

To:

Deutsche Trustee Company Limited (as Bond Trustee)
Winchester House
1 Great Winchester Street
London, EC2N2DB
Attention: Managing Director
E-mail: Tss-gds.eur@db.com

European Investment Bank (as PBCE Provider)
98-100 Boulevard Konrad Adenauer
L-2950 Luxembourg
Luxembourg
Attention: Ops/NPST/1 NPPD TENsINFRA and TMR/ / PFP
E-mail: e.kalan@eib.org

Deutsche Bank AG, London Branch (as Security Agent)
Winchester House
1 Great Winchester Street
London, EC2N2DB
Attention: Trust & Securities Services
E-mail: debt.services@db.com

Allianz Global Investors Gmbh (as Class A1 Bond Representative)
199 Bishopsgate
London, EC2M 3TY
Attention: Asset Management – Passante di Mestre
E-mail: infradebtnotices@allianzgi.com / EU.DebtOperations@allianzgi.com

With a copy to:

Bank of New York Mellon SA/NV
0111008-0000002 ICM:20537124.22 66
Dublin Branch, Hannover Building
Windmill Lane, Dublin 2, Ireland
Attention: Frank Barden
Tel: +353 53 914 9808

Moody's Investors Service Limited (as Rating Agency)
One Canada Square
Canary Wharf
London, UK E14 5FA
E-mail: Erica.GautoFlesch@moodys.com

Re: Periodic Investor Report

Venice, 23 September 2021

Dear Sirs,

Common Terms Agreement dated 6 April 2016 between, among others, the Issuer, the Bond Trustee, the PBCE Provider and the Security Agent (the Common Terms Agreement)

We refer to the Common Terms Agreement.

Capitalised terms not defined here below have the meaning given to those terms in the Common Terms Agreement.

This is a Periodic Investor Report.

The Relevant Period to which this Periodic Investor Report relates is **01/01/2021 – 30/06/2021**. The following information are based, among others, on the information included in the Annual Financial Statements delivered on the date hereof.

Furthermore, this Periodic Investor Report includes: (i) updates on information previously provided in respect of the developments on the tariffs framework and the update process of the PEF/PFR; (ii) updates as to the impact on CAV of the COVID-19 pandemics; and (iii) updates on recent amendments to CAV's Establishing Legislation.

General Overview for the Relevant Period

- a) During the Relevant Period, CAV has registered a profit (*utile*) equal to Euro 3,033,876. Even though this is a particularly positive result considering the spread of the COVID-19 pandemics, we note that this profit is lower (Euro – 4,827,848) than the forecasts set out under the applicable Project Budget (profits equal to Euro 7,861,724).
- b) Further information is available in the Semi-Annual Financial Statements related to the semester ended on 30 June 2021 attached herewith as Appendix A and in the comparison between the semi-annual Project budget and the Semi-Annual Financial Statements as of 30 June 2021, attached herewith as Appendix B.

Maintenance Liabilities

- a) The overall Maintenance Liabilities incurred during the Relevant Period are equal to Euro 8,477,767. For further information, please refer to page 8 of Appendix B.
- b) The overall Maintenance Liabilities forecasted for the Relevant Period under the Project Budget were equal to Euro 10,787.695. Therefore, there has been a decrease (Euro - 3,625,937) of expenditure compared to the forecasted Maintenance Liabilities. For further details, please refer to page 8 of Appendix B and to the Periodic Technical Report delivered on the date hereof.

Other Liabilities

- a) The Other Liabilities incurred during the Relevant Period are, in aggregate, equal to Euro 48,337,191. The details and amount of each of the line items of the Other Liabilities are set out in pages 7 to 10 of Appendix B.
- b) The Other Liabilities forecasted to be incurred during the Relevant Period were, in aggregate, equal to Euro 50,907,511. Therefore, there has been a spending decrease of Euro - 2,570,320 compared to the forecasted Other Liabilities. For further details, please refer to pages 7 to 10 of Appendix B.

Tariffs

Please find below the Tariffs for the Relevant Period.

Vehicle Class	Mestre By-Pass/A4	Closed System/A4	Open System/A57
A	0,09819	0,04614	0,04786
B	0,10065	0,04729	0,04910
3	0,12277	0,05442	0,05646
4	0,19534	0,08990	0,09326
5	0,23407	0,10883	0,11289

Tariffs applied from 1st January 2021 are unchanged compared to those applied in 2020.

Updates on Tariffs Framework, PEF/PFR Update Process and changes to the Establishing Legislation

➤ Challenge of ART Resolution

As already highlighted in our previous communications, including in the Periodic Investor Reports dated 27 September 2019, 26 March 2020, 28 September 2020 and 1 April 2021, the ART Resolution No. 69/2019 dated 19 June 2019 (the “**ART Resolution**”) sets out a new tariff regime for CAV.

In light of the potential negative effects that the tariff regime set out under the ART Resolution might produce, CAV – as already notified to the Information Recipients – had challenged such resolution before the Administrative Regional Court of Veneto, requesting its annulment based on several arguments.

As already indicated in our communication dated 7 July 2021, with a first-instance decision dated 25 November 2020, the Administrative Regional Court of Veneto has: (i) on one side, accepted (although partially) CAV’s argument on the mechanics concerning the so called “efficiency factor” (Xt), confirming that ART did not take into due account whether CAV could actually be able (considering its existing obligations) to apply the requested significant reduction of its operating costs; and (ii) on the other side, rejected CAV’s more general argument against the overall legitimacy of the ART Resolution.

Both CAV (with an appeal dated 23 February 2021) and ART (with an appeal dated 25 February 2021) have challenged before the Council of State, which acts as second-instance court, the first-instance decision issued by the Administrative Regional Court of Veneto (each claiming that it did not fully uphold the respective position).

The hearing to discuss the appeals is scheduled on 3 February 2022. CAV will promptly inform the

Information Recipients about its outcome.

➤ **The update process of the PEF / PFR**

As already notified to the Information Recipients, on 29 July 2021 CAV has submitted to the Grantor:

- (i) an updated 2020-2032 PEF and an updated 2020-2024 PFR developed on the basis of the CIPE Resolutions (the “**July 2021 CIPE PEF/PFR**”) which, consistently with its legal challenge against the ART Resolution, CAV considers the base case PEF/PFR to be approved by the Grantor in accordance with the Concession Agreement; and
- (ii) an updated 2020-2032 PEF and an updated 2020-2024 PFR developed on the basis of the ART Resolution (the “**July 2021 ART PEF/PFR**” and, collectively with the July 2021 CIPE PEF/PFR, the “**July 2021 PEFs/PFRs**”), merely to avoid that CAV may be deemed in breach of the provisions of ART Resolution (should the challenge described above have a negative outcome).

The July 2021 PEFs/PFRs have been submitted to the Grantor in the form previously submitted by CAV to the Information Recipients on 7 July 2021¹.

CAV would like to remind that – as already indicated in the communication delivered on 7 July 2021 – in light of the instructions provided by the Grantor with a formal communication dated 5 October 2020, the July 2021 PEFs/PFRs have been developed by using, among the assumptions, traffic forecasts that did not consider the negative effects deriving from the COVID-19 pandemics.

As already stated in the above mentioned communication, even though CAV was not in agreement with the indications provided by the Grantor for the development of the July 2021 PEFs/PFRs², CAV abided by them in the preparation of such documents but reserved (in the submission letter) any right in respect thereto.

CAV has not received yet any feedback from the Grantor following delivery of the July 2021 PEFs/PFRs and will update the Information Recipients as soon as there will be any development in this regard.

➤ **Recent amendments to CAV’s Establishing Legislation**

As already reported in the press, law No. 108 of 29 July 2021 has introduced, among others, slight amendments to CAV’s Establishing Legislation.

More in details, the last paragraph of CAV’s Establishing Legislation stated that CAV “*could not participate, individually or together with other companies, to initiatives different from those strictly required to perform the activities set out in paragraph 289 [i.e. management of the motorway stretches under concession] or activities directly connected to those*”.

¹ following expiry of the 10-Business Day term for the consolidation of the silent approval by the EIB in respect of such documents.
² since, in CAV’s view, the approach indicated by the Grantor – and detailed in the communication delivered to the Information Recipients on 7 July 2021 – was not sufficient to ensure a full recovery of the negative effects deriving from the drop in traffic volumes caused by the spread of the COVID-19 pandemics.

By virtue of the above mentioned law No. 108 of 29 July 2021, such last paragraph has been replaced by the following one “CAV can be awarded with the construction and management, including both ordinary and extraordinary maintenance, of additional motorway stretches located mainly in the Veneto Region and/or, if an agreement is reached among the interested Regions, also in neighboring Regions, within the limits and in accordance with the modalities set out in paragraph 8-ter of article 178 of the public contracts code [i.e. the provisions concerning in-house companies of the Regions]”.

Even though the aim of this change in legislation is to allow for the possibility, in the future, for CAV to manage additional motorway stretches, CAV would like to underline that – as of today – this is merely a possibility that is now allowed by the law, but this does not imply any actual change to CAV’s current business and/or scope of activity and, thus, as of today this amendment to CAV’s Establishing Legislation has no impact on CAV’s compliance – nor on CAV’s ability to comply – with its obligations under the Finance Documents.

CAV is, indeed, well aware of the limitations set out in the Finance Documents in terms of permitted business and activity and confirms that it abides, and intends continuing abiding, by those provisions. Accordingly, if in the future any action will be envisaged to give effect to the above described enlargement of CAV’s business, any such action will be promptly communicated to the Finance Parties and will be implemented only if approved by the Finance Parties.

Traffic Figures

The Vehicles_km registered during the Relevant Period are 683,747,332, with an increase of approximately 22.04% compared to the same period of 2020.

This increase is due, as expected, to less restrictive measures imposed by the Italian Government, compared to the same period of 2020, and their impact on traffic on all Italian motorways, including CAV’s network.

For further details, please refer to the Periodic Traffic Report delivered on the date hereof, which includes also updated forecasts as to future traffic volumes (including updated estimates as to the impact of the COVID-19 pandemics on traffic volumes).

Project Revenues

- a) The overall Project Revenues (*production value*) during the Relevant Period are equal to Euro 68,243,169.
- b) The overall Project Revenues (*production value*) forecasted under the Project Budget for the Relevant Period were equal to Euro 80,152,326. Therefore, there has been a decrease (Euro - 11,909,157, i.e. - 14.86%) compared to the forecasts set out under the Project Budget, mainly due to the decrease in the tolls revenues due to the COVID-19 pandemics. For further details, please refer to pages 6 and 7 of Appendix B.

Insurance

The Insurances currently in place are the following:

- 1) ALL RISK POLICY
- 2) THIRD PARTY LIABILITY – I RISK
- 3) THIRD PARTY LIABILITY – II RISK
- 4) THEFT
- 5) WORK ACCIDENTS
- 6) FIRE/THEFT/KASKO VEHICLES
- 7) LEGAL COSTS INSURANCE
- 8) DIRECTORS & OFFICERS – I RISK
- 9) DIRECTORS & OFFICERS – II RISK
- 10) LIFE INSURANCE FOR DIRECTORS
- 11) PUBLIC OFFERING INSURANCE (P.O.S.I.)
- 12) ENVIRONMENTAL LIABILITY INSURANCE
- 13) CIVIL LIABILITY INSURANCE – SIMPLE NEGLIGENCE
- 14) CYBER RISK
- 15) RC AUTO (FULL INSURANCE)
- 16) ACCIDENTS TO THE DRIVER

No material insurance claim has been made during the Relevant Period.

Disputes

No new disputes having a value higher than Euro 1,000,000 have been commenced during the Relevant Period.

Acquisitions and/or Disposals

No Permitted Acquisitions have been made during the Relevant Period.

No Permitted Disposal having a value greater than Euro 500,000 has been made during the Relevant Period.

Restricted Payments

No Restricted Payment was made during the Relevant Period.

No Default or Trigger Event

We hereby certify that no Default has occurred or is continuing.

By way of mere information (since this circumstance does not constitute a Default), CAV notes that the Semi-Annual Financial Model delivered on the date hereof evidences that, as of the Calculation Date of 30 June 2021, the Historical DSCR is lower than the applicable Default Ratio.

In this regard, CAV would like to highlight that this circumstance is not a reason of concern since:

- this circumstance is due, only, to the extraordinary drop in toll revenues deriving from the outbreak of the COVID-19 pandemics;
- all other Financial Ratios are above the applicable Default Ratio and all the Financial Ratios (as indicated in the documents enclosed to the Communication on Semi-Annual Financial Model) are expected to rapidly recover above the Default Ratio, thus confirming the strength of CAV's project;

- notwithstanding the outbreak of the COVID-19 pandemics, during the first semester 2021 CAV did not report losses, but rather a net profit of more than Euro 3 Million;
- as of 30 June 2021 – thus, after having paid Debt Service on 30 June 2021 – CAV had approximately Euro 175 Million of available financial resources, of which approximately Euro 110 Million in the Proceeds Account and approximately Euro 64 Million in the various Reserve Accounts. Such aggregate financial resources, as at 20 September 2021, have increased to approximately Euro 186 Million. As a consequence, CAV has always had, and will continue to have, more than sufficient resources to regularly serve the debt without need of drawing from the Debt Service Reserve Account nor to activate the PBCE instrument and, therefore, does not expect this circumstance to have any negative impact on its ability to meet its payment obligations under the Finance Documents. More in details, at 31 December 2021, thus after having served the debt for both semesters of 2021, CAV is expected to still have approximately Euro 175 Million of available financial resources, of which approximately Euro 117 Million in the Proceeds Account and approximately Euro 58 Million in the other Reserve Accounts; and
- in light of the foregoing, no Event of Default under Clause 11.2 of the Common Terms Agreement is triggered by such circumstance as of the Calculation Date of 30 June 2021.

Reserve Accounts

Below are the amounts standing to the credit of the Maintenance Reserve Account, Debt Service Reserve Account and Capex Reserve Account as of 30 June 2021:

- Maintenance Reserve Account: Euro 7,640,698
- Debt Service Reserve Account: Euro 37,061,000
- Capex Reserve Account: Euro 19,349,422

Kind regards,

Dott. Giovanni Bordignon
Authorised Signatory
for and on behalf of

Concessioni Autostradali Venete S.p.A.

Ing. Ugo Dibennardo
Authorised Signatory
for and on behalf of

Concessioni Autostradali Venete S.p.A.

Appendix A) Semi-Annual Financial Statements as of 30 June 2021

Appendix B) Comparison between Semi-Annual Financial Statements and Project Budget

DAFSAD/GB/LP/lp