed per 100 million vehicles per km.

If we compare 2019 with 2018, the accident rate for light vehicles (per 100 million kilometres travelled) fell to 9.65 (-23.05%) while that for HGVs fell to 15.86 (-26.09%); the overall accident rate fell to 11.28, a decrease of 24.04%. Below we provide some additional figures of interest.

In 2019 there were 93 accidents causing injuries (a decrease of 26.19% on 2018); the accident rate per 100 million kilometres travelled fell to 5,093 (a decrease of 26.52% on 2018); the average rate for Italy at 30 September 2019 was 6.91 (source: AISCAT).

The number of persons injured fell to 150 (-24.62% on 2018); the related rate fell to 8.21 (-24.96% on 2018); the average rate for Italy at 30 September 2019 was 11.82 (source: AISCAT).

The number of fatalities was 3, -40% on 2018; the related rate was 0.16 (-40.27% on 2018); the average rate for Italy at 30 September 2019 was 0.29 (source: AISCAT).

Also in 2019 the Company worked to improve quality standards for motorway operations, the most important of which are: information of users, through VMSs, a website with information and dedicated pages and traffic monitoring through cameras, INFOVIAGGIANDO – an app for fixed and mobile devices, continuously updated real-time reports on traffic events via national and local radios; activities of the Operations Centre through widespread monitoring; constant monitoring by the Company of critical points; and performance of maintenance works with a particular focus on issues related to the setting up of worksites and safety (scheduling, night shifts, etc.).

Also important was the deterrence and surveillance work carried out by the traffic police: their work, whose purpose is to control and oversee traffic, was performed on the basis of real and mutual cooperation with the Company's services. Traffic police service on the motorway stretches operated by the Company is regulated by a specific agreement that was recently reviewed and updated.

In connection with the above, we confirm once again CAV's commitment to ensure the highest possible level of safety along all stretches under concession to the Company, both in the open and in the closed system.

The Roadside Assistance service was provided by four recovery operators – all of which operate at a national level – that intervene on motorways on the basis of contractually defined callout procedures.

In 2019 there were a total of 4571 callouts, a decrease of 2.47% on 2018.

The callout rate per million kilometres travelled was equal to 2.50 (a decrease of 2.01% on 2018).

#### *Service Centres*

Service Centres provide sundry assistance to travellers and offer a broad range of services including the sale and distribution of Telepass devices and Viacard prepaid cards, post-sales assistance (billing, licence plate replacement, lost & found, etc.), settlement of unpaid tolls, information on motorway tolls, issue of frequent traveller cards on the stretch Mirano/Dolo – Padova Est and other forms of discounts applied to customers, etc..

All transactions are made easier by the direct, personal relationship with our operators.

Overall, in the course of 2019 services provided to customers involved 60,266 transactions at the Service Centre at Padova Est (+5.17% on 2018) and 70,709 transactions at the Service Centre at Venezia/Mestre (+0.65% on 2018).

The most significant transactions at the two Service Centres were as follows:

- 9,096 unpaid toll reports collected (-22.59%);
- 24,255 Telepass transactions (deliveries, returns, replacements) (+6.75%);
- 57,695 transactions involving licence plates (+9.63%);
- 10,412 prepaid cards sold (-1.44%).

The Service Centre at Padova Est ceased operations on 28 October 2019.

Staff were transferred to the Service Centre at Venezia/Mestre, which was significantly strengthened as a result.

#### *Service stations and hotel*

In 2019 the service stations located along the motorway (Arino Est and Arino Ovest on A4, in the closed system, close to the junction with the Mestre Bypass) and along the Mestre ring road (Marghera Est and Marghera Ovest on A57 close to the roundabout, in the open system) sold 4,287,000 litres of petrol (-3.50%); 19,413,000 litres of diesel fuel (-4.67%); 1,974,000 litres of LPG (-11.12%); 816 kilograms of methane (-9.03); 4,668 kilograms of lube oils (-3.15%); forecourt retailing business totalled sales of EUR 263,000 (+47.75%). Coffee shops and restaurants recorded total sales, excluding VAT, of EUR 6,854,000 (-3.01%); retail business at coffee shops and restaurants totalled EUR 3,474,000 (+1.94%); ancillary sales totalled EUR 5,459,000 (-2.19%).

The hotel at Marghera recorded total sales for restaurant services, sundry services and lodging of EUR 3,355,000 (-1.53%).

On the above-mentioned activities and sales the oil companies, catering companies and the hotel paid the fees agreed in the related agreements, which in 2019 generated net income of EUR 4,188,000 (-1.75%).

#### *Operations Centre*

The Operations Centre, open 24/7, is constantly in contact with the traffic officers patrolling A4, A57 Mestre ring road and the junction with Venice Marco Polo airport, and uses hi-res cameras and monitoring and data recording systems to control the various stretches of motorway operated by CAV.

Depending on the events occurring, operators at the Centre, based on predefined management models and procedures, alert the relevant internal and external services dedicated to rescue and emergency management. They also check and record information on exceptional loads.

The Operations Centre provides traffic and road information through VMSs, the corporate website, the INFOVIAGGIANDO app, and CCISS – VIAGGIARE INFORMATI, a website operated by MIT.

#### *Traffic officers*

Assistance to users in difficulty on the motorway stretches operated by CAV is provided by the Company's traffic officers, specially trained employees who patrol the motorway, assist users and report accidents, congestion and any traffic disruptions.

Moreover, traffic officers act in the case of accidents, drawing up accident reports where there are no physical injuries but only damage to property (if any individual is injured the police must be alerted) and intervene to ensure traffic safety and smoothen traffic flows.

The current organisation structure provides for at least 4 traffic officers, each with a fully equipped van, to be constantly present, day and night, along the motorway stretches operated by the Company; on days when heavy traffic flows are expected, staff and vehicles of third party contractors are added.

Traffic officers are in constant contact with the Operations Centre to optimise the effectiveness of roadside action.



## TRANSACTIONS WITH ANAS

With reference to Legislative Decree No. 173/2008 implementing Directive 2006/46/EC and the consequent statutory effects, we disclose information relating to transactions with related parties (article 2427 of the Civil Code, item 22bis).

Related parties refers to ANAS SpA, with which the Company entered into significant transactions carried out at arm's length.

### Administrative-accounting relationship between CAV and ANAS

The Company's administrative-accounting relationship with ANAS in relation to the obligations originating from the Compensation Agreement ("Convenzione Ricognitiva") is illustrated below.

Because the Mestre Bypass was built by ANAS, CAV is required to ensure financing of the costs of the Bypass and – as mentioned previously – to repay ANAS for the funds disbursed within the limits of the amounts set out in the financing plan; the costs are considered net of government grants.

The agreement obviously also establishes the sources of funds that CAV may use to meet the above-mentioned commitments, in detail: toll revenue from the Bypass; toll revenue from motorway stretches operated since 1 December 2009 after taking over from the previous concession operator; toll revenue relating to the additional kilometres travelled applied at gates between the closed and the open system around the Mestre area; revenue from sub-licences at service stations.

Payables to and receivables from ANAS are analysed below the balance of each item; the balance of payables and receivables as of 31 December 2019 gives a net amount payable by CAV to ANAS of EUR 5,910,049.

Receivables by CAV totalled EUR 10,282,061 as of 31 December 2019 and relate mainly to the grant referred to in article 1, paragraph 78, letters c) e) of Law No. 266/2005 (equal to EUR 9,405,000).

Payables by CAV totalled EUR 16,192,110 as of 31 December 2019 and are detailed as follows: EUR 5,022,754 relating to repayment of the costs actually incurred by ANAS for construction of the Bypass and of the complementary and completion works not yet billed; EUR 118,930 in interest not yet paid on the subordinated loan from shareholders; EUR 77,504 in other payables; the concession fee pursuant to article 10 of Law No. 537/1993 and article 1, paragraph 1020, of Law No. 296/2006 was equal to EUR 726,521; and the amount payable for the supplementary concession fee pursuant to article 19, paragraph 9/bis, of Law No. 102/2009 and article 15, paragraph 4, of Law No. 122/2010 was equal to EUR 10,246,400 in respect of FY 2019.

## TRANSACTIONS WITH THE REGION VENETO

The Region Veneto is a shareholder of Concessioni Autostradali Venete S.p.A. with 50% of share capital. CAV's Financial Plan, in addition to taking over operation of the motorway and assuming the costs of the Bypass, provides for investment expenditure of around 240 million to complete the Bypass, consisting in works designed to integrate the new motorway with the existing roads in the territory and with the environment. CAV does not build the works directly, construction is carried out by ANAS. CAV provides the funds for the works. In past years and also in 2019, CAV made available the resources generated from its cash flows, allowing the actual construction of planned works on completion of the Bypass and enhancement of the territory. It should be noted that, in accordance with the instructions from the Region Veneto, the notes to the financial statements (section "Additional disclosures") provide details of receivables from and payables to the regional administration as of 31 December 2019. Since 2016, the year when the project bond was issued, an arrangement with the Region Veneto known as "Region Agreement" has been in place. Under the terms of the arrangement the Region Veneto, in its capacity as a shareholder of the Company, has undertaken in favour of secured creditors to guarantee that the shares it owns shall not be sold, transferred or encumbered. Finally, we state that there are no other transactions or cooperation activities in place with the Region Veneto.

## APPLICATION OF AND COMPLIANCE WITH THE DIRECTIVES SET OUT IN DGR 3966/2007, 1075/2011, 2790/2012 AND 2101/2014

The report on operations and notes to the financial statements provide information on the activities carried out by CAV and obviously also comply with the requirements of DGR 2101/2014 titled "Amendments and supplements to the directives to investees set out in DGR No. 258/2013", also in light of the entry into force of Legislative Decree No. 175/2016.

*Ad abundantiam*, we note the following:

- Directives concerning tenders for works, supplies and services

CAV S.p.A. holds a concession as a motorway operator. In accordance with its Articles of Association and its contractual commitments, when tendering for works, supplies and services in 2019 CAV applied the regulations set out in Legislative Decree No. 50 of 18 April 2016, as subsequently amended and supplemented.

We confirm that the Company tendered for low-value works, supplies and services in the year 2019, and that the Board of Directors of CAV, at its meeting of 28 November 2016, adopted a regulation for managing the open list of bidders for works, supplies and services and a regulation for managing the open list of bidders for engineering and architectural services.

- Directives concerning personnel

By a decision taken by the Board of Directors on 5 June 2019, CAV adopted guidelines identifying criteria and methods for personnel recruitment.

- Directives concerning communications to the Region

By the prescribed deadlines CAV shall submit updated information on the membership of the corporate boards of direct and indirect subsidiaries and related remuneration, a report on the achievement of the objectives

included in corporate plans in the previous year, the current year's budget, preliminary figures for the previous year, the latest approved actual figures, the disclosures required by Legislative Decree No. 33/2013 necessary for the Region Veneto to comply with transparency requirements, a report on activities performed in the second half of the previous year, and a report outlining activities planned for the first half of the current year. There are no agreements or service contracts with the Region Veneto to be reported on.

- Directives concerning the membership and remuneration of corporate boards

Resolutions on the remuneration of the members of the Board of Directors and governance bodies were adopted in compliance with the law.

- Directives concerning indirect subsidiaries

CAV S.p.A. does not control any subsidiaries.

- Directives concerning the requirements for the appointment of administrative bodies of companies in which the Region has a direct or indirect investment

Members of the boards of directors of investees of CAV S.p.A. possess the requirements established by law and by the respective articles of association, as well as proven professional competence, experience and independence in relation to their assignments.

- Directives concerning the reduction and streamlining of public expenditure of the Region

CAV S.p.A. is not subject to guidelines "C" established by DGR 2101/2014.

In any case, all vehicles owned by CAV S.p.A. are used in motorway operations as required by the Concession Agreement to carry out monitoring, surveillance, assistance and other activities necessary to ensure the safety of users, as well as to carry out ordinary office activities.

At any rate, we note that on its website CAV S.p.A. publishes a summary table of company cars and the costs incurred for expense refunds, with a separate indication of those disbursed to members of corporate boards and to employees.

- Directives concerning transparency and publicity pursuant to Legislative Decree No. 33/2013 and regional Law No. 39/2013 for updating the models referred to in article 6 of Legislative Decree No. 231/2001

CAV S.p.A. publishes all the information required by article 11, paragraph 1, of Regional Law No. 39/2013, as well as the information more generally required by Legislative Decree No. 33/2013 on its website. Also published on CAV's website is the Organisational, Management and Control Model adopted pursuant to Legislative Decree No. 231/2001 and subsequent amendments.

## INVESTEES

Concessioni Autostradali Venete – CAV Spa has only a share in a consortium, Consorzio Autostrade Italiane Energia.

### CONSORZIO AUTOSTRADALE ITALIANE ENERGIA

Consorzio Autostrade Italiane Energia was set up on 29 February 2000 by eleven motorway operators, with shares in proportion to the electricity requirements of each member, also for the purposes of Legislative Decree No. 79 of 16 March 1999 (Deregulation of the electricity market) and to coordinate members' activities in order to improve their efficiency, development and rational energy management, acting as service entity. In the following years other motorway operators, as well as ANAS S.p.A., became members of the consortium, which CAV SpA joined on 22 December 2010. The consortium fund totals EUR 113,949 and the share of CAV SpA is 0.9%, corresponding to EUR 1,058. The consortium is a non-profit-making body and cannot distribute any form of dividend to members. However, it calls tenders under private- or public-sector regulations on behalf of its members; specifically, with regard to public-sector tenders, the consortium takes the role of central contractor, making a framework agreement with the bidder that is awarded the tender, which is then finalised, through specific agreements, by each interested member.

**FINANCIAL STATEMENTS**  
**AS OF 31 December 2019**

## BALANCE SHEET

### ASSETS

	Balance as of 31 Dec. 2019	Balance as of 31 Dec. 2018
A) SUBSCRIBED CAPITAL UNPAID	0	0
B) FIXED ASSETS		
I. Intangible assets		
4) Concessions, licences, trademarks and similar rights	40,401	60,422
6) Assets under construction and payments on account	685,329	577,113
7) Other intangible assets	587,862,021	627,190,677
	<u>588,587,751</u>	<u>627,828,212</u>
II. Tangible assets		
1) Land and buildings	5,226	8,710
2) Plant and machinery	7,582	17,989
3) Industrial and commercial equipment	29,633	23,377
4) Other assets	1,158,076	1,228,807
	<u>1,200,517</u>	<u>1,278,883</u>
III. Financial assets		
Equity investments in:		
d bis) Other companies	1,058	1,058
	<u>1,058</u>	<u>1,058</u>
Total Fixed assets	<u>589,789,326</u>	<u>629,108,153</u>
C) CURRENT ASSETS		
I. Inventories		
1) Raw materials and consumables	1,199,475	1,159,214
II. Receivables		
1) Trade receivables:		
- falling due within one year	2,342,233	2,344,761
- falling due after one year	385,019	434,811
5-bis) Tax receivables		
- falling due within one year	5,384,047	37,084,921
- falling due after one year	0	3,350,918
5-ter) Deferred tax assets	67,876	77,032
5-quater) Other receivables:		
- falling due within one year	45,330,816	48,345,263
- falling due after one year	72,161,200	74,310,133
	<u>125,671,191</u>	<u>165,947,839</u>
III. Short-term investments	0	0
IV. Cash and cash equivalents		
1) Bank and postal deposits	126,893,084	75,951,417
3) Cash in hand	95,379	97,694
	<u>126,988,463</u>	<u>76,049,111</u>
Total Current assets	<u>253,859,129</u>	<u>243,156,164</u>
D) ACCRUED INCOME AND PREPAYMENTS	539,489	566,081
<b>TOTAL ASSETS</b>	<u><u>844,187,944</u></u>	<u><u>872,830,398</u></u>

<b>LIABILITIES</b>	<b>Balance as of 31 Dec. 2019</b>	<b>Balance as of 31 Dec. 2018</b>
<b>A) SHAREHOLDERS' EQUITY</b>		
I. Share capital	2,000,000	2,000,000
IV. Legal reserve	400,000	400,000
VI. Other reserves:		
- Extraordinary reserve	121,732,764	98,368,137
- Non distributable reserve pursuant to article 2426 of the Civil Code	0	0
- Restricted reserve for infrastructure	9,776,227	9,776,227
- Restricted reserve for penalties	175,000	175,000
- Restricted reserve for differences on maintenance works	6,778,000	6,778,000
IX. Profit/(Loss) for the year	<u>27,003,020</u>	<u>23,364,627</u>
	167,865,011	140,861,991
<b>B) PROVISIONS FOR RISKS AND CHARGES</b>		
4) Other provisions:		
a) for risks	-	150,000
c) for cycle maintenance	14,408,570	19,116,166
	<u>14,408,570</u>	<u>19,266,166</u>
<b>C) PROVISION FOR POST-EMPLOYMENT BENEFITS (TFR)</b>	356,240	341,510
<b>D) PAYABLES</b>		
1) Bonds		
- falling due within one year	62,713,201	57,077,911
- falling due after one year	557,743,667	620,456,868
3) Loans from shareholders		
- falling due within one year	0	4,911,865
- falling due after one year	0	0
7) Trade payables	8,762,882	7,966,343
12) Tax payables	3,397,687	2,510,056
13) Social security payables	1,277,723	1,281,488
14) Other payables	<u>27,240,442</u>	<u>17,792,087</u>
	661,135,602	711,996,618
<b>E) ACCRUED EXPENSES AND DEFERRED INCOME</b>	422,521	364,113
<b>TOTAL LIABILITIES</b>	<u><u>844,187,944</u></u>	<u><u>872,830,398</u></u>

## INCOME STATEMENT

	FY 2019	FY 2018
<b>A) VALUE OF PRODUCTION</b>		
1) Revenue from sales and services	165,065,362	161,420,651
5) Other income		
- Other	991,308	1,324,448
- Grants	168,263	176,718
	166,224,933	162,921,817
<b>B) COST OF PRODUCTION</b>		
6) Raw materials, consumables and goods	985,249	975,733
7) Services	30,440,108	25,397,164
8) Leases and rentals	382,503	294,172
9) Personnel:		
a) Wages and salaries	13,001,326	13,355,690
b) Social charges	4,193,912	4,343,799
c) Provision for post-employment benefits (TFR)	915,870	977,861
e) Other personnel costs	430,190	567,130
	18,541,298	19,244,480
10) Amortisation, depreciation and write-downs		
a) Amortisation of intangible assets	45,093,975	44,873,856
b) Depreciation of property, plant and equipment	486,642	375,220
d) Write-downs of receivables included in current assets	3,500	239,391
	45,584,117	45,488,467
11) Change in stocks of raw materials, consumables and goods	-40,261	-137,506
13) Other accruals		
b) Charges to provision for cycle maintenance	13,047,168	13,046,857
c) Utilisation of provision for cycle maintenance	-17,754,764	-13,868,958
14) Other operating costs	19,030,004	18,641,188
	110,215,422	109,081,597
<b>DIFFERENCE BETWEEN VALUE AND COST OF PRODUCTION</b>	56,009,511	53,840,220
<b>C) FINANCIAL INCOME AND CHARGES</b>		
16) Other financial income:		
d) financial income other than the above	18,149	13,836
17) Interest and other financial charges	16,605,280	20,800,357
	-16,587,131	-20,786,521
<b>D) ADJUSTMENTS TO THE VALUES OF FINANCIAL ASSETS AND LIABILITIES</b>	0	0
<b>PROFIT(LOSS) BEFORE TAX</b>	39,422,380	33,053,699
20) Income tax for the year		
a) Current income taxes	12,410,204	9,644,271
b) Deferred tax liabilities	0	0
c) Deferred tax assets	9,156	44,801
	-12,419,360	-9,689,072
21) Profit/(Loss) for the year	27,003,020	23,364,627



## CASH FLOW STATEMENT

	31 Dec. 2018	31 Dec. 2018
<b>A. Cash flow from operating activities (indirect method)</b>		
Net profit for the period	27,003,020	23,364,627
Income taxes	12,419,360	9,689,072
Interest expense/(income)	16,587,131	20,786,521
<b>1. Profit/(Loss) for the year before income taxes, interest, dividends, and gains/losses on disposals</b>	<b>56,009,511</b>	<b>53,840,220</b>
<i>Adjustments for non-cash items with no impact on net working capital</i>		
Charges to provisions for risks and charges	13,047,168	13,046,857
Utilisation of provisions for risks and charges	-17,904,764	-13,868,958
Charge to Provision for post-employment benefits (TFR)	915,870	977,861
Amortisation of intangible assets	45,093,975	44,873,856
Depreciation of property, plant and equipment	486,642	375,220
Adjustments to the values of financial assets and liabilities	0	0
<i>Total adjustments for non-cash items</i>	<i>41,638,891</i>	<i>45,404,836</i>
<b>2. Cash flow before changes in net working capital</b>	<b>97,648,402</b>	<b>99,245,056</b>
<i>Changes in net working capital</i>		
(Increase)/Decrease in inventories	-40,261	-137,506
(Increase)/Decrease in trade receivables	52,320	240,296
(Increase)/Decrease in tax receivables	35,051,792	34,525,565
(Increase)/Decrease in other receivables	5,163,380	59,638,864
(Increase)/Decrease in accrued income and prepayments	26,592	-205,080
(Decrease)/Increase in trade payables	796,539	98,441
(Decrease)/Increase in social security payables	-3,765	-148,498
(Decrease)/Increase in other payables (excluding amounts already included in other items)	9,329,425	-22,866,174
(Decrease)/Increase in accrued expenses and deferred income	58,408	6,712
<i>Total changes in net working capital</i>	<i>50,434,430</i>	<i>71,152,620</i>
<b>3. Cash flow after changes in net working capital</b>	<b>148,082,832</b>	<b>170,397,676</b>
<i>Other adjustments</i>		
Interest received/(paid)	-14,284,112	-17,604,221
(Income taxes paid)	-11,522,573	-8,408,716
(Utilisation of provisions)	-901,140	-956,546
<i>Total other adjustments</i>	<i>-26,707,825</i>	<i>-26,969,483</i>
<b>Cash generated from (used in) operating activities (A.)</b>	<b>121,375,007</b>	<b>143,428,193</b>
<b>B. Cash flow from investing activities</b>		
<i>Investing activities</i>		
(Increase) in intangible assets	-5,853,514	-499,721
Decrease in property, plant and equipment	0	0
(Increase) in property, plant and equipment	-408,276	-691,514
Decrease in financial assets	0	0
<b>Cash generated from (used in) investing activities (B.)</b>	<b>-6,261,790</b>	<b>-1,191,235</b>
<b>C. Cash flow from financing activities</b>		
Repayment of bonds	-59,262,000	-49,667,200
Repayment of loan from shareholders	-4,911,865	-58,289,573
<b>Cash generated from (used in) financing activities (C.)</b>	<b>-64,173,865</b>	<b>-107,956,773</b>
Increase/(Decrease) in cash and cash equivalents	50,939,352	34,280,185
Cash and cash equivalents at beginning of period	76,049,111	41,768,926
Cash and cash equivalents at end of period	126,988,463	76,049,111

## NOTES TO THE FINANCIAL STATEMENTS

### PRESENTATION AND CONTENT OF THE FINANCIAL STATEMENTS

The annual financial statements as of 31 December 2019 have been prepared in accordance with the provisions of the Civil Code laid out in article 2423 and following articles, interpreted and supplemented by the accounting standards issued by OIC, the Italian accounting standards setter.

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 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 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 application software, 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 incurred in connection with the financing agreement with Cassa Depositi e Prestiti, costs for the renovation of the traffic police barracks, costs for the roundabout on entry to the Marco Polo–SS14 junction, costs refunded to the Region Veneto for safety works on the interchange of A27 with A57, and the cost of a feasibility study on service stations – 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.

#### *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 at the following annual rates that are considered appropriate in relation to the assets' remaining useful lives: plant and machinery 20%; industrial and commercial equipment 12%; furniture and ordinary office machines 12%; electronic office machines, computers and telephone installations 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 proportional share held by the Company in the investee's equity resulting from its latest available financial statements.

Equity investments in other companies 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 renewal costs of assets that comprise the stretches of motorway under concession. Renewal costs refer 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 renewal 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% and 24.00% 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.

*Memorandum accounts*

Memorandum accounts comprise third party assets held by the Company, which are carried at fair value.

## BALANCE SHEET INFORMATION: ASSETS

### *Intangible assets*

Intangible assets show a net decrease of EUR 39,240,461. Movements in the year may be analysed as follows:

	Balance as of 31 Dec. 2018	Increase	Decrease	Account transfer	Balance as of 31 Dec. 2019
Concessions, licences, trademarks and similar rights	60,422	80,802	100,823	0	40,401
Assets under construction and payments on account	577,113	5,772,712	0	-5,664,496	685,329
Other intangible assets	627,190,677	0	44,993,152	5,664,496	587,862,021
<b>Total</b>	<b>627,828,212</b>	<b>5,853,514</b>	<b>45,093,975</b>	<b>0</b>	<b>588,587,751</b>

'Concessions, licences, trademarks and similar rights' comprises the net book value of costs incurred to acquire application software. 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 construction of complementary and completion works of the Mestre Bypass; assets that went into operation during the year have been transferred to 'Other intangible assets'; b) the costs incurred for construction of other works on the motorways under concession that were not completed at the balance sheet date; c) costs referred to service stations (feasibility study); d) the refund due to the Region Veneto in accordance with the Concession Agreement for safety works on the interchange of A27 with A57.

With reference to the complementary and completion works we note the transfer from the account 'Assets under construction and payments on account' to 'Other intangible assets' of EUR 31,078.

The refund due to the Region Veneto in accordance with the Concession Agreement for safety works on the interchange of A27 with A57 as transferred from 'Assets under construction and payments on account' to 'Other intangible assets' for the entire amount of EUR 5,633,418.

Movements in assets under construction during the year may be analysed as follows:

	Balance as of 31 Dec. 2018	Increase	Decrease	Account transfer	Balance as of 31 Dec. 2019
Complementary and completion works on the Mestre Bypass	0	31,078	0	-31,078	0
Other works on the motorways under concession	528,313	108,216	0	0	636,529
Service stations	48,800	0	0	0	48,800
Refund of safety works on the A27-A57 interchange	0	5,633,418		-5,633,418	0
<b>Total</b>	<b>577,113</b>	<b>5,772,712</b>	<b>0</b>	<b>-5,664,496</b>	<b>685,329</b>

'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, and the roundabout on entry to the Marco Polo-SS14 junction.

Amortisation is calculated on a straight-line basis over the entire term of the concession.

Movements in other intangible assets during the year may be analysed as follows:

Other intangible assets	Historical cost			Accumulated amortisation				Net book value	
	Balance as of 31 Dec. 2018	Additions and account transfers	Decreases	Balance as of 31 Dec. 2019	Balance as of 31 Dec. 2018	Amortisation charge	Decreases	Balance as of 31 Dec. 2019	Balance as of 31 Dec. 2019
Mestre Bypass	705,199,639	0	0	705,199,639	303,038,126	28,725,822	0	331,763,948	373,435,691
Complementary and completion works	221,665,786	31,078	0	221,696,864	55,593,969	11,862,279	0	67,456,248	154,240,616
Indemnity paid to Società delle Autostrade di Venezia e Padova	74,689,185	0	0	74,689,185	29,393,466	3,235,409	0	32,628,875	42,060,310
Other works on the motorways	6,141,398	0	0	6,141,398	1,737,226	314,653	0	2,051,879	4,089,519
Safety works on provincial road SP81	5,384,004	0	0	5,384,004	1,885,085	249,923	0	2,135,008	3,248,996
San Giuliano interchange at Mestre	7,746,853	0	0	7,746,853	2,818,265	352,042	0	3,170,307	4,576,546
Renovation of traffic police barracks	300,000	0	0	300,000	72,113	16,278	0	88,391	211,609
Roundabout on entry to the Marco Polo-SS14 junction	800,000	0	0	800,000	197,938	43,004	0	240,942	559,058
Safety works on the A27-A57 interchange	0	5,633,418	0	5,633,418	0	193,742	0	193,742	5,439,676
<b>Total</b>	<b>1,021,926,865</b>	<b>5,664,496</b>	<b>0</b>	<b>1,027,591,361</b>	<b>394,736,188</b>	<b>44,993,152</b>	<b>0</b>	<b>439,729,340</b>	<b>587,862,021</b>

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 S.p.A., 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 junction), 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 new 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 169,153; automation of toll payment equipment for EUR 2,071,854; 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 2,802,905.

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 junction (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.

'Motorways under concession' comprises the stretches of motorway under concession, i.e.: the Mestre Bypass (in A4 – closed system) with conventional length of 32.326 km; the Padua - Venice motorway (partly in A4 and partly in A57, in the closed system) with conventional length of 23.310 km; the motorway stretch in the open system (A57) relating to the Mestre western ring road (9.100 km) and the junction to Venice 'Marco Polo' airport at Tessera (9.400 km). The total length of motorway operated under concession is 74.126 km. The



Company operates seven toll gates: Venezia/Mestre, Mira/Oriago, Mirano/Dolo and Padova Est (on the old motorway); Spinea, Martellago/Scorzè and Preganziol (on the Bypass).

### Tangible assets

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

	Balance as of 31 Dec. 2018	Increase	Decrease	Balance as of 31 Dec. 2019
Land and buildings	8,710	0	3,484	5,226
Plant and machinery	17,989	0	10,407	7,582
Industrial and commercial equipment	23,377	13,814	7,558	29,633
Other assets	1,228,807	401,004	471,735	1,158,076
<b>Total tangible assets</b>	<b>1,278,883</b>	<b>414,818</b>	<b>493,184</b>	<b>1,200,517</b>

Movements in the year may be analysed as follows:

Tangible assets	Historical cost			Accumulated depreciation				Net book value	
	Balance as of 31 Dec. 2018	Purchases	Sales	Balance as of 31 Dec. 2019	Balance as of 31 Dec. 2018	Depreciation charge	Sales	Balance as of 31 Dec. 2019	Balance as of 31 Dec. 2019
Land and buildings	34,838	0	0	34,838	26,128	3,484	0	29,612	5,226
Plant and machinery	709,218	0	0	709,218	691,229	10,407	0	701,636	7,582
Industrial and commercial equipment	80,366	13,814	0	94,180	56,989	7,558	0	64,547	29,633
Other assets	2,548,628	401,004	7,477	2,942,155	1,319,821	465,193	935	1,784,079	1,158,076
<b>Total</b>	<b>3,373,050</b>	<b>414,818</b>	<b>7,477</b>	<b>3,780,391</b>	<b>2,094,167</b>	<b>486,642</b>	<b>935</b>	<b>2,579,874</b>	<b>1,200,517</b>

'Land and buildings' comprises light constructions.

'Plant and machinery' comprises snow ploughs and salt spreaders for EUR 649,967 and other plant for EUR 59,251.

'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.

Increases in tangible assets of EUR 414,818 relate for EUR 333,443 to cars and service vans, for EUR 63,898 to computers and IT equipment, for EUR 13,814 to industrial and commercial equipment, for EUR 3,663 to other plant.

Decreases relate to the depreciation charges for the period and the sale of certain assets. Depreciation is calculated at the rates mentioned above that are considered to reflect the assets' estimated useful lives.

### Financial assets

'Financial assets' comprises equity investments.

	Balance as of 31 Dec. 2018	Increase	Decrease	Balance as of 31 Dec. 2019
Other entities				
• Consorzio Autostrade Italiane Energia	1,058	0	0	1,058
<b>Total</b>	<b>1,058</b>	<b>0</b>	<b>0</b>	<b>1,058</b>

Information on the investee is as follows:

	Registered office	Capital	Equity	Profit for the year	% held
Other entities					
• Consorzio Autostrade Italiane Energia (*)	Rome	114,853	114,243	-610	0.99

(\*) Figures from the draft financial statements as of 31 December 2019, approved by the board of directors on 27 January 2020.

#### *Inventories*

The balance increased by EUR 40,261 and may be analysed as follows:

	Balance as of 31 Dec. 2019	Balance as of 31 Dec. 2018
Consumables	102,452	110,681
Assets for use in maintenance	1,097,023	1,048,533
<b>Total</b>	<b>1,199,475</b>	<b>1,159,214</b>

Assets for use in maintenance comprise materials for winter maintenance (EUR 248,512), spare parts for toll collection equipment (EUR 171,566), spare part for dynamic traffic monitoring equipment (EUR 326,578), road safety equipment (EUR 221,745), and other items (EUR 128,622).

#### *Receivables*

'Receivables' totalled EUR 125,671,191 as of 31 December 2019, a decrease of EUR 40,276,648 compared with the previous year.

There are no receivables falling due after five years.

The balance may be analysed as follows:

	Balance as of 31 Dec. 2019	Balance as of 31 Dec. 2018
Trade receivables:		
• falling due within one year	2,342,233	2,344,761
• falling due after one year	385,019	434,811
Tax receivables		
• falling due within one year	5,384,047	37,084,921
• falling due after one year	0	3,350,918
Deferred tax assets	67,876	77,032
Other receivables:		
• falling due within one year	45,330,816	48,345,263
• falling due after one year	72,161,200	74,310,133
<b>Total</b>	<b>125,671,191</b>	<b>165,947,839</b>

'Trade receivables' decreased by EUR 52,320 and may be analysed as follows:

	Balance as of 31 Dec. 2019	Balance as of 31 Dec. 2018
Trade accounts receivable	97,468	96,053
Invoices to be issued	2,629,784	2,683,519
<b>Total</b>	<b>2,727,252</b>	<b>2,779,572</b>

'Invoices to be issued' comprises EUR 403,076 for crossing fees (whereof EUR 385,019 811 is expected to be collected after one year), EUR 2,058,680 for royalties from service stations e EUR 168,028 in other income. 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 receivables' decreased by EUR 35,051,792 compared with the previous year:

	Balance as of 31 Dec. 2019	Balance as of 31 Dec. 2018
VAT receivable	5,006,519	36,761,796
• falling due within one year	0	3,350,918
• falling due after one year	321,219	321,219
Amount receivable pursuant to article 2, paragraph 1-quater, Law Decree No. 201/2011	419	0
Amount receivable pursuant to article 11 of Law Decree No. 66/2014	55,890	1,906
IRAP (regional trade income tax) receivable		
<b>Total</b>	<b>5,384,047</b>	<b>40,435,839</b>

VAT receivable relates to invoices received from ANAS S.p.A. recharging the costs of the Mestre Bypass and of complementary and completion works. The balance decreases as a result of offsetting, pursuant to article 19 of D.P.R. 633/1972, against VAT payable for the period.

The amount receivable pursuant to article 2, paragraph 1-quater, of Law Decree No. 201/2011 relates to IRES (corporation tax) claimed for refund in connection with a failure to deduct IRAP on personnel costs.

'Deferred tax assets' decreased by EUR 9,156 compared with the previous year and refers to the following:

	Balance as of 31 Dec. 2019		Balance as of 31 Dec. 2018	
	Temporary difference	Tax effect	Temporary difference	Tax effect
Maintenance on tangible assets	45,039	11,598	56,299	13,512
Late payment interest	434	119	28	7
Directors' remuneration	3,986	1,096	5,018	1,204
Write-downs of receivables	229,431	55,063	229,431	55,063
Taxes	0	0	30,192	7,246
<b>Total</b>	<b>278,890</b>	<b>67,876</b>	<b>320,968</b>	<b>77,032</b>

The tax rate applied is reported in the section on accounting policies.

'Other receivables' decreased by EUR 5,163,380 and may be analysed as follows:

	Balance as of 31 Dec. 2019	Balance as of 31 Dec. 2018
Receivables from interconnected motorway operators	34,457,075	37,581,206
Receivables from ANAS S.p.A.		
Government grant pursuant to article 1, paragraph 78, of Law No. 266/2005:		
- falling due within one year	4,702,500	4,702,500
- falling due after one year	4,702,500	9,405,000
VAT on the billing of government grants	0	0
Restricted cash		
- falling due within one year	5,022,754	4,939,465
- falling due after one year	67,436,211	64,884,791
Other		
- falling due within one year	1,148,487	1,122,092
- falling due after one year	22,489	20,342
<b>Total</b>	<b>117,492,016</b>	<b>122,655,396</b>

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

'Receivables from ANAS S.p.A.', equal to EUR 9,405,000, comprises the portion of the government grant of EUR 70,537,502 awarded pursuant to article 1, paragraph 78, of Law No. 266/2005 (which will be collected by ANAS in the manner and timeframe set out in Inter-ministerial Decree No. 2428 of 5 March 2008, registered by the Court of Auditors on 7 May 2008, and will be transferred to CAV pursuant to article 7 of the Concession Agreement) whereof one tranche of EUR 4,702,500 is included in receivables falling due within one year (year 2020) and one tranche of EUR 4,702,500 is included in receivables falling due after one year (year 2021). In the course of 2019 the Company collected one tranche equal to EUR 4,702,500. The portion falling due after one year has not been discounted to present value because the Company has 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. During the year the Company collected EUR 57,231,130 from ANAS, comprising VAT on bills issued for the government grant awarded pursuant to article 1, paragraph 1045, of Law No. 296/2006, the government grant awarded pursuant to article 1, paragraph 78, of Law No. 266/2005, and the government grant awarded pursuant to CIPE Resolution No. 92 of 31 October 2002. Those bills were issued following receipt on 14 March 2018 of a reply from the Revenue Agency to a tax query submitted by the Company. For details, we make reference to the report on operations.

'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". The balance comprises: a) a 'capex reserve account' of EUR 27,079,815 (whereof EUR 22,057,060 falling due after one year); b) a 'maintenance reserve account' of EUR 4,331,175 (entirely falling due after one year); c) a 'debt service reserve account' of EUR 41,047,975 (entirely falling due after one

year). We note 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 of EUR 184,592. The provision comprises EUR 180,653 posted for 100% of a receivable from a Company that was declared bankrupt in 2013, and EUR 3,939 posted in 2016 for 100% of a doubtful receivable.

#### *Cash and cash equivalents*

The balance increased by EUR 50,939,352 and may be analysed as follows:

	Balance as of 31 Dec. 2019	Balance as of 31 Dec. 2018
Bank and postal deposits	126,893,084	75,951,417
Cash in hand	95,379	97,694
<b>Total</b>	<b>126,988,463</b>	<b>76,049,111</b>

Bank and postal deposits comprises: a) postal deposits of EUR 1,266,949; b) bank deposits of EUR 124,865,150; c) toll payments not yet credited to the Company's current accounts of EUR 760,985.

#### *Accrued income and prepayments*

The balance decreased by EUR 26,592 compared with the previous year.

	Balance as of 31 Dec. 2019	Balance as of 31 Dec. 2018
Prepayments	539,489	566,081

'Prepayments' comprises long-term services that are billed in advance (EUR 264,847 for insurance services; EUR 114,966 for vehicle maintenance and management; EUR 45,398 for administrative services; EUR 38,602 for maintenance; EUR 70,663 for rentals; EUR 5,013 for other services).

## BALANCE SHEET INFORMATION: LIABILITIES

### Shareholders' equity

Shareholders' equity increased by EUR 23,364,627 compared with the previous year and is analysed as follows:

	Balance as of 31 Dec. 2018	Increase	Decrease	Balance as of 31 Dec. 2019
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	98,368,137	23,364,627	0	121,732,764
- Restricted reserve for road infrastructure	9,776,227	0	0	9,776,227
- Non-distributable reserve pursuant to article 2426 of the Civil Code	0	0	0	0
- Restricted reserve for fines and penalties	175,000	0	0	175,000
- Restricted reserve for differences on maintenance works	6,778,000	0	0	6,778,000
IX. Profit/(Loss) for the year	23,364,627	27,003,020	23,364,627	27,003,020
Total	140,861,991	50,367,647	23,364,627	167,865,011

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

At the annual general meeting of 9 April 2019 the shareholders resolved to appropriate the profit for the year 2018 of EUR 23,364,627 to the 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 the 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 restricted reserve for difference on maintenance works was set up following a specific request of the grantor. The amount corresponds to the difference between the maintenance work actually performed and the work scheduled in the Business Plan appended to the Concession Agreement.

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	Other uses
Capital					
Share capital	2,000,000				
Reserves from profits				-	-
Legal reserve	400,000	B	0		
Extraordinary reserve	121,732,764	A, B, C	121,732,764		
Restricted reserve	9,776,227	B, C	0		
Restricted reserve	175,000	B	0		
Restricted reserve	6,778,000	B	0		
Total	140,861,991		121,732,764		
Non-distributable amount			0		
Distributable amount			121,732,764		

**Legend**

A: Capital increase

B: Loss coverage

C: Dividend distribution

	Share capital	Legal reserve	Extra-ordinary reserve	Restricted reserve for road infrastructure	Restricted reserve for fines and penalties	Restricted reserve for difference on maintenance works	Non-distributable reserve pursuant to article 2426	Profit/ (Loss) for the year	Total
As of 1 Jan. 2018	2,000,000	400,000	81,087,215	9,776,227	175,000	6,778,000	947	17,279,975	117,497,364
Appropriation to extraordinary reserve			17,280,922						17,280,922
Appropriation to restricted reserve									3,081,092
Appropriation to non-distributable reserve pursuant to article 2426							-947		-947
Utilisation of profit for 2017								-17,279,975	-17,279,975
Profit/(Loss) for 2018								23,364,627	23,364,627
As of 31 Dec. 2018	2,000,000	400,000	98,368,137	9,776,227	175,000	6,778,000	0	23,364,627	140,861,991
Appropriation to extraordinary reserve			23,364,627						23,364,627
Utilisation of profit for 2018								-23,364,627	-23,364,627
Profit/(Loss) for 2019								27,003,020	27,003,020
As of 31 Dec. 2019	2,000,000	400,000	121,732,764	9,776,227	175,000	6,778,000	0	27,003,020	167,865,011

**Provision for risks and charges**

The balance decreased by EUR 4,857,596. Movements in the year may be analysed as follows:



	Balance as of 31 Dec. 2018	Increase	Decrease	Balance as of 31 Dec. 2019
Provision for risks	150,000	0	150,000	0
Provision for cycle maintenance	19,116,166	13,047,168	17,754,764	14,408,570
<b>Total</b>	<b>19,266,166</b>	<b>13,047,168</b>	<b>17,904,764</b>	<b>14,408,570</b>

'Provision for risks' related to a penalty of EUR 150,000 notified by the Ministry of Infrastructure – Board for Supervision of Motorway Concession Operators (now Directorate General for Supervision of Motorway Operators). The Company appealed against this decision before the Council of State, but the appeal was rejected during 2019. Therefore, the liability having become certain, the amount of EUR 150,000 was transferred to 'Other payables'.

Changes in the 'Provision for cycle maintenance' refer to the accrual and utilisation in the year. For a description of the nature of the item we make reference to the section on accounting policies.

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

The provision increased by EUR 14,730. Movements in the year may be analysed as follows:

	Balance as of 31 Dec. 2018	Increase	Decrease	Balance as of 31 Dec. 2019
Provision for post-employment benefits (TFR)	341,510	915,870	901,140	356,240

The increase relates to the accrual for the year; the decrease comprises EUR 378,043 for advances and severance indemnities paid out to 'Fondo di garanzia TFR', a fund securing payment of TFR and salaries in the event of insolvency of employers; ASTRI, a pension fund for motorway, road, transport, infrastructure and rental industry workers; other supplementary pension funds, and other items for EUR 523,097.

#### *Payables*

Payables totalled EUR 661,135,602 as of 31 December 2019, having decreased by EUR 50,861,016. The balance falling due after five years was EUR 333,166,850 and corresponds to the outstanding portion of the project bond maturing on 31 December 2024, calculated under the amortised cost method.

The heading is analysed below:

##### A) Bonds

The balance as of 31 December 2019 was EUR 620,456,868. Movements in the year may be analysed as follows:

	Balance as of 31 Dec. 2018	Increase	Decrease	Balance as of 31 Dec. 2019
Bonds	677,534,779	16,484,989	73,562,900	620,456,868
Total	677,534,779	16,484,989	73,562,900	620,456,868

On 12 April 2016 the project bond was issued for a nominal value of EUR 830,000,000. During 2019 the Company repaid EUR 59,262,000. 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 (EUR 20,956,882) and the value of the debt to be increased by the portion of the ancillary costs attributable to the period (EUR 2,184,089 for 2019).

The nominal interest rate on the project bond is 2.115%, the effective rate (calculated under 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.”*

Because the interest rate on the project bond is in line with the market, according to OIC 19 discounting is not necessary.

The amount of EUR 620,456,868 comprises EUR 62,713,201 falling due within one year and EUR 557,743,667 falling due after one year (whereof EUR 333,166,850 falling due after five years).

The nominal debt (debt on issuance less principal repayments) as of 31 December 2019 was equal to EUR 632,559,600.

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) Loans from shareholders

Movements in the year may be analysed as follows:

	Balance as of 31 Dec. 2018	Increase	Decrease	Balance as of 31 Dec. 2019
Loan from shareholders	4,911,865	0	4,911,865	0
<b>Total</b>	<b>4,911,865</b>	<b>0</b>	<b>4,911,865</b>	<b>0</b>

'Loan from shareholders' is a subordinated loan from the shareholder ANAS originally disbursed on 12 April 2016 for an amount of EUR 136,534,955 and repaid in full in 2019.

The loan agreement provided for payment to ANAS SpA of interest at 8.75%; the fairness of the interest rate was the subject of a report by a leading international consulting firm that issued an opinion dated 23 February 2016 stating that "there is no reason to believe that the interest rate on the subordinated loan, equal to 8.75%, is not financially appropriate for CAV S.p.A.". The loan did not generate any transaction costs, therefore, in accordance with OIC 19, it is not necessary to apply the amortised cost method in its measurement; with regard to accounting for the time value of money, the above-mentioned opinion states that the contractually agreed interest rate is in line with the rates available in the market, having regard to the nature of the loan and the issuer's ability to pay, and consequently the loan may be recognised at nominal value.

#### C) Trade payables

The balance increased by EUR 796,539 compared with the previous year. In detail:

	Balance as of 31 Dec. 2019	Balance as of 31 Dec. 2018
Trade accounts payable	3,252,323	2,149,445
Invoices to be issued	5,368,935	5,723,748
Contractual guarantee deposits	141,624	93,150
<b>Total</b>	<b>8,762,882</b>	<b>7,966,343</b>

#### D) Tax payables

The balance increased by EUR 887,631 and is detailed as follows:

	Balance as of 31 Dec. 2019	Balance as of 31 Dec. 2018
IRPEF, personal income tax, on the remuneration of employees and freelancers	528,584	551,014
IRES, corporation tax	2,839,453	1,928,849
Other taxes	29,650	30,193
<b>Total</b>	<b>3,397,687</b>	<b>2,510,056</b>

E) Social security payables

The balance decreased by EUR 3,765 compared with the previous year.

	Balance as of 31 Dec. 2019	Balance as of 31 Dec. 2018
Social security payables	1,277,723	1,281,488

F) Other payables

The balance increased by EUR 9,448,355 compared with the previous year and may be analysed as follows:

	Balance as of 31 Dec. 2019	Balance as of 31 Dec. 2018
Payables to interconnected motorway operators	6,619,281	6,782,065
Payables to the State		
• Concession fee (MIT)	2,733,106	2,652,670
• Concession fee (ANAS)	726,522	705,140
• Supplementary concession fee pursuant to Law No. 102/2009 (ANAS)	10,246,400	195,002
• Sub-concession fee (MIT)	13,745	15,021
Payables to personnel	1,202,162	1,210,309
Payables to ANAS		
• Refund of the costs of construction of the Mestre Bypass and related complementary and completion works	5,022,754	4,991,676
• Interest on the subordinated loan from shareholder	118,930	858,137
Other	557,542	382,067
<b>Total</b>	<b>27,240,442</b>	<b>17,792,087</b>

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

'Payables to the State', totalling EUR 13,719,773 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 Infrastructure – DGVCA pursuant to article 13 of the Concession Agreement; 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 5,141,684 comprises a) the costs of construction of the Mestre Bypass and related complementary and completion works not yet billed for EUR 5,022,754; b) unpaid interest on the subordinated loan from shareholder of EUR 118,930.

*Accrued expenses and deferred income*

The heading shows an increase of EUR 58,408 compared with the previous year.

	Balance as of 31 Dec. 2019	Balance as of 31 Dec. 2018
Deferred income	422,521	364,113

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

#### *Memorandum accounts*

Memorandum accounts are analysed as follows:

	Balance as of 31 Dec. 2019	Balance as of 31 Dec. 2018
Third party assets held by the Company	95,525	95,500

'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 166,224,933, an increase of EUR 3,303,116 equal to 2.03%, compared with the previous year.

The balance may be analysed as follows:

#### A) Revenue from sales and services

'Revenue from sales and services' is analysed as follows:

	FY 2019	FY 2018
Toll revenue:		
• Toll revenue	144,151,158	139,908,730
• Supplementary concession fee pursuant to Law No. 102/09 and Law No. 122/2010	14,517,539	14,395,889
Other motorway income		
• Income from service stations	4,188,244	4,263,023
• Share of toll collection costs paid by interconnected motorway operators	1,383,117	2,124,968
• Recharges of costs of abnormal load movements and unpaid tolls	825,304	728,041
<b>Total</b>	<b>165,065,362</b>	<b>161,420,651</b>

'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 Autovie Venete) where toll is applied for 6.200 km for the Mestre ring road and for 15.836 km (2018: 15.836 km) for the additional kilometres applied to finance construction of the Bypass.

In 2019 toll revenue (after deducting the supplementary concession fee payable to ANAS) increased by EUR 4,242,428, +3.03%. The figure is directly related to the growth of traffic and to changes in rates. For a detailed description of factors affecting toll revenue we make reference to the section of the report on operation titled "Toll revenue".

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 2019 (as in the 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 growth of traffic and of the composition of the classes in which traffic is distributed the supplementary concession fee increased by EUR 121,650 (+0.85%).

Income from service stations comprises royalties paid by oil companies and by restaurants and hotels on sales at the service stations.

The Company operates 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 operates at the Marghera Est service station.

Income from service stations decreased by EUR 74,779 (-1.75%).

The share of toll collection costs paid by interconnected motorway operators fell by 34.91%. This item of income arises from the application of article 17 of the interconnection agreement between all Italian motorway operators. During the year a specific bilateral agreement was made with Società Autostrada Brescia Verona Vicenza Padova S.p.A. relating to the Padova Est toll gate, which is illustrated in detail in the report on operations.

All revenues are generated by activities located on the motorways under concession.

For additional information on traffic and rates we make reference to the section titled "Motorway business" of the report on operations.

B) Other income		
	FY 2019	FY 2018
Other	991,308	1,324,448
Grants	168,263	176,718
<b>Total</b>	<b>1,159,571</b>	<b>1,501,166</b>

'Other income' comprises: sub-concession fees of EUR 111,836; refunds of damage caused by motorway users to structures for EUR 129,395; contract work for EUR 128,019; refunds of lighting costs on the A57/A27 junction for EUR 89,238; indemnities for failure to execute tenders and recovery of contract stamps for EUR 36,845; gains and non-recurring income of EUR 434,598 (whereof EUR 150,000 was credited after CAV won an appeal against a penalty levied by Autorità Garante della Concorrenza e del Mercato, the competition regulator, in 2010; and EUR 150,113 following a settlement with Società Autostrada Brescia Verona Vicenza Padova S.p.A. relating to toll collection charges of FY 2018 at Padova Est); grants of EUR 168,263 (whereof EUR 144,288 disbursed by the European Union for the projects titled C-ROADS ITALY (implementation of C-ITS operating system inclusive of software platform, new optical fibre network and management of data connectivity on the ETSI 802.11 p ITSG5 protocol) and MED TIS Fase I (implementation of 3 new CCTVs and a new optical fibre network between Padova Est and the A57 motorway; implementation of 6 new VMSs and control equipment, 6 new CCTVs, equipment for the supervision software and optical fibre network at the new toll gate at Martellago/Scorzè); a grant of EUR 23,975 100 towards personnel training as a result of the Company joining Fondimpresa, a fund set up by the employers' association and the largest trade unions that finances training; and other items of income for EUR 61,377.

#### *Cost of production*

Cost of production totalled EUR 110,215,422, an increase compared with the previous year of EUR 1,133,825, +1.04%.

The balance is analysed below:

A) Raw materials, consumables and goods

'Raw materials, consumables and goods' decreased compared with the previous year by EUR 9,516 (+0.98%) and may be analysed as follows:

	FY 2019	FY 2018
Purchases of items for maintenance	479,796	512,960
Purchases of other assets	505,453	462,773
<b>Total</b>	<b>985,249</b>	<b>975,733</b>

B) Services

The cost of services may be analysed as follows:

	FY 2019	FY 2018
Maintenance and renewal works		
• Annual maintenance	10,041,869	9,339,535
• Scheduled maintenance	7,899,124	4,688,247
Contract work	128,019	94,073
Operating services		
• Share of toll collection costs	4,855,780	4,737,953
• Processing of traffic and proceeds data	659,070	681,466
• Electricity	1,956,500	1,700,481
• Other	1,118,700	987,554
Administrative services:		
• Administrative professional services	690,895	789,400
• Technical professional services	999,875	536,375
• Insurance	987,000	878,832
• Telephone	39,924	88,248
• Meal vouchers	263,703	294,473
• Tender evaluation committee members	303,068	132,549
• Other	194,661	124,438
Directors' remuneration	164,385	184,718
Statutory auditor's remuneration	81,233	81,842
Supervisory Board remuneration	56,302	56,980
<b>Total</b>	<b>30,440,108</b>	<b>25,397,164</b>

The cost of services increased compared with the previous year by EUR 5,042,944, +19.86%.

'Maintenance' totalled EUR 17,940,993 (EUR 14,027,782 in the previous year), an increase of EUR 3,913,211, +27.90%.

'Operating services' totalled EUR 8,590,050 (EUR 8,107,454 in the previous year), an increase of EUR 482,596, +5.95%.



'Administrative services' totalled EUR 3,479,126 (EUR 2,844,315 in the previous year), an increase of EUR 634,811, +22.32%.

'Directors' remuneration' comprises emoluments (EUR 128,712), social charges (EUR 13,952) and expense refunds (EUR 21,721).

'Statutory auditor's remuneration' comprises emoluments (EUR 70,000), social charges (€4,836) and expense refunds (EUR 6,397).

'Supervisory Board remuneration' comprises emoluments (EUR 50,000), social charges (EUR 3,240) and expense refunds (EUR 3,062).

#### C) Leases and rentals

	FY 2019	FY 2018
Leases and rentals	382,503	294,172

'Leases and rentals' increased compared with the previous year by EUR 88,331; this item comprises car rentals (EUR 188,326) and other rentals (EUR 194,177).

#### D) Personnel

The cost of 'Personnel' is analysed as follows:

	FY 2019	FY 2018
Wages and salaries	13,001,326	13,355,690
Social charges	4,193,912	4,343,799
Provision for post-employment benefits (TFR)	915,870	977,861
Other personnel costs	430,190	567,130
<b>Total</b>	<b>18,541,298</b>	<b>19,244,480</b>

'Personnel costs' decreased compared with the previous year by a total of EUR 703,182, -3.65%.

The average headcount during the year was 219,128 (229,391 in the previous year), therefore the average cost per employee was equal to EUR 84,614 (EUR 83,894 in the previous year).

Movements in headcount during the year are analysed, by category, in the following table. A detailed analysis is provided in the report on operations.

	As of 31 Dec. 2019	As of 31 Dec. 2018	Average
Executives	4	4	4
Middle managers	130	134	133.24
Clerical staff	114	118	
• full time	16	16	
• part time	0	0	
• on term contracts			
Toll collectors	63	68	70,888 (*)
• full time	46	50	
• part time	17	18	
• on term contracts	0	0	
Workers	7	8	7
• full time	7	7	
• part time	0	1	
<b>Total</b>	<b>208</b>	<b>218</b>	<b>219,128</b>

(\*) The average headcount for toll collectors is calculated considering also staff on term contracts, which numbered 15 in the year under consideration.

#### E) Amortisation, depreciation and write-downs

Amortisation, depreciation and write-downs increased compared with the previous year by EUR 95,650 and may be analysed as follows:

	FY 2019	FY 2018
Amortisation of intangible assets	45,093,975	44,873,856
Depreciation of tangible assets	486,642	375,220
Write-downs of receivables included in current assets	3,500	239,391
<b>Total</b>	<b>45,584,117</b>	<b>45,488,467</b>

'Amortisation of intangible assets' comprises: a) amortisation of software for EUR 100,823; b) amortisation of other intangible assets for EUR 44,993,152, 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.

In 2019 a provision was posted for certain doubtful debts for an amount EUR 3,500. Details are provided in the comment on 'Trade receivables'.

#### F) Change in inventories

	FY 2019	FY 2018
Change in inventories	-40,261	-137,506

'Change in inventories' is the difference between opening inventories as of 1 January 2019, equal to EUR 1,159,214, and closing inventories as of 31 December 2019, equal to EUR 1,199,475.

G) Other accruals		
	FY 2019	FY 2018
Charges to provision for cycle maintenance	13,047,168	13,046,857
Utilisation of provision for cycle maintenance	-17,754,764	-13,868,958
<b>Total</b>	<b>-4,707,596</b>	<b>-822,101</b>

Charges to the provision for cycle maintenance are made on the basis of future plans for scheduled maintenance and renewal works.

#### H) Other operating costs

This item increased compared with the previous year by EUR 388,816, +2.09%, and may be analysed as follows:

	FY 2019	FY 2018
Taxes and duties	300,286	298,532
Supplementary concession fee pursuant to article 19, paragraph 9 bis, of Law No. 102/09 and Law No. 122/2010	14,517,539	14,395,889
Concession fee pursuant to article 10 L. 537/93 e article 1, paragraph 1020, of Law No. 296/2006	3,459,628	3,357,810
Sub-concession fee pursuant to article 13 of the Concession Agreement	86,002	87,583
Other costs	666,549	501,374
<b>Total</b>	<b>19,030,004</b>	<b>18,641,188</b>

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 kilometre 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:

	FY 2019	FY 2018
Financial income:		
• Financial income other than the above	18,149	13,836
Interest and other financial charges	16,605,280	20,800,357
<b>Total</b>	<b>-16,587,131</b>	<b>-20,786,521</b>

'Financial income' comprises EUR 14,354 in interest income on banks and postal accounts, and EUR 3,795 in other interest income.

'Interest and other financial charges' comprises: a) interest expense on the loan from shareholders payable to ANAS for EUR 118,928 (interest rate: 8.75%); b) interest expense calculated under the amortised cost method – as prescribed by article 2426, paragraph 1, item 8, amended by Legislative Decree No. 139/2016, article 6, paragraph 8, letter g, and reflected in the revised OIC 19 – on the project bond for EUR 16,484,989 (whereof EUR 14,300,900 disbursed at the interest rate of 2.115%, and EUR 2,184,089 that is the portion of the ancillary cost of issuance of the project bond attributable to the year under consideration); c) other interest expense of EUR 1,363.

#### *Adjustments to the values of financial assets*

This heading is analysed as follows:

	FY 2019	FY 2018
Revaluation		
• of equity investment	0	0
Write-down		
• of equity investment	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

#### *Income taxes*

Income taxes are analysed as follows:

	FY 2019	FY 2018
Income taxes		
• IRES, corporation tax	10,375,107	7,534,307
• IRAP, regional trade income tax	2,035,097	2,109,964
• Deferred tax expense	0	0
• Deferred tax income		
<b>Total</b>	<b>12,419,360</b>	<b>9,689,072</b>

## 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 128,712), social charges (EUR 13,952) and expense accounts (EUR 21,721).

The remuneration of members of the Board of Statutory Auditors comprises emoluments (EUR 70,000), social charges (€4,836) and expense accounts (EUR 6,397).

The remuneration of members of the Supervisory Board comprises emoluments (EUR 50,000), social charges (EUR 3,240) and expense accounts (EUR 3,062).

### *Independent auditor's fees*

Pursuant to item 16 bis of article 2427 of the Civil Code, we report that on 8 May 2015 the Company in general meeting awarded the external auditor fees for the three-year period 2018-2020 equal to EUR 143,700 (EUR 47,900 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 31 December 2019 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.

#### *Law Decree No. 34/2019 – Evidence of payment delays of enterprises*

As required by Law Decree No 34 of 30 April 2019, we state that the Company's average payment delay for the year 2019 was 1.92 days (2018: 10.57 days).

#### *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 as of 31 December 2019.

##### *Cash flows:*

The Company's receivables from the Region Veneto as of 31 December 2019 2018 comprised deposits for an amount of Euro 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 31 December 2018 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 31 December 2018 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, that the Company's shares it owns shall not be sold, transferred or encumbered.

*Public-sector grants - pursuant to article 1, paragraphs 125-126, Law No. 124/2017*

Type of grant	Grantor	Amount
Grants towards the projects titled "C-ROADS ITALY" (implementation of C-ITS management system inclusive of software platform, new optical fibre network and management of data connectivity on the ETSI 802.11 p ITSG5 protocol) and "MED TIS Fase I" (implementation of 3 new CCTVs and a new optical fibre network between Padova Est and the A57 motorway; implementation of 6 new VMSs and control equipment, 6 new CCTVs, equipment for the supervision software and optical fibre network at the new toll gate at Martellago/Scorzè)	European Union	144,288
Grant towards personnel training	Fondimpresa	23,975
Tranche referred to FY 2018 of the government grant of EUR 70,537,502 awarded pursuant to article 1, paragraph 78, of Law No. 266/2005 (which will be collected by ANAS in the manner and timeframe set out in Inter-ministerial Decree No. 2428 of 5 March 2008, registered by the Court of Auditors on 7 May 2008, and will be transferred to CAV pursuant to article 7 of the Concession Agreement).	ANAS	4,702,500

*Annexes*

Enclosed with the financial statements is the table detailing investment expenditure on assets under concession required by the Motorway Concession Inspectorate (now Directorate General for Supervision of Motorway Operators) with a letter under Protocol No. 14986 of 3 February 2009.

Also enclosed is the table required by the Region Veneto referred to in Appendix A, letter H, to DGR 2101 of 10 November 2014.

**Significant events subsequent to the balance sheet date**

Significant events subsequent to the end of FY 2019 are illustrated below.

On 31 December 2019 the Minister of Infrastructure jointly with the Minister of the Economy and Finance issued an inter-ministerial decree granting the Company a rate increase of 1.20% applicable from 1 January 2020.

## Proposed appropriation of profit for the year

Dear Sirs,

We thank our shareholders for their trust and the support given to the Company, and at the same time we express our heartfelt appreciation for management and all our employees who, working professionally and committedly, contributed to the results that we have illustrated to you.

The financial statements as presented, and illustrated to you in terms of individual items, were prepared in compliance with current regulations.

The Board of Directors therefore invites you to:

- Discuss and approve the report on operations and the financial statements as of 31 December 2019, comprising the balance sheet, income statement, cash flow statement and the notes to the financial statements; and
- Appropriate the profit for the year 2019, equal to EUR 27,003,020, to the extraordinary reserve;
- Release the restricted reserve for difference on maintenance works, equal to EUR 6,778,000, and to appropriate the entire amount to the extraordinary reserve, since the reasons for setting it up ceased to apply and the Ministry of Infrastructure and Transport, by a letter dated 30 August 2019, Prot. No. 21066, granted the request for its release submitted by the Company.

Venice, 27 February 2020

*Signed on behalf of the Board of Directors*  
*THE CHAIR*  
*Luisa Serato*



# ANNEXES

# MIT TABLE: INVESTMENT EXPENDITURE

Amounts in thousands of Euro

SUMMARY OF INVESTMENT IN ASSET UNDER CONCESSION (Table 1)

Ref. Art. 2 Concession Agreement	Ref. Appendix H	Ref. Appendix D	Engineering and contractual figures			Expenditure up to 31 Dec. 2018			Expenditure in 2019			Total expenditure as of 31 Dec. 2019			Notes	
			Total gross approved operations	Total net expenditure per contract	Total	Available funds	Financial changes	Works	Total	Available funds	Financial changes	Works	Total	Available funds		Financial changes
2.1.a	-	-			900,029									900,029		900,029 (1)
2.1.a	-	-														-283,654 (1)
2.1.a	-	-			20,829									20,829		20,829 (1)
2.1.b	-	-			74,089									74,089		74,089 (2)
2.1.c	H1	a.			392									392		392 (3)
2.1.c	H1	b.			293									293		293 (3)
2.1.c	H1	c.			170									170		177 (3)
2.1.c	H1	d.			2,807									2,807		2,461 (3)
2.1.c	H1	e.			443									443		443 (3)
2.1.c	H1	f.			39									39		39 (3)
2.1.c	H1	g.			2,864									2,864		2,972 (3)
2.1.c	H3	h.			300									300		300 (4)
2.1.c	H3	i.			5,384									5,384		5,384 (4)
2.1.c	H3	j.			7,747									7,747		7,747 (4)
2.1.c	H3	k.			800									800		800 (4)
2.1.c	H2	l.			30,858									30,858		30,796 (5)
2.1.c	H2	m.			12,401									12,401		20,347 (5)
2.1.c	H2	n.			-									-		- (4)
2.1.c	H2	o.			5,797									5,797		6,190 (5)
2.1.c	H2	p.			42,860									42,860		43,876 (5),(6)
2.1.c	H2	q.			11,722									11,722		21,466 (5)
4.2	H3	r.														31 (5),(7)
4.2	H3	s.														23 (3),(7)
4.2	H3	t.														1 (3),(7)
4.2	H3	u.														- (3),(7)
4.2	H3	z.														5,633 (4),(7)
					<b>18,945</b>									<b>104,411</b>		<b>1,026,203</b>

The above table shows a summary of investment in assets held under concession. CAU, as holder of a concession only for the operation of the motorway, has not built and will not build any works directly, but in accordance with the concession agreement, either directly or through its subsidiaries, for the construction of buildings grants to third parties. The investments made in any case are made by CAU, through its subsidiaries, in the form of grants to third parties. The investments made by CAU are made through its subsidiaries, in the form of grants to third parties. The investments made by CAU are made through its subsidiaries, in the form of grants to third parties. The investments made by CAU are made through its subsidiaries, in the form of grants to third parties.

## TABLE REQUIRED BY REGION VENETO

	ENTITY	Concessioni Autostradali Venete - CAV S.p.A.			
A - I	During 2019 did the company procure works, supplies and services from third parties?	During 2019 did the company apply the provisions of Legislative Decree No. 163/2006, amended during the year by Legislative Decree No. 50/2016, as required by the directive?		Notes	
	YES	YES		CAV S.p.A. holds a concession as a motorway operator. In accordance with its Articles of Association and contractual obligations, when procuring works, supplies and services CAV applies the provisions of Legislative Decree No. 50 of 18 April 2016 as amended by Legislative Decree No. 56 of 19 April 2017	
C - I	During 2019 did the company hire any employees on permanent contracts?	Did the company obtain approval from the Regional government as required by article 8 of Regional Law No. 39/2013?		Indicate any approvals issued by the regional government, hiring dates and number of hires.	
	NO			CAV S.p.A. is not subject to guidelines "C" established by DGR 2951/2010, DGR 25/2013 and currently DGR 2101/2014	
C - I	No. of employees on permanent contracts as of 1 January 2018	No. of employees on permanent contracts as of 1 January 2019	No. of employees on permanent contracts as of 31 December 2019	Note	
	228	217	208	CAV S.p.A. is not subject to guidelines "C" established by DGR 2951/2010, DGR 25/2013 and currently DGR 2101/2014	
C - I	Cost of employees on permanent contracts in 2018	Cost of employees on permanent contracts terminated in 2018	Cost of employees on permanent contracts in 2019	Cost of employees on permanent contracts hired in 2019	Note
	18,846,536.23	782,808.36	18,180,857.05	0.00	CAV S.p.A. is not subject to guidelines "C" established by DGR 2951/2010, DGR 25/2013 and currently DGR 2101/2014
C - I	During 2019 did the company hire any staff on term contracts, freelancers on contracts known as co.co.co. or on temporary projects?	Did the company obtain approval from the Regional government as required by article 8 of Regional Law No. 39/2013?		Indicate any approvals issued by the regional government, hiring dates and number of hires.	

	YES	NO	CAV S.p.A. is not subject to guidelines "C" established by DGR 2951/2010, DGR 25/2013 and currently DGR 2101/2014		
C - I	Cost of staff on term contracts, freelancers on contracts known as co.co.co. or on temporary projects in 2009	Cost of staff on term contracts, freelancers on contracts known as co.co.co. or on temporary projects in 2019	Note		
	329,078.00	434,404.71			CAV S.p.A. is not subject to guidelines "C" established by DGR 2951/2010, DGR 25/2013 and currently DGR 2101/2014
C - II	Has the company adopted a regulation for hiring personnel and assigning management positions that reflects the principles established in paragraph 3 of article 35 del Legislative Decree No. 165/2001?	Date of approval of regulation: 21 May 2019	Has the company adopted a regulation for assigning sundry executive positions that is compliant with the directive?	Date of approval of regulation	Notes
	YES		NO		
C-III	Has the company excess staff?	Number and category of excess staff	Notes		
	NO				
E - I	In 2013 did the company comply with the thresholds established by DGR 258/2013 for the costs of consulting engagements (50% of similar costs incurred in the year 2009)?	In 2013 did the company comply with the thresholds established by DGR 258/2013 for the costs for PR, conventions, exhibitions, advertising and entertaining expenses (20% of similar costs incurred in the year 2009) ?	Notes		

					For the year 2019 CAV S.p.A. is not subject to application of the provisions of Law Decree No. 78/2010, article 6, paragraphs 7, 8, 9, 11 and 20.
E - I	Cost of consulting engagements in the year 2009	Cost of consulting a engagements in the year 2019	Cost for PR, conventions, exhibitions advertising and entertaining expenses in the year 2009	Cost for PR, conventions, exhibitions advertising and entertaining expenses in the year 2019	Notes
	166,677.00	493,610.85	118,013.00	64,361.10	For the year 2019 CAV S.p.A. is not subject to application of the provisions of Law Decree No. 78/2010, article 6, paragraphs 7, 8, 9, 11 and 20.
E - I	Any reasons why the threshold for the cost of consulting engagements (50% of similar costs incurred in 2009) was exceeded in the year 2019	Any reasons why the threshold for the cost for PR, conventions, exhibitions advertising and entertaining expenses (20% of similar costs incurred in 2009) was exceeded in the year 2019	Estimated cost of consulting engagements in the year 2020 (proposed cost refund)	Estimated cost for PR, conventions, exhibitions advertising and entertaining expenses in the year 2020 (proposed cost refund)	Notes
					For the year 2019 CAV S.p.A. is not subject to application of the provisions of Law Decree No. 78/2010, article 6, paragraphs 7, 8, 9, 11 and 20.
E - I	Did the company incur sponsorship costs in 2019?	Amount of any sponsorship costs incurred in 2019	Notes		
	NO	0.00	For the year 2019 CAV S.p.A. is not subject to application of the provisions of Law Decree No. 78/2010, article 6, paragraphs 7, 8, 9, 11 and 20.		
E - III	Did the company distribute dividends to shareholders in compliance with the directive?	Notes			
	NO	Article 24 of the Articles of Association provides that "The net profits resulting from the approved financial statements shall be used, subject to maintaining the legal reserve, in compliance with the CIPE resolution of 26 January 2007"			

**Commentato [BF1]:** Non dovrebbe essere riferito all'esercizio successivo?

F - II	Are the caps to remuneration of corporate boards established by article 7 of Regional Law No. 39/2013 complied with?			Notes
				Concessioni Autostradali Venete CAV S.p.A. is not controlled by the Region Veneto and therefore it is not subject to the directive
F-III	Is the company the beneficiary of a direct loan from the Region Veneto for an amount greater than 80% of value of production?	Did the company close the preceding three financial years with a loss?		Should the company meet the two preceding conditions, indicate whether it has already reduced the remuneration of the Board of Directors by 30%
	NO	NO		
F - IV	Are expense refunds to members of corporate boards paid in compliance with the directive and the thresholds set in article 7 of Regional Law No. 39/2013?			Notes
				CAV S.p.A. is not controlled by the Region Veneto and therefore it is not subject to the directive
G - I	Has the company given directives to its subsidiaries?	Has the company implemented a system of controls over compliance with the directives by its subsidiaries?	Any instances of non-compliance with the directives by subsidiaries	Note
				CAV S.p.A. does not control any other entity
L	Indicate the entities in which the company exercised powers of appointment in 2019	Was directive L - III on double engagements complied with for appointments made in 2019?	Was directive L - IV on requirements complied with for appointments made in 2019?	Notes
	None			

M - I	Are there any employees whose remuneration exceeds that of the first president of the Court of Cassation?	List any appointment and the excess amount	Are there any employees whose remuneration in 2019 exceeded that earned in 2013 ?	List any appointment and the excess amount	Notes
	NO		YES		Concessioni Autostradali Venete CAV S.p.A. is not controlled by the Region Veneto and therefore it is not subject to article 7 of Regional Law No. 39/2013.
M - III	Did the company comply with the spending thresholds for car purchases, maintenance, rental and operation, as well as taxi vouchers?		Report any departures in connection with long-term contracts in place		Notes
					CAV S.p.A. does not fall into the scope of application of item M III) of Appendix A to DGR 2101/2014. Car maintenance and rental costs are referred to vehicles used in motorway operations.
M - III	Costs of car purchases, maintenance, rental and operation, and taxi vouchers, incurred in 2019		Costs of car purchases, maintenance, rental and operation, and taxi vouchers, incurred in 2011		Notes
	1,887,824.38		357,998.00		CAV S.p.A. does not fall into the scope of application of item M III) of Appendix A to DGR 2101/2014. Car maintenance and rental costs are referred to vehicles used in motorway operations.
M-IV	Has information on service cars used in 2019 been submitted to the regional government?		Has information on service cars used and missions performed using private cars been published on the company's website?		Notes

	YES	YES	CAV S.p.A. shall submit and publish the list referred to in DGR 2101/2014, Appendix A) letter M-IV) by the prescribed deadline.
M-V	Has the company monitored application of paragraphs 471 to 475 of article 1 of Law No. 147/2013 ?	Have there been any instances where the caps referred to in paragraphs 471 ff of article 1 of Law No. 147/2013 have been exceeded?	Notes
	YES	NO	
N	Is the information required by Legislative Decree No. 33/2013 present on the company's website?	Have the organisation models pursuant to article 6 of Legislative Decree No. 231/2001 been updated following the developments introduced by Laws No. 3/2019 and 157/2019, which converted, with amendments, Law Decree No. 124 of 26 October 2019?	Notes
	YES	Regulatory developments in 2019 will be reflected in the new version of the Organisation Model, currently being updated, which will be finalised in March 2020.	
	Name of the officer in charge of the prevention of corruption and transparency and date of appointment	Names of the members of the Supervisory Board (OdV) and dates of appointment	
	Chief Financial Officer of CAV S.p.A., Mr. Giovanni Bordignon (appointed by the CEO, prot. CAV 1628 of 29 January 2015)	President: Mr. Antonio Matera; members; Mr. Michele Pelloso and Mr. Giorgio Zavadini (appointed by the Board of Directors on 29 January 2018)	
	Name of the company's legal representative or delegated person	Signature	Place, date
	MANAGING DIRECTOR Ing. Ugo Dibennardo		Venezia, 27 February 2019



**REPORT OF THE  
BOARD OF  
STATUTORY AUDITORS**

## **REPORT OF THE BOARD OF STATUTORY AUDITORS ON THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31 DECEMBER 2019, PREPARED PURSUANT TO ARTICLE 2429, PARAGRAPH 2, OF THE CIVIL CODE**

To the shareholders of CAV SpA in general meeting

In the course of the year ended 31 December 2019 the Board of Statutory Auditors discharged the functions referred to in article 403 ff of the Civil Code, whereas the functions referred to in article 2409 bis ff of the Civil Code (as superseded by article 37 of Legislative Decree No. 39 of 27 January 2010) were discharged by the audit firm PricewaterhouseCoopers SpA.

### **Supervision activity pursuant to article 2403 ff of the Civil Code**

Based on the information obtained by us on the Company, we report the following:

- The Company's core business did not change during the year under consideration and is consistent with the business purpose;
- In the course of 2019 there were no significant changes in the Company's organisation structure;
- The human resources making up the Company's workforce are substantially unchanged.

This report summarises the activities relating to disclosures required by article 2429, paragraph 2, of the Civil Code, specifically:

- The result of operations
- Activities carried out in fulfilment of the duties provided for by the regulation;
- Comment and proposals on the financial statements, with particular reference to the possible use by the Board of Directors of the departure allowed by article 2423, paragraph 4, of the Civil Code;
- Any complaints from shareholders under article 2408 of the Civil Code.

During the year, starting from our inauguration meeting, we held regular meetings in accordance with article 2404 of the Civil Code, minutes of which were drawn up and signed for approval by all members of the Board.

### **Work performed**

During our periodical visits, we were informed of developments in the Company's business, and we paid special attention to any contingent and/or extraordinary issues, in order to identify their financial impact on the result of operations and on the Company's equity structure, as well as to any risks.

Therefore, periodically we assessed the adequacy of the Company's organisation structure, and any changes, compared with the minimum requirements arising from operating activities.

Relations with the Company's management, employees and external consultants were characterised by mutual cooperation, while respecting the roles and responsibilities of each.

As far as we could ascertain in the course of our activities during the year, we believe that:

- the decisions taken by the shareholders and by the Board of Directors were in compliance with the law and the Company's Articles of Association and were not evidently imprudent or such as to threaten the existence of corporate assets;
- sufficient information was obtained regarding the general performance of operations and the future outlook, as well as the most significant transactions, by size or nature, carried out by the Company;
- transactions carried out were also in compliance with the law and the Company's Articles of Association and were not potentially in contrast with the resolutions taken by the shareholders in general meeting, or such as to threaten the existence of corporate assets;
- in detail, with regard to the sourcing of funds through a project bond, we note that during the year 2019 the Company duly complied with the obligations arising from the financing agreements, inter alia, through the payment (in both principal and interest) of the two half-yearly instalments due; with reference to the subordinated loan from ANAS (related to the project bond), we note that CAV repaid the subordinated loan in full to ANAS SpA on 11 April 2019, one year earlier than the date scheduled in the Financial Model of April 2016.
- we have no specific comments on the adequacy of the administrative-accounting system, or on its ability to present fairly the Company's transactions, also considering the findings from the assessments performed by the Supervisory Board (OdV), reported by the latter in its annual report;
- it was not necessary for us to intervene as a result of omission of the Board of Directors pursuant to article 2406 of the Civil Code;
- no complaints were received pursuant to article 2408 of the Civil Code;
- no complaints were made pursuant to article 2409, paragraph 7, of the Civil Code;
- during the year we did not issue any opinions as envisaged by law.

### Annual financial statements

We confirm that the statutory audit of the accounts was performed by PricewaterhouseCoopers SpA and that the latter, in their Independent auditor's report on the financial statements as of 31 December 2019, issued on 28 February 2020 pursuant to article 14 of Legislative Decree No. 39/2010, did not include any qualifications or emphasis of matters paragraphs, but stated that "the financial statements as of 31 December 2019 give a true and fair view of the financial position of the Company as of as of 31 December 2019, and of the result of its operations and cash flows for the year then ended in compliance with the Italian laws governing the criteria for their preparation".

The Board of Statutory Auditors, who is responsible for overseeing, in the terms prescribed by law, the Company's financial reporting process, accordingly oversaw the general set up of the financial statements, its general compliance with law requirements in terms of formation and structure, and has nothing to report in this connection.

Therefore, given that:

- the draft financial statements as of 31 December 2019, comprising the balance sheet, income statement, cash flow statement and notes thereto, were approved by the Board of Directors at its meeting on 27 February 2020;

- the Board of Directors also prepared the report on operations required by article 2428 of the Civil Code;
- the above documents were delivered to the Board of Statutory Auditors in time for being filed at the company's registered office, accompanied by this report, regardless of the term set in article 2429, paragraph 1, of the Civil Code;

the Board of Statutory Auditors examined the draft financial statements in question, for which the following additional information was provided:

- The accounting policies applied to the measurement of assets and liabilities, in a going concern perspective, were adjusted to reflect the provision of Legislative Decree No. 139/2015;
- We paid attention to the structure of the draft financial statements, its general compliance with the law in terms of preparation and structure, and we have nothing to report in this respect;
- We verified compliance with law requirements concerning the preparation of the report on operations, and we have nothing to report in this respect;
- In the preparation of the financial statements the Board of Directors did not apply any departures as allowed by article 2423, paragraph 4, of the Civil Code;
- We checked that the financial statements correspond to the events and information that we became aware of as a result of discharging our obligations as Board of Statutory Auditors, and we have nothing to report in this respect;
- The financial statements do not include any costs referred to in article 2426, paragraph 1, item 5), of the Civil Code, or goodwill referred to in article 2426, paragraph 1, item 6), of the Civil Code;
- From the minutes of meetings of the Supervisory Board we obtained information about the activities performed by them during 2019 and the result of follow-ups.

Finally, with regard to the appropriation of the net result of operations proposed by the Board of Directors, as set out in the notes to the draft financial statements, we have no comments to report, in any case the relevant decision is to be taken by the shareholders in general meeting.

## Conclusion

Based on the above, and the information brought to the of the Board of Statutory Auditors and the findings from the periodical controls carried out, also considering the findings from the work carried out by the independent auditor engaged to perform the statutory audit, we report unanimously that that there is no reason preventing you from approving the draft financial statements as of 31 December 2019, as prepared by the Board of Directors.

7 March 2020

The Board of Statutory Auditors

Giovanni Diana – President

Incoronata Palmieri – Acting auditor

Claudio Girardi – Acting auditor

# **INDEPENDENT AUDITOR'S REPORT**



## **Independent auditor's report**

*in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010*

To the shareholders of Concessioni Autostradali Venete – CAV SpA

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### **Report on the Audit of the Financial Statements**

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#### **Opinion**

We have audited the financial statements of Concessioni Autostradali Venete – CAV SpA (the Company), which comprise the balance sheet as of 31 December 2019, the income statement and statement of cash flows for the year then ended and related notes.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2019, and of the result of its operations and cash flows for the year then ended in compliance with the Italian laws governing the criteria for their preparation.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of this report. We are independent of the Company pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Responsibilities of the Directors and the Board of Statutory Auditors for the Financial Statements**

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the Italian laws governing the criteria for their preparation and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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#### **PricewaterhouseCoopers SpA**

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The directors are responsible for assessing the Company's ability to continue as a going concern and, in preparing the financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Company's financial reporting process.

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised our professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;



- We evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

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### ***Report on Compliance with other Laws and Regulations***

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#### ***Opinion in accordance with Article 14, paragraph 2, letter e), of Legislative Decree No. 39/2010***

The directors of Concessioni Autostradali Venete – CAV SpA are responsible for preparing a report on operations of Concessioni Autostradali Venete – CAV SpA as of 31 December 2019, including its consistency with the relevant financial statements and its compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to express an opinion on the consistency of the report on operations with the financial statements of Concessioni Autostradali Venete – CAV SpA as of 31 December 2019 and on its compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the report on operations is consistent with the financial statements of Concessioni Autostradali Venete – CAV SpA as of 31 December 2019 and is prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree No. 39/2010, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Udine, 28 February 2020

PricewaterhouseCoopers SpA

*Signed by*

Maria Cristina Landro  
(Partner)

*This report has been translated into English from the Italian original solely for the convenience of international readers*



# STATISTICS

## PAYING VEHICLES PER KM, YEARS 2017 - 2018 - 2019

(article 19, para. 9/bis, of Law Decree No. 78/2009, converted into Law No. 102/2009, and article 15, para. 4, of Law Decree No. 78/2010, converted into Law No. 122/2010)

### YEAR 2017

Month	Vehicle class					Total
	A	B	3	4	5	
January	94,361,471	11,417,474	1,845,794	1,529,872	16,405,108	125,559,719
February	89,670,624	12,137,243	1,972,141	1,696,603	17,878,135	123,354,746
March	103,909,659	14,913,022	2,419,309	1,997,641	20,873,824	144,113,455
April	112,113,184	14,733,531	2,328,938	1,694,104	17,160,421	148,030,179
May	112,215,692	16,556,263	2,684,889	1,992,782	21,002,477	154,452,102
June	119,734,967	16,438,444	2,863,207	1,923,372	20,005,964	160,965,955
July	140,247,496	17,148,799	3,232,720	1,945,470	20,196,147	182,770,632
August	136,402,014	14,927,360	2,746,311	1,484,327	15,543,697	171,103,710
September	119,316,204	16,140,252	2,786,439	1,884,677	19,708,298	159,835,870
October	113,348,298	15,764,489	2,525,886	1,937,063	20,778,771	154,354,506
November	99,269,445	13,985,362	2,259,900	1,932,145	20,515,431	137,962,284
December	104,101,545	13,018,571	2,083,597	1,687,417	16,934,801	137,825,931
<b>Total</b>	<b>1,344,690,601</b>	<b>177,180,811</b>	<b>29,749,131</b>	<b>21,705,473</b>	<b>227,003,073</b>	<b>1,800,329,089</b>

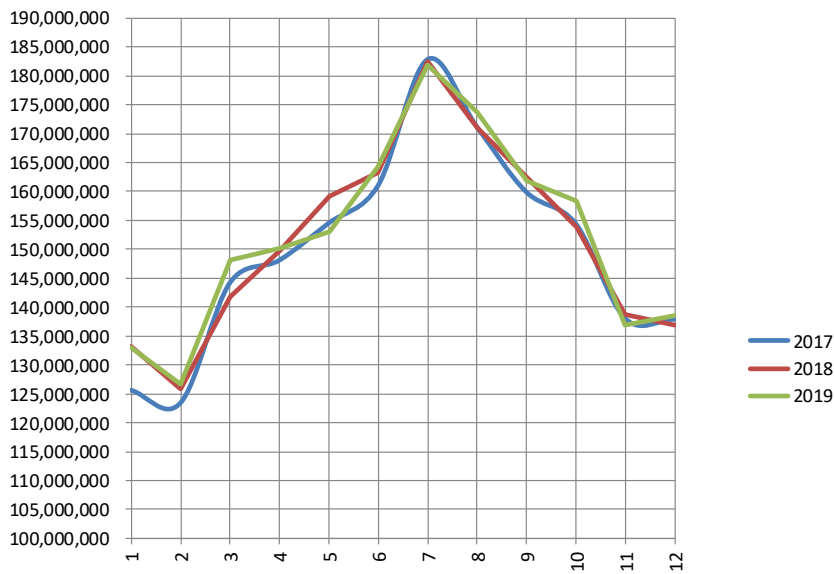
### Year 2018

Month	Vehicle class					Total
	A	B	3	4	5	
January	98,138,166	12,348,914	1,982,833	1,717,994	18,930,864	133,118,771
February	90,576,738	12,494,655	2,050,355	1,798,501	18,940,541	125,860,791
March	101,487,476	14,862,714	2,424,691	2,013,436	21,082,382	141,870,699
April	111,668,806	15,013,414	2,376,549	1,780,262	18,883,114	149,722,145
May	115,436,167	16,908,005	2,822,543	2,071,894	21,834,974	159,073,583
June	121,231,128	16,762,428	2,825,113	1,959,350	20,530,810	163,308,829
July	138,205,363	17,663,839	3,206,565	2,046,556	21,333,244	182,455,567
August	135,747,504	15,084,334	2,714,731	1,506,917	16,014,160	171,067,647
September	121,676,530	16,104,769	2,735,595	1,908,825	20,015,037	162,440,756
October	110,505,299	16,029,338	2,676,705	2,154,721	22,508,497	153,874,559
November	99,563,887	14,158,978	2,268,606	1,998,916	20,716,235	138,706,621
December	103,576,541	12,809,464	2,014,229	1,699,312	16,875,078	136,974,625
<b>Total</b>	<b>1,347,813,605</b>	<b>180,240,851</b>	<b>30,098,517</b>	<b>22,656,686</b>	<b>237,664,936</b>	<b>1,818,474,594</b>

Year 2019

Month	Vehicle class					Total
	A	B	3	4	5	
January	96,923,799	12,626,156	2,030,330	1,858,127	19,498,509	132,936,922
February	90,268,062	12,718,041	2,043,424	1,864,778	19,829,182	126,723,486
March	107,235,798	15,113,096	2,408,587	2,005,700	21,312,856	148,076,037
April	110,266,554	15,521,589	2,518,625	1,912,027	19,958,392	150,177,188
May	109,390,929	16,557,490	2,740,965	2,099,917	22,345,783	153,135,085
June	122,016,074	16,792,743	2,876,449	1,956,256	20,621,874	164,263,397
July	135,526,667	17,962,976	3,258,148	2,079,653	23,003,733	181,831,179
August	139,028,690	15,215,959	2,669,456	1,422,507	15,384,195	173,720,807
September	119,688,330	16,529,146	2,769,527	1,929,317	20,907,103	161,823,422
October	113,835,425	16,696,241	2,681,491	2,083,972	23,059,045	158,356,173
November	98,531,083	13,857,588	2,230,949	1,889,494	20,429,000	136,938,114
December	104,710,104	13,047,544	2,054,411	1,618,531	17,157,617	138,588,207
<b>Total</b>	<b>1,347,421,515</b>	<b>182,638,569</b>	<b>30,282,363</b>	<b>22,720,279</b>	<b>243,507,288</b>	<b>1,826,570,014</b>

PAYING VEHICLES PER KM, FLUCTUATIONS IN MONTHLY TOTALS



**PAYING VEHICLES PER KM BROKEN DOWN BY MOTORWAY STRETCH IN THE CLOSED SYSTEM AND BY TOLL GATE IN THE OPEN SYSTEM**

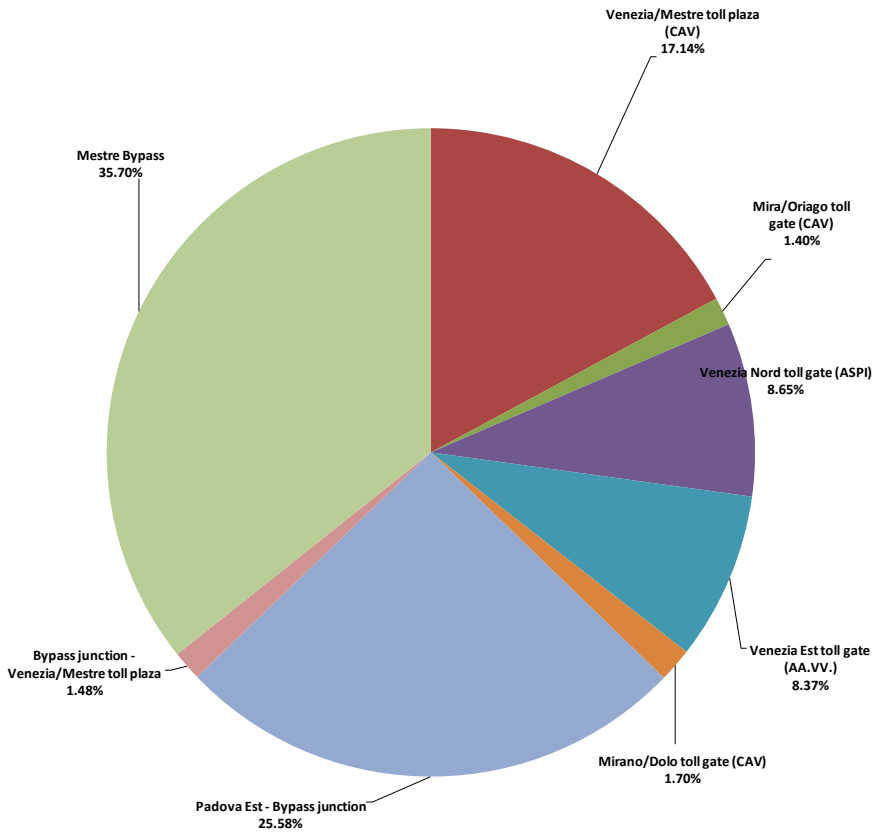
**YEAR 2019**

<b>Closed system</b>	<b>Vehicles per km</b>
A) Padova Est - A4/A57 junction (entry to the Mestre Bypass)	467,153,766
B) A4/A57 junction (entry to the Mestre Bypass) - Venezia/Mestre toll gate	27,100,681
A + B	494,254,447
C) Mestre Bypass	652,048,144
<b>Total (A + B + C)</b>	<b>1,146,302,591</b>

<b>Open system</b>	<b>Transits at toll gates</b>	<b>Vehicles per km x 6.200 km</b>	<b>Vehicles per km x 15.836 km</b>	<b>Total vehicles per km</b>
A) Venezia/Mestre toll plaza (A57 - CAV)	14,203,436	88,061,303	224,925,612	312,986,915
B) Mira/Oriago toll gate (A57 - CAV)	1,159,966	7,191,789	18,369,222	25,561,011
C) Mirano/Dolo toll gate (A57 - CAV)	1,406,428	8,719,854	22,272,194	30,992,048
D) Venezia Nord toll gate (A27 - Autostrade per l'Italia, ASPI)	7,166,613	44,433,001	113,490,483	157,923,484
E) Venezia Est toll gate (A4 - Autovie Venete, AA.VV.)	6,934,288	42,992,586	109,811,385	152,803,971
<b>Total (A + B + C + D + E)</b>	<b>30,870,731</b>	<b>191,398,533</b>	<b>488,868,896</b>	<b>680,267,429</b>

	<b>Year 2017</b>	<b>Year 2018</b>	<b>Year 2019</b>	<b>% change 2018-2019</b>
<b>Total V/km (open system + closed system):</b>	<b>1,800,329,089</b>	<b>1,818,474,594</b>	<b>1,826,570,014</b>	<b>0.45</b>

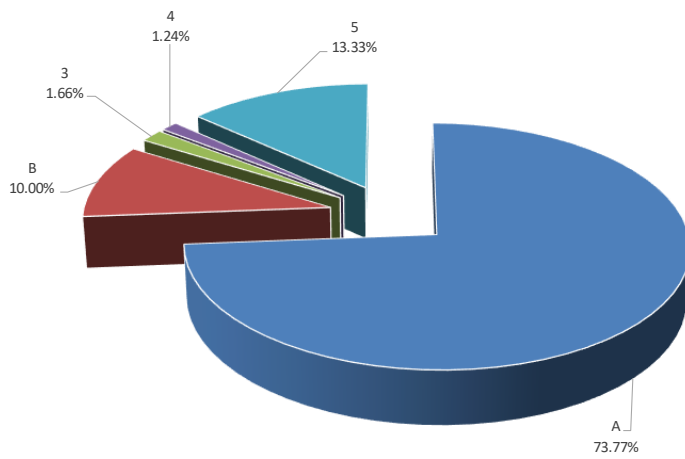
VEHICLES PER KM BY MOTORWAY STRETCH



**TRAFFIC BREAKDOWN BY VEHICLE CLASS**  
(Total paying vehicles per km)  
Closed system + open system  
YEAR 2019

	Class	Vehicles pr km	%
Light vehicles	A	1,347,421,515	73.77
	B	182,638,569	10.00
HGVs	3	30,282,363	1.66
	4	22,720,279	1.24
	5	243,507,288	13.33
<b>Total</b>		<b>1,826,570,014</b>	<b>100</b>

**VEHICLE CLASSES AS PERCENTAGE OF TOTAL**



**ACTUAL VEHICLE COUNT - VEHICLES PER KM - VIRTUAL VEHICLE COUNT  
PAYING TRAFFIC  
YEARS 2018 AND 2019**

<b>SISTEMA CHIUSO</b>	<b>Year 2018</b>	<b>Year 2019</b>	<b>% change</b>
Annual actual vehicle count	43,807,873	43,993,663	0.42
Daily average actual vehicle count	120,022	120,531	0.42
Annual vehicles per kilometre	1,141,461,615	1,146,302,591	0.42
Daily average vehicles per kilometre	3,127,292	3,140,555	0.42
Annual virtual vehicle count	24,746,599	24,851,550	0.42
Daily average virtual vehicle count	67,799	68,086	0.42

<b>OPEN SYSTEM Venezia/Mestre, Mira/Oriago, Mirano/Dolo, Venezia Nord and Venezia Est toll gates</b>	<b>Year 2018</b>	<b>Year 2019</b>	<b>% change</b>
Annual vehicle count	30,723,043	30,870,731	0.48
Daily average vehicle count	84,173	84,577	0.48
Annual vehicles per kilometre:			
for 6.200km	190,482,867	191,398,533	0.48
for 15.836km in 2017 and for 15.836km in 2018	486,530,111	488,868,896	0.48
<b>Total vehicles/km</b>	<b>677,012,978</b>	<b>680,267,429</b>	<b>0.48</b>
Daily average vehicles per kilometre	1,854,830	1,863,746	0.48

<b>CLOSED SYSTEM + OPEN SYSTEM</b>	<b>Year 2018</b>	<b>Year 2019</b>	<b>% change</b>
Annual vehicles per kilometre	1,818,474,594	1,826,570,014	0.45

TRAFFIC THROUGH TOLL GATES OPERATED BY CAV BROKEN DOWN BY ORIGIN AND DESTINATION  
YEAR 2019

ENTRY	EXIT							TOTAL
	PREGANZOL	MARTELLAGO SCORZE'	SPINEA	VENEZIA MESTRE	MIRANO DOLO	MIRA ORIAGO	PADOVA EST	
PREGANZOL	-	66,896	57,140	1,391	3,545	298	139,044	268,314
MARTELLAGO-SCOR.	68,890	-	46,763	10,455	5,743	3,410	143,462	278,723
SPINEA	60,896	39,226	-	20,759	4,366	1,384	322,144	448,775
VENEZIA MESTRE	809	10,163	9,212	-	3,225,449	2,749,035	2,085,187	8,079,855
MIRANO DOLO	7,976	12,836	3,839	3,073,228	-	176,251	188,942	3,463,072
MIRA ORIAGO	258	3,533	930	2,527,786	149,760	-	141,910	2,824,177
PADOVA EST	169,957	168,064	332,810	2,133,160	203,531	174,717	-	3,182,239
ASPI (A23/A27)	459,927	212,210	160,221	2,424	9,944	1,374	604,091	1,450,191
AUTOVIE VENETE	262,613	387,911	142,802	4,369	11,413	1,665	585,264	1,396,037
BRENNERO	23,169	25,204	20,610	343,298	21,605	32,788	174,556	641,230
MILANO SERRAVALLE	5,426	3,691	3,182	46,067	3,092	2,352	23,632	87,442
BRESCIA PADOVA	212,272	231,115	237,999	2,460,960	235,458	236,615	2,026,540	5,640,959
CENTRO PADANE	5,187	5,462	3,864	48,976	3,474	5,056	32,938	104,957
ASPI (MI-BS)	45,159	39,449	28,969	452,228	28,414	31,349	206,536	832,104
BREBEM	8,617	9,614	5,562	68,894	5,517	6,336	46,079	150,619
T.E. SPA	246	241	161	2,367	210	174	2,516	5,915
ASPI (OTHER MOTORWAYS)	149,455	199,802	190,176	1,456,833	163,727	137,915	633,926	2,931,634
OTHER MOTORWAYS	8,324	8,712	6,254	104,940	6,660	6,680	41,134	162,704
TOTAL	1,489,181	1,423,929	1,250,494	12,758,135	4,081,908	3,567,399	7,397,901	31,968,947

EXIT	ENTRY							TOTAL
	PREGANZOL	MARTELLAGO SCORZE'	SPINEA	VENEZIA MESTRE	MIRANO DOLO	MIRA ORIAGO	PADOVA EST	
PREGANZOL	-	68,890	60,896	809	7,976	258	169,957	308,786
MARTELLAGO-SCOR.	66,896	-	39,226	10,163	12,836	3,533	168,064	300,718
SPINEA	57,140	46,763	-	9,212	3,839	930	332,810	450,694
VENEZIA MESTRE	1,391	10,455	20,759	-	3,073,228	2,527,786	2,133,160	7,766,779
MIRANO DOLO	3,545	5,743	4,366	3,225,449	-	149,760	203,531	3,592,394
MIRA ORIAGO	298	3,410	1,384	2,749,035	176,251	-	174,717	3,105,095
PADOVA EST	139,044	143,462	322,144	2,085,187	188,942	141,910	-	3,020,689
ASPI (A23/A27)	338,101	200,840	136,501	2,367	14,743	628	631,799	1,324,979
AUTOVIE VENETE	253,907	361,705	134,987	2,174	21,439	655	679,956	1,454,823
BRENNERO	19,934	24,114	20,835	349,885	22,446	26,870	163,092	627,176
MILANO SERRAVALLE	4,333	4,051	3,263	47,973	3,010	2,006	20,730	85,366
BRESCIA PADOVA	177,863	207,692	240,997	2,477,799	241,156	189,146	1,829,114	5,363,767
CENTRO PADANE	4,088	4,819	3,460	61,452	3,581	5,728	28,294	111,422
ASPI (MI-BS)	34,638	41,566	25,980	448,947	24,925	31,438	170,711	778,205
BREBEM	6,863	10,112	5,174	64,244	4,697	5,326	35,118	131,534
T.E. SPA	252	384	210	2,999	177	166	2,299	6,487
ASPI (OTHER MOTORWAYS)	127,571	199,808	197,712	1,617,149	167,264	119,225	714,350	3,143,079
OTHER MOTORWAYS	6,389	8,851	5,428	110,569	5,620	6,543	33,842	177,242
TOTAL	1,242,253	1,342,665	1,223,322	13,265,413	3,972,130	3,211,908	7,491,544	31,749,235



**INTERNAL TRAFFIC BETWEEN VENEZIA/MESTRE, MIRA/ORIAGO AND MIRANO/DOLO TOLL GATES**  
**(non-paying)**  
**YEAR 2019**

Stretch travelled		Transits	% change 2018 vs. 2019	Vehicles per km in the closed system		Vehicles per km in the open system	
Entry	Exit			Km. 9.800	Km. 2.000	Km. 6.200	Km. 15.836
Venezia/Mestre Mira/Oriago	Mira/Oriago	2,749,035	1.24				
	Venezia/Mestre	2,527,786	1.61				
	<b>Subtotal</b>	<b>5,276,821</b>	<b>1.42</b>		10,553,642	32,716,290	83,563,737
Venezia/Mestre Mirano/Dolo	Mirano/Dolo	3,225,449	0.41				
	Venezia/Mestre	3,073,228	0.91				
	<b>Subtotal</b>	<b>6,298,677</b>	<b>0.65</b>	61,727,035		39,051,797	99,745,849
Mirano/Dolo Mira/Oriago	Mira/Oriago	176,251	1.52				
	Mirano/Dolo	149,760	0.81				
	<b>Subtotal</b>	<b>326,011</b>	<b>1.19</b>	3,194,908		2,021,268	5,162,710
<b>General total</b>		<b>11,901,509</b>	<b>1.00</b>	<b>64,921,943</b>	<b>10,553,642</b>	<b>73,789,355</b>	<b>188,472,296</b>

<b>75,475,585</b>	<b>262,261,651</b>
Total vehicles/km in the closed system	Total vehicles/km in the open system
<b>Total vehicles/km</b>	<b>337,737,236</b>

**Total outgoing traffic with origin/destination between Venezia/Mestre, Mira/Oriago and Mirano/Dolo toll gates**

Toll gate	2017	2018	2019	% change 2018 vs. 2019
Venezia/Mestre	5,376,612	5,533,427	5,601,014	1.22
Mira/Oriago	2,784,009	2,888,941	2,925,286	1.26
Mirano/Dolo	3,276,905	3,360,830	3,375,209	0.43
<b>Total</b>	<b>11,437,526</b>	<b>11,783,198</b>	<b>11,901,509</b>	<b>1.00</b>

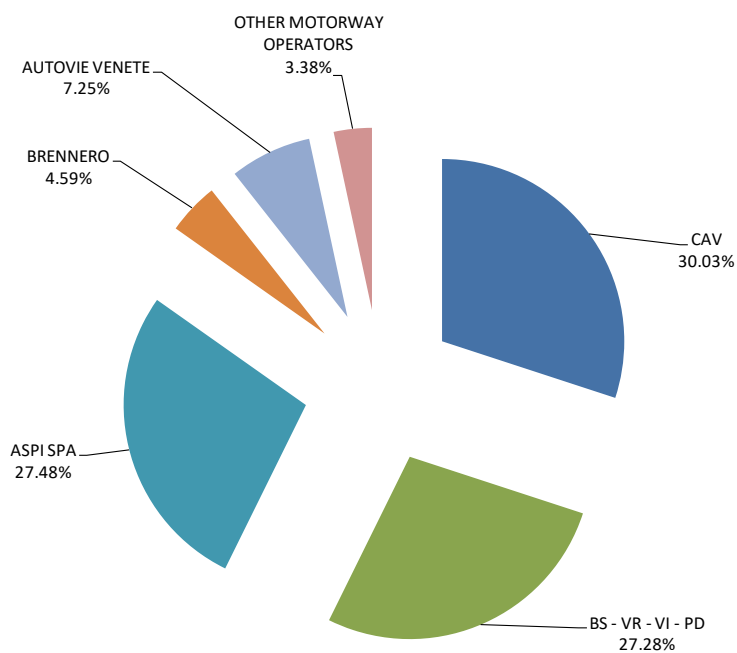
**TOLL REVENUE  
TRANSACTIONS BETWEEN INTERCONNECTED MOTORWAY OPERATORS  
YEAR 2019**

(Gross amounts expressed in thousands of euro)

<b>Motorway operator</b>	<b>Concurrent toll payments collected by CAV attributable to CAV</b>	<b>Concurrent toll payments collected by CAV attributable to interconnected operators</b>	<b>Concurrent toll payments collected by interconnected operators attributable to CAV</b>	<b>Deferred toll payments attributable to CAV billed by ASPI SpA</b>
CAV	12,045			
ASPI SPA (deferred payments)				141,813
ASPI SPA (concurrent payments)		11,021	16,924	
BS - VR - VI - PD		10,941	5,739	
BRENNERO		1,842	1,270	
AUTOVIE VENETE		2,907	14,190	
AUTOVIA PADANA		330	270	
AUT. FIORI		289	368	
SATAP A/21		430	267	
MILANO - SERRAVALLE		119	260	
OTHER MOTORWAY OPERATORS		186	430	
<b>TOTAL</b>	<b>12,045</b>	<b>28,065</b>	<b>39,718</b>	<b>141,813</b>

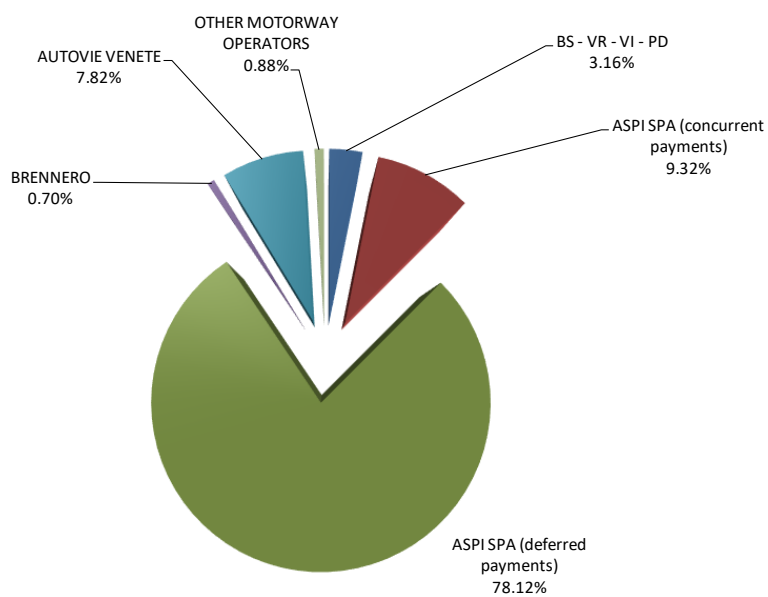
**CONCURRENT TOLL PAYMENTS COLLECTED AT AT TOLL GATES OPERATED BY CAV  
BROKEN DOWN BY OPERATOR TO WHICH THEY ARE ATTRIBUTABLE  
YEAR 2019**

OPERATOR	EUR'000	as % of total
CAV	12,045	30.03
BS - VR - VI - PD	10,941	27.28
ASPI SPA	11,021	27.48
BRENNERO	1,842	4.59
AUTOVIE VENETE	2,907	7.25
OTHER MOTORWAY OPERATORS	1,354	3.38
<b>TOTAL</b>	<b>40,110</b>	<b>100</b>



**TOLL PAYMENTS ATTRIBUTED TO CAV BY INTERCONNECTED OPERATORS  
YEAR 2019**

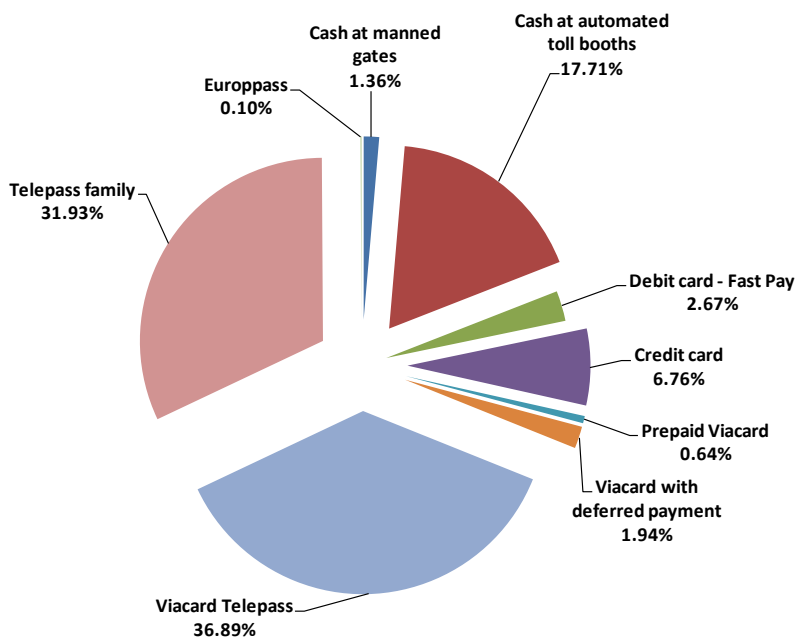
OPERATOR	EUR'000	as % of total
BS - VR - VI - PD	5,739	3.16
ASPI SPA (concurrent payments)	16,924	9.32
ASPI SPA (deferred payments)	141,813	78.12
BRENNERO	1,270	0.70
AUTOVIE VENETE	14,190	7.82
OTHER MOTORWAY OPERATORS	1,595	0.88
<b>TOTAL</b>	<b>181,531</b>	<b>100</b>



**METHOD OF PAYMENT ON EXIT AT TOLL GATES OPERATED BY CAV**  
**(as percentage of total)**  
**YEARS 2016, 2017, 2018 AND 2019**

Method of payment	2016	2017	2018	2019
Cash at manned gates	9.19	6.87	3.70	1.36
Cash at automated toll booths	13.96	15.72	16.92	17.71
<b>Total cash</b>	<b>23.15</b>	<b>22.59</b>	<b>20.62</b>	<b>19.07</b>
Debit card - Fast Pay	3.01	2.73	2.65	2.67
Credit card	4.67	5.21	5.90	6.76
Prepaid Viacard	0.71	0.66	0.68	0.64
Viacard with deferred payment	1.35	1.36	1.82	1.94
<b>Total automed payment - non-free-flow transit</b>	<b>9.74</b>	<b>9.96</b>	<b>11.05</b>	<b>12.01</b>
Viacard Telepass	35.75	35.86	36.44	36.89
Telepass Family	31.24	31.48	31.79	31.93
Europass	0.12	0.11	0.1	0.10
<b>Total automed payment - free-flow transit</b>	<b>67.11</b>	<b>67.45</b>	<b>68.33</b>	<b>68.92</b>
	76.85	77.41	79.38	80.93
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

**YEAR 2019**



**ACCIDENTS**  
**YEARS 2018 AND 2019**  
**ENTIRE MOTORWAY SYSTEM A4 + A57 (CLOSED + OPEN SYSTEM)**

	Accidents causing injuries or fatalities		Accident rate per 100 million vehicles/km		% change in rate	National accident rate as of 30 Sept. 2019
	2018	2019	2018	2019		
Light vehicles	85	62	6.31	4.60	-27.04	
Heavy vehicles	41	31	8.71	6.47	-25.73	
<b>Total</b>	<b>126</b>	<b>93</b>	<b>6.93</b>	<b>5.09</b>	<b>-26.52</b>	<b>6.91</b>
No. of injured persons	199	150	10.94	8.21	-24.96	11.82
No. of fatalities	5	3	0.16	0.27	-40.27	0.29

	Accidents causing injuries or fatalities		Accident rate per 100 million vehicles/km		% change in rate
	2018	2019	2018	2019	
Light vehicles	84	68	6.23	5.05	-19.20
Heavy vehicles	60	45	12.75	9.39	-26.33
<b>Total</b>	<b>144</b>	<b>113</b>	<b>7.92</b>	<b>6.19</b>	<b>-21.90</b>

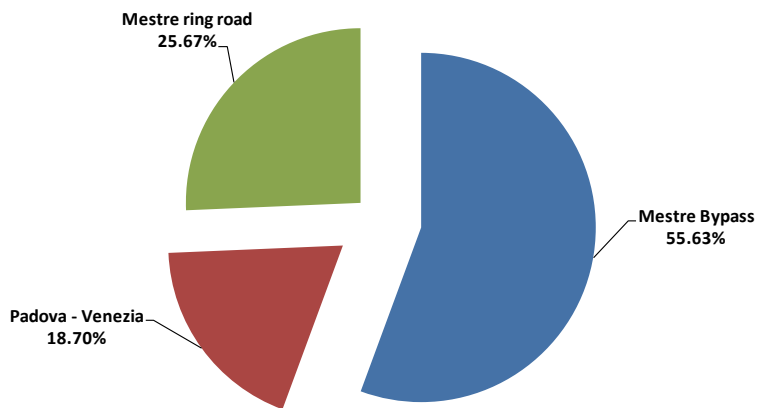
	Total accidents		Accident rate per 100 million vehicles/km		% change in rate
	2018	2019	2018	2019	
Light vehicles	169	130	12.54	9.65	-23.05
Heavy vehicles	101	76	21.46	15.86	-26.09
<b>Total</b>	<b>270</b>	<b>206</b>	<b>14.85</b>	<b>11.28</b>	<b>-24.04</b>

**TOLL REVENUE (after VAT and the supplementary concession fee payable to ANAS)  
BROKEN DOWN BY MOTORWAY STRETCH  
YEAR 2019**

Motorway stretch	Revenue (EUR/m)	%
Closed system: A4/A57		
Mestre Bypass	79.9	55.63%
Padova - Venezia	26.9	18.70%
<b>Subtotal</b>	<b>106.8</b>	<b>74.33%</b>
Open system: Mestre ring road A57		
<b>Subtotal</b>	<b>36.9</b>	<b>25.67%</b>
<b>General total</b>	<b>143.7</b>	<b>100.00%</b>

1.26

**NET TOLL REVENUE**



## SERVICE STATIONS - FUEL AND LUBRICANT SALES

Petrol - (litres sold)			
STATION	2018	2019	% change
Marghera Ovest	1,226,000	1,262,000	2.94
Marghera Est	381,000	355,000	-6.82
Arino Ovest	1,380,000	1,455,000	5.43
Arino Est	1,155,000	1,215,000	5.19
<b>Total</b>	<b>4,142,000</b>	<b>4,287,000</b>	<b>3.50</b>

Diesel fuel - (litres sold)			
STATION	2018	2019	% change
Marghera Ovest	5,049,000	5,087,000	0.75
Marghera Est	2,750,000	1,978,000	-28.07
Arino Ovest	6,274,000	6,281,000	0.11
Arino Est	6,290,000	6,067,000	-3.55
<b>Total</b>	<b>20,363,000</b>	<b>19,413,000</b>	<b>-4.67</b>

LPG - (litres sold)			
STATION	2018	2019	% change
Marghera Ovest	-	-	-
Marghera Est	-	-	-
Arino Ovest	1,248,000	1,168,000	-6.41
Arino Est	973,000	806,000	-17.16
<b>Total</b>	<b>2,221,000</b>	<b>1,974,000</b>	<b>-11.12</b>

Methane gas - (kg sold)			
STATION	2018	2019	% change
Marghera Ovest	-	-	-
Marghera Est	-	-	-
Arino Ovest	472	403	-14.62
Arino Est	425	413	-2.82
<b>Total</b>	<b>897</b>	<b>816</b>	<b>-9.03</b>

Lubricants - (kg sold)			
STATION	2018	2019	% change
Marghera Ovest	1,011	452	-55.29
Marghera Est	370	299	-19.19
Arino Ovest	1,609	2,087	29.71
Arino Est	1,830	1,830	0.00
<b>Total</b>	<b>4,820</b>	<b>4,668</b>	<b>-3.15</b>

## SERVICE STATIONS - FORECOURT RETAILING

(forecourt stores and convenience stores at cafés and restaurants)  
(sales excluding VAT - EUR'000)

STATION	2018	2019	% change
Marghera Ovest	13	16	23.08
Marghera Est	1	5	400.00
Arino Ovest	84	87	3.57
Arino Est	80	155	93.75
<b>Total</b>	<b>178</b>	<b>263</b>	<b>47.75</b>

## SERVICE STATIONS - FOOD AND BEVERAGE - CAFES AND RESTAURANTS

(sales excluding VAT - EUR'000)

STATION	2018	2019	% change
Marghera Ovest	355	362	1.97
Marghera Est	309	324	4.85
Arino Ovest	3,942	3,766	-4.46
Arino Est	2,461	2,402	-2.40
<b>Total</b>	<b>7,067</b>	<b>6,854</b>	<b>-3.01</b>



### SERVICE STATIONS - RETAIL BUSINESS

(convenience stores at cafés and restaurants)

(sales excluding VAT - EUR'000)

STATION	2018	2019	% change
Marghera Ovest	103	112	8.74
Marghera Est	80	91	13.75
Arino Ovest	1,868	1,869	0.05
Arino Est	1,357	1,402	3.32
<b>Total</b>	<b>3,408</b>	<b>3,474</b>	<b>1.94</b>

### SERVICE STATIONS - ANCILLARY SALES

(at cafés and restaurants)

(sales excluding VAT - EUR'000)

STATION	2018	2019	% change
Marghera Ovest	1,390	1,457	4.82
Marghera Est	1,268	1,270	0.16
Arino Ovest	1,684	1,586	-5.82
Arino Est	1,239	1,146	-7.51
<b>Total</b>	<b>5,581</b>	<b>5,459</b>	<b>-2.19</b>

### HOTEL - MARGHERA

(sales excluding VAT - EUR'000)

Business	2018	2019	% change
Café, services and lodging	3,407	3,355	-1.53

### ROYALTIES PAID TO CAV

(excluding VAT - EUR'000)

Business	2018	2019	% change
Fuel	1,557	1,526	-1.99
Lubricants	1	2	100.00
Forecourt retailing	42	45	7.14
Food and beverage	1,648	1,592	-3.40
Retail business (convenience stores at cafés and restaurants)	492	500	1.63
Ancillary sales	58	56	-3.45
Hotel (café, services and lodging)	43	42	-2.33
Land concession	422	425	0.71
<b>Total</b>	<b>4,263</b>	<b>4,188</b>	<b>-1.76</b>