



**CONCESSIONI
AUTOSTRADALI
VENETE**

ANNUAL FINANCIAL STATEMENTS

AS OF 31 DECEMBER 2020 AND RELATED REPORTS

Concessioni Autostradali Venete CAV S.p.A.

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

Share capital EUR 2,000,000.00 fully paid in

**Registration with Companies' Register, Fiscal Code, VAT Registration
03829590276**

Registration with the Chamber of Commerce, Venice, R.E.A. VE 0341881

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Notice of Annual General Meeting

To:
SHAREHOLDERS
Their addresses

Venice, 15 February 2021

SUBJECT: Notice of Annual General 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 6 April 2021 at 3:30pm in first call, and if necessary, on 8 April 2021 at 3:30pm in second call, to transact the following

BUSINESS

- 1) Draft financial statements as of 31 December 2020 and report on operations for the year then ended, report of the Board of Statutory Auditors and independent auditor's report: related resolutions;
- 2) Report on corporate governance for the year 2020;
- 3) Assignment of the statutory audit engagement for the three years 2021 to 2023 on a reasoned proposal from the Board of Statutory Auditors, subject to public tender procedure performed pursuant to Legislative Decree No. 50/2016: related resolutions;
- 4) Appointment of the Board of Statutory Auditors for the three years 2021 to 2023 and approval of the remuneration of its members in accordance with article 21 of the Articles of Association.

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 (1)

Chair
SERATO Luisa (2)

Chief Executive Officer
DIBENNARDO Ugo (3)

Directors
CERON Renzo
MAGGIONI Alessandro
RIBECCHI Federica

BOARD OF STATUTORY AUDITORS (4)

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
Legal affairs and Procurement
MATASSI Angelo

Chief Human Resources
BRAGATO Paolo

Chief Technical Officer
FUSCO Sabato

INDEPENDENT AUDITOR

PRICEWATERHOUSECOOPERS S.p.A.

- (1) The Board of Directors was appointed by the Company in general meeting on 18 February 2019 for a term of three years 2019-2021.
- (2) Director Luisa Serato was appointed Chair of the Board of Directors by the Company in general meeting on 18 February 2019.
- (3) Director Ugo Dibennardo was appointed CEO by the Board of Directors on 27 February 2019.
- (4) The Board of Statutory Auditors was appointed by the Company in general meeting on 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"); Acting auditor Mr. Claudio Girardi was designated by the Region Veneto; 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 HELD
ANAS S.p.A.	1,000,000	1.00	1,000,000	50%
Region Veneto	1,000,000	1.00	1,000,000	50%
Total	2,000,000		2,000,000	100%

REPORT ON OPERATIONS

INTRODUCTION

Dear Sirs,

This report illustrates the key events of financial year 2020.

Before going on to examine the events and transactions reflected in the financial statements that we are reporting on, it is incumbent on us to draw attention to the exceptional nature of the current circumstances and, consequently, of the effects those circumstances generated on financial year 2020.

Indeed, the very drastic measures adopted, and still in force, to contain and manage the emergency from the Coronavirus (Covid19) epidemic, which have had a high impact on ordinary business operations, have generated inevitable and severe repercussions on the country's social and economic-financial fabric. Against this background CAV intends to highlight the result of its operations which, in spite of the dramatic situation caused by the spread of the pandemic and its obvious consequences, generated a profit of about EUR 2.6 million.

The very stringent measures imposed during the memorable lockdown starting from March 2020, slowly eased in the subsequent months and tightened again to address the 'second wave' of the pandemic (November 2020) inevitably led to a reduction in traffic of such proportions as to reach, by way of example, peaks of -78%.

The exceptional contraction in traffic recorded on the infrastructure network operated by CAV – approximately -26.5% overall – naturally resulted in a marked fall in toll revenues which, as could be easily expected, played a decisive role in determining the fall in profit for the year.

In addition to the positive figure referred to the profit for the year, it is worth mentioning how steadfastly CAV continued focusing attention on the strategic guidelines it had established to implement, first of all, the "CAV 2.0 Project – Integrated Management Systems", designed to modernise and digitise the Company's operations through software development, maintenance, operation and assistance, and organisational support services, with the involvement of professionals with multidisciplinary skills. It is important to note that the project provides, in addition to other activities, for the creation of a traffic – as well as infrastructure – monitoring, management and control system, which will enable staff to perform ongoing monitoring of assets and traffic flows.

Additionally, it is worth mentioning the efforts made by the Company to maintain workforce numbers, avoiding the redundancy schemes used by many other enterprises.

This notwithstanding, we note that the Company has enrolled in the "Pilot project for the restart of production activities" launched by the Region Veneto, whose purpose is to define a plan for resuming or continuing business operations in Phase 2 of the Covid-19 pandemic safely for workers, to test the implementation model (health, organisation, information) and to assess its scope and sustainability on a large scale. Accordingly, CAV regularly carries out screening tests on the employees who have expressed an interest in participating in the project.

Last but not least, we note that CAV, in spite of the continuing economic difficulties described above, has fulfilled all its financial commitments (periodic repayment of the Project Bond instalments) and, to secure its ability to continue operating, maintains ample liquid funds (over EUR 200 million) to fulfil future financial commitments.

Finally, in this environment, we confirm that the Company has pursued the target of reducing operating costs with unwavering attention.

THE FINANCIAL STATEMENTS

The financial year 2020 closed with profit of EUR 2.6 million.

The factor that determined this result was traffic: the number of vehicles per km travelling on motorways operated by CAV fell by 26.5%. Consequently, toll revenue suffered a significant reduction equal to about EUR 33.2 million (-23.0%). This reduction was mitigated by the rate increase of 1.20% that the Company was authorised to apply starting from 1 January 2020.

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

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

Finally, a last element that should be taken into consideration is the Company's liquid funds, which amounted to over EUR 200 million as of 31 December 2020 and prove its financial viability, as the Company is in a position to meet all its financial commitments with ease.

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

Article 13 of Law Decree No. 162 of 30 December 2019 No. 162 (known as "Milleproroghe", the 'Thousand Extensions' decree), 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 the transport regulator (Autorità di Regolazione dei Trasporti, "ART").

In accordance with the decree, on 4 May 2020 the Company submitted its updated Business Plan for the period 2020-2032 and its updated Regulatory Financial Plan for the period 2020-2024. We note, however, that, in light of the appeal previously filed by the Company against the regulatory framework defined by the ART, the Company submitted two revised Business Plans and two Regulatory Financial Plans, one prepared in accordance with the Concession and the Resolutions adopted by the CIPE, the inter-ministry committee for economic planning, and one prepared in accordance with the regulatory framework defined by the ART, with the specification – however – that the updated Business Plan and Regulatory Financial Plan prepared in accordance with the regulatory framework defined by the ART were being submitted solely in order not to be found non-compliant with the regulatory requirement, without prejudice to the appeal already filed by the Company. We also note that in developing the updated Business Plan and Regulatory Financial Plan the Company took into account the contingent situation related to the health emergency caused by the Covid-19 pandemic.

Later, by a Communication dated 5 October 2020, the Ministry of Transport – having confirmed that the effects of the Covid-19 emergency are force majeure events, and having acknowledged the need to use calculation criteria that are transparent, uniform and consistent with the applicable regulatory framework to quantify the financial impact of the fall in traffic volumes following lockdown restrictions – provided criteria for quantifying the extraordinary effects of the health emergency. On the other hand, by the same Communication, the Ministry invited concession holders to draw up traffic forecasts as part of their updated business plans and regulatory financial plans "[...] on assumptions of consistency with previous regulatory periods" (establishing that, in relation to developments of the current health emergency "additional measures may be taken in future to

rebalance the contract’) and, accordingly, to revise already submitted regulatory financial plans taking into account the instructions set out in the Communication.

In light of the contents of the Ministry’s Communication mentioned above, on 30 December 2020 the Company submitted new versions of the Business Plan for the period 2020-2032 and Regulatory Financial Plan for the period 2020-2024, as well as a quantification of the impacts of Covid-19 prepared using the calculation procedure illustrated in the Technical Note appended to the Ministry’s Communication, and including certain qualifications and reservations.

In detail, first of all CAV pointed out that it had complied with the Ministry’s requirements in the Communication even though it did not agree with the instruction to draw up a Business Plan based on traffic estimates that did not consider the Covid-19 health emergency, believing its original approach, i.e. that used in the Business Plan submitted on 4 May 2020 in which it highlighted the critical situation that had developed, to be more correct.

Moreover, also in this case the Company submitted, on the one hand, a Business Plan and a Regulatory Financial Plan prepared in accordance with the Concession Agreement and Resolutions adopted by the CIPE and at the same time a Business Plan and a Regulatory Financial Plan prepared in accordance with the regulatory framework defined by the ART (specifically, ART Resolution No. 67 of 19 June 2019).

The Company therefore again specified that a Business Plan and a Regulatory Financial Plan prepared in accordance with the regulatory framework defined by the ART were being submitted solely in order not to be found non-compliant with the ART’s regulations, but that this circumstance could not be construed in any case as the Company’s intent to acquiesce to the ART’s resolution mentioned above.

Having said that, we summarise the key elements of the new Business Plans and Regulatory Financial Plans, both those prepared using the criteria set by the CIPE and those prepared using the criteria set by the ART:

1 - Duration: the plans are developed from the current financial year 2020 to 2032, i.e. the year when the Concession Agreement expires;

2 – Toll rates: the rates currently applied by the Company are assumed to remain unchanged until 31 December 2025. For the years 2026 to 2032 annual changes are assumed that have been determined using the criteria defined, respectively, by the CIPE’s resolution and by the ART’s resolution. Overall, for the period 2020 to 2032 a substantial reduction in rates is envisaged;

3 - Traffic: the development in traffic flows is determined on the basis of forecasts provided by a third party consultant with large experience of the industry that drew up a specific traffic report. That report was prepared on the assumption of consistency with previous regulatory periods and, as indicated in the Technical Note appended to the Ministry’s Communication, did not take into account the Covid-19 emergency.

4 - Investment: for the years 2020 to 2032 investment expenditure is planned for a total of around EUR 118 million, whereof around EUR 110 million on assets operated under concession (that are to be transferred to the state without charge at the end of the term of the concession) and around EUR 8 million on other assets;

5 - Maintenance: maintenance works are planned during the period 2020 to 2032 for a total of around EUR 218 million;

6.- Financial structure: the plans take into account the Project Bond which was issued on 12 April 2016 for an initial amount of EUR 830 million, at an interest rate of 2.115%, with maturity on 31 December 2030.

With reference to the Business Plan prepared using the method indicated by the ART, we point out that, since it is impossible for CAV to reduce its operating costs, including infrastructure maintenance and personnel, the

productivity factor applied was equal to zero (lower than the factor set by the ART for the Company in the aforementioned resolution, i.e. 5.13% per annum).

Following submission of the Business Plan and Regulatory Financial Plan to the Ministry, the law provides for the approval process to be completed with the issuance of a specific inter-ministerial decree by the Ministry of Infrastructure and Transport and the Ministry of the Economy and Finance (“MIT/MEF”) and its subsequent filing with the Court of Auditors (Corte dei Conti). The effective date of the Business Plan will be the filing date of the inter-ministerial decree.

Finally, it should be noted that, upon a request from its shareholders – the Region Veneto and ANAS S.p.A. – the Company started preliminary studies about the possibility of new investment expenditure designed to improve – in the medium-long term – traffic flows on the motorway stretches operated by the Company, as well as to upgrade and/or increase overall safety on the infrastructure network operated by the Company.

We wish to emphasise, in this connection, that in the course of those activities certain hypotheses were made that are currently only working hypotheses rather than binding projects, in relation to which it is necessary to perform additional checks and analyses of a technical and legal nature that in any case would necessitate the successful completion of a process to modify certain regulatory provisions as well as the corporate documents that govern the Company’s operations.

DECISION OF THE TRANSPORT REGULATION AUTHORITY ON THE METHOD OF CALCULATION OF TOLL RATES

By Decision No. 67 of 19 June 2019, completing the procedure started with Decision No. 16/2019 on the “Approval of the toll charging system referred to the Concession Agreement between ANAS S.p.A. and Concessioni Autostradali Venete - CAV S.p.A.”, the ART, the transport regulator, modified the toll rate system, providing for a reduction in rates applicable to users and, additionally, required CAV to reduce its operating costs so as to increase its productivity. The change decided by the ART, which appears wholly unreasonable and out of proportion, led CAV to lodge an appeal with the competent Regional Administrative Court (“TAR”) seeking, subject to suspension of the decision, the voidance of the decision and consequent acts.

With reference to the appeal lodged by CAV with TAR Veneto against the Decision, we state that by Order No. 507 of 12 June 2020 the authority «noted that with the sixth claim of the main appeal and with the only challenge present in the additional grounds for appeal, the plaintiff challenges the quantification of the productivity factor X, claiming that the ART determined the factor in a manner “wholly detached from CAV’s actual situation”, without taking into account “the real dimension of the factors that concretely condition CAV’s operating costs” and the possibility for the plaintiff “to implement that cost reduction in the light of its organisational model».

TAR Veneto consequently «found it necessary, in order to rule on the matter, to obtain from Autorità di Regolazione dei Trasporti – with regard to the statements made by the plaintiff and recalling the considerations already made concerning the method applied to all concession holders – a descriptive report accompanied by documentary evidence concerning the specific calculation of the productivity factor X attributed to CAV as well as clarifications about the percentage incidence on the operating costs that is being challenged».

In compliance with TAR’s order, on 1 July 2020 the ART filed the required report.

CAV, with the support of its legal counsels and of a leading advisor specialising in analyses of the industry, raised objections to the report noting, among other things, that the methodological approach used by the ART

was wholly incorrect, that the documents produced did not appear to be supported by sufficient evidence supporting the motivation, and that the ART failed to analyse in detail the peculiarities of the motorways operated by CAV. This notwithstanding, as part of its rebuttal arguments CAV again challenged the ART's indications about the Company's alleged operating inefficiency and confirmed it was objectively impossible to reduce operating costs (maintenance, personnel... etc.) by around 23% over a mere five years, as required by the defendant. Having filed their pleadings and counter arguments, at a public hearing on 7 October 2020, CAV and the Region Veneto again asked the court to order a review to verify the accuracy of the method applied by the ART to determine the productivity factor X applicable to CAV; the court then stated it was ready to decide.

By a ruling on 7 October 2020 (published on 25 November 2020) the Regional Administrative Court of Veneto (First Division), issued its final decision on the matter, upholding in part the appeal and the first and second grounds of additional appeal, and as a result it partly voided the acts being challenged, ordering each party to pay its own expenses.

In detail, TAR Veneto confirmed that the ART is required to establish the toll charging systems of motorway concessions that are being updated or reviewed and has not a merely consultative function. Moreover, the court did not consider it unreasonable or unforeseeable that the law allowed the application of the price cap model, considered suitable to reconcile efficiency of allocation and incentives to production efficiency, so as to ensure efficiency savings in an industry that is substantially a monopoly, on the assumption that the benefits in terms of lower costs may translate into lower charges for consumers. Finally, TAR Veneto considered the calculations made by the ART reliable, noting that the latter took into account the peculiarities of CAV.

Without prejudice to the above, however, TAR considered grounded the challenge with which CAV claimed that the authority had failed to assess the margin of possibility for CAV to achieve the objective due to the factual, juridical and economic commitments already made.

CAV reserves the right to consider the opportunity to challenge the ruling issued in the CAV vs. ART case solely with reference to the matters rejected by the court.

ISTAT

As is known, ISTAT, the National Institute of Statistics, prepares a list of institutional units that are public administration bodies. CAV lodged an appeal pursuant articles 11, c. 6, letter b) and 123 of the Code of Accounting Procedure before the Court of Auditors, joint divisions in chambers of a special composition, seeking the voidance of the List of public administrations included in the consolidated income statement identified pursuant to article 1, paragraph 3, of Law No. 196 of 31 December 2009 and subsequent amendments (Law on accounting and public finance), published in the Official Journal of the Italian Republic – General Series, No. 229 of 30 September 2019 – and amended by a subsequent communication published in the Official Journal of the Italian Republic – General Series, No. 262 of 8 November 2019, in the part where ISTAT included Concessioni Autostradali Venete - CAV S.p.A under «other local administrations», as well as any other connected, precedent or consequent act. This is a single instance case. The appeal was notified on 30 June 2020 to the National Institute of Statistics and to the General Prosecutor with the Court of Auditors, then filed on 3 July 2020 with the Court of Auditors, joint divisions and in chambers of a special composition. The appeal analysed aspects relating to the infringement and false application of Regulation EU 549/2013 on the European system of national and regional accounts in the European Union, as well as article 1 of Law

No. 196/2009, to the incorrect inclusion of CAV in sector S13 General government, and to the inapplicability to CAV of the definition of production and supply of non-market output.

The defendant, represented by the Attorney General's Office (Avvocatura Generale dello Stato), and the General Prosecutor with the Court of Auditors, submitted statements challenging CAV's pleadings and intending to prove that the appeal was without merit.

At a hearing on 28 October 2020 the Court of Auditors, joint divisions in a jurisdictional capacity, in chambers of a special composition, in line with a recent decision rejected the appeal lodged by Concessioni Autostradali Venete – CAV S.p.A., each party to pay its own expenses. There being a single instance of judgement, no further appeal is possible.

The ruling, No. 2/2021, was published and notified to the parties on 1 February 2021.

Finally, a communication from ISTAT confirming the entry of CAV into the abovementioned List was published in the Official Journal of the Italian Republic - General Series, No. 242 of 30 September 2020.

In consideration of the above, we confirm that CAV is continuing to comply with the requirements arising from that classification.

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 2020 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 2020, 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 credit-worthiness rated and to obtain a long-term credit rating for the purpose of constant monitoring by the institutional investors involved in the transaction.

During 2020 the Company's rating was confirmed as Baa1 but the outlook was downgraded from stable to negative in consideration of the health emergency.

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

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 an indemnity to be paid to Società Autostrade di Venezia e Padova S.p.A. 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 248.8 million have been completed. The works yet to be completed amount to EUR 30.5 million, of which the most part, about EUR 12.6 million, is referred to complementary and completion works on the Bypass.

Out of the total financial commitment mentioned above, 97.7% of which has been met, the portion yet to be completed now accounts for 2.3% only.

A detailed analysis of investment expenditure in 2020 is provided in a different section of this report analysing the motorway business.

In brief, we note that works performed related to activities included in the current Business Plan and Regulatory Financial Plan (“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 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 objectives of the CAV 2.0 project 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.

In this environment CAV started the first phase of the CAV 2.0 project providing for

- support in the definition of a new organisation through a review of process mapping, of the workflow of each process and of the related procedures, with particular reference to primary processes such as asset management and management of operating activities,
- introduction of four new software applications (Sw Asset Management, Maggioli A&C, Zucchetti Infinity and SAP),
- integration of the management system (integration between software applications and procedures and processes),
- maintenance of the new software applications.

In defining a digital, consistent and integrated organisation based on the use of innovative technological tools, with a view to streamlining operating processes and achieving efficiency savings, CAV started the second

phase of the CAV 2.0 project whose objective is to implement and integrate new software applications designed to support the organisational change and related targets of streamlining business processes and achieving efficiency savings. The objective is both the creation of a new software platform to monitor, manage and control traffic and infrastructure for the Operations Centre, and integration through the adoption of smart and 4.0 field technologies allowing continuous monitoring of assets and traffic flows.

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 2021-2023. The appointment of the new board will be on the agenda of the next annual general meeting.

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

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 2020 closed with a modest result, in any case a profit: net profit after tax was around EUR 2.6 million (FY 2019: EUR 27 million).

Value of production was equal to EUR 128.9 million (FY 2019: EUR 166.2 million), a decrease of EUR 37.3 million (-22.46%).

Within value of production, toll revenue (excluding VAT and the supplementary concession fee payable to ANAS) was equal to EUR 111 million, lower than in the previous year (FY 2019: EUR 144.1 million; -23.02%): the figure is directly related to the negative trend of traffic (for these aspects – traffic and toll rates – we make reference to the specific paragraphs in the report on operations).

The supplementary concession fee payable to ANAS went from EUR 14.5 million to EUR 11.4 million (a decrease of EUR 3.1 million; -21.70%) as a consequence of the traffic performance.

Other motorway income totalled EUR 4.1 million (FY 2019: EUR 6.4 million) and is detailed as follows: EUR 2.3 million in royalties on operations at service stations; EUR 1.1 million in other motorway operators' share of collection costs; EUR 0.8 million in recharges of costs.

Cost of production totalled EUR 110.1 million, a decrease of EUR 0.1 million (FY 2019: EUR 110.2 million; -0.10%) as specified below.

Cost of services was EUR 29.1 million (FY 2019: EUR 30.4 million; -4.49%).

The decrease was mainly due to annual and cycle maintenance costs, which went from EUR 17.9 million to EUR 17.1 million (-4.76%) and to other motorway operators' share of collection costs, which went from EUR 4.9 million to EUR 3.5 million (-26.93%).

Personnel costs were equal to EUR 18.2 million (FY 2019: EUR 18.5; -1.98%). The average cost per employee also declined (-0.30%).

Depreciation charges in 2020 were equal to EUR 46.3 million (FY 2019: EUR 45.6 million; +1.58%) most of which relates to the cost of the Bypass, accounting for EUR 28.7 million (unchanged from FY 2019): depreciation of the Bypass is calculated on a straight-line basis.

With regard to the provision for cycle maintenance, the charge in the year was equal to EUR 15 million (FY 2019: EUR 13 million); utilisation in 2020 was equal to EUR 14.4 million (FY 2019: EUR 17.8 million).

Another important component was other operating costs, equal to EUR 14.9 million (FY 2019: EUR 19 million; -21.60%).

Other operating costs include the concession fee referred to in article 1, paragraph 1020, of Law No. 296/2006, equal to EUR 2.7 million (FY 2019: EUR 3.5 million) and corresponding to 2.4% of net toll revenue: 21% of the concession fee (equal to EUR 0.6 million) is paid directly to ANAS and 79% (equal to EUR 2.1 million) to the State.

Other operating costs also include the supplementary concession fee payable to ANAS, which went from EUR 14.5 million in FY 2019 to EUR 11.4 in FY 2020 (-21.70%): the amount is equal to the figure recorded under revenue, being simply a collection made on behalf of a third party, i.e. ANAS.

The difference between value and cost of production was equal to EUR 18.8 (FY 2019: EUR 56 million). The decrease of EUR 37.2 million (-66.46%) was due solely to the fall in revenue.

Financial charges amounted to EUR 15 million, a decrease compared with the previous year (FY 2019: EUR 16.6 million; -9.51%) and relate to interest expense on the project bond.

As a result of the above, profit before tax was equal to EUR 3.8 million (FY 2019: EUR 39.4 million; -90.45%), a decrease of EUR 35.6 million; income taxes (IRES, corporation tax, IRAP, regional trade income tax, and deferred tax assets) were equal to EUR 2.4 million (EUR 12.4 million in FY 2019); net profit for the year, as already mentioned, was equal to EUR 2.6 million.

Financial statements ratios

		FY 2020		FY 2019	
ROE	NET PROFIT	2,650	1.55%	27,003	16.09%
	EQUITY	170,515		167,865	
ROI	EBIT	18,785	1.81%	56,010	5.44%
	AVERAGE FIXED ASSET PORTION OF CAPITAL INVESTED	1,035,342		1,029,069	
ROS	EBIT	18,785	15.98%	56,010	36.92%
	NET SALES REVENUE	117,527		151,707	
ROA	EBIT + INTEREST INCOME	18,791	2.36%	56,028	6.64%
	TOTAL ASSETS	795,239		844,188	
FIXED ASSETS TO TOTAL ASSETS RATIO	FIXED ASSET PORTION OF INVESTED CAPITAL	1,038,544	130.60%	1,032,139	122.26%
	INVESTED CAPITAL	795,239		844,188	
DEBT TO EQUITY RATIO	DEBT	608,568	356.90%	661,136	393.85%
	EQUITY	170,515		167,865	
TOTAL INDEBTEDNESS	LIABILITIES - EQUITY	624,725	366.38%	676,323	402.90%
	EQUITY	170,515		167,865	
EQUITY RATIO	EQUITY	170,515	16.47%	167,865	16.31%
	CAPITALE INVESTITO IMMOBILIZZATO MEDIO	1,035,342		1,029,069	
CURRENT RATIO	ATTIVO CORRENTE	178,404	31.53%	181,852	153.82%
	PASSIVITA' CORRENTI	565,794		118,223	

Reclassified income statement (thousands of euro)

	FY 2020	as % of revenues	FY 2019	as % of revenues
REVENUE				
Net toll revenue	110,961	94.41%	144,151	95.02%
Other revenue from sales and services	4,140	3.52%	6,397	4.22%
Other income	2,426	2.06%	1,160	0.76%
TOTAL REVENUE	117,527	100.00%	151,707	100.00%
Production overheads	-30,144	-25.65%	-31,808	-20.97%
Other costs and plus/minus balance	-3,494	-2.97%	-4,472	-2.95%
VALUE ADDED	83,889	71.38%	115,427	76.09%
Net labour costs	-18,173	-15.46%	-18,541	-12.22%
EBITDA	65,715	55.92%	96,886	63.86%
Depreciation/amortisation	-46,304	-39.40%	-45,584	-30.05%
Charges to provisions for risks and charges	-626	-0.53%	4,708	3.10%
EBIT	18,785	15.98%	56,010	36.92%
Financial income and charges	-15,020	-12.78%	-16,587	-10.93%
Adjustments to assets/disposal of equity investments	0	0.00%	0	0.00%
PROFIT BEFORE TAX	3,765	3.20%	39,422	25.99%
Income taxes	-1,116	-0.95%	-12,419	-8.19%
PROFIT FOR THE YEAR	2,650	2.25%	27,003	17.80%

Future outlook

With reference to toll revenue, a single factor shall influence its value: traffic performance, which should be positive.

Toll rates for 2021 are unchanged and the additional kilometres travelled applied for 2021 at toll gates declined slightly, having been determined by MIT as 17.157 km (-0.049 km compared with 2020).

Having regard to the above, for 2021 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 2020.

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Based on the above, in summary we expect a positive result also for FY 2021.

FINANCIAL PERFORMANCE

As of 31 December 2020 cash and cash equivalents totalled approximately EUR 129.3 million (FY 2019: EUR 127.0 million), an increase of EUR 2.3 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 71.8 million as of 31 December 2020 – in detail: a Debt Service Reserve Account of EUR 37.1 million, a Capex Reserve Account of EUR 27.1 million and a Maintenance Reserve Account of EUR 7.6 million.

Therefore, cash and cash equivalents including restricted reserves totalled approximately EUR 201.1 million as of 31 December 2020.

With regard to the project bond, the status as of 31 December 2020 was the following: after principal repayments during the year the outstanding balance (calculated using the amortized cost method) was EUR 557.7 million.

A note on financing in 2021

Using the funds mentioned above, which will be supplemented by the cash flow generated from ordinary motorway operations, 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 72.1 million (to be settled at half-yearly intervals, on 30 June 2021 for EUR 31,1 million in principal and EUR 6.0 million in interest and on 31 December 2021 for EUR 29.3 million in principal and EUR 5.7 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 which are 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 2020 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 motorway link 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 2020 totalled 1,342,527,606 (FY 2019: 1,826,570,014), a decrease of 26.50% due to the effects of the Covid-19 pandemic.

Closed system

During 2020, in the entire closed system (partly in A4 and partly in A57), the actual vehicle count was 31,451,561, a decrease of 12,542,102 units, -28.51% on the 2019 figure of 43,993,663.

The related vehicles per km totalled 819,504,525, a decrease of 28.51% on the 2019 figure of 1,146,302,591.

The virtual vehicle count was 17,766,651, a decrease of 28.51% on the 2019 figure of 24,851,550.

An analysis on a daily level gives the following results: daily average actual vehicle count (VEMG) of 85,933 vs. 120,531 in 2019 (-28.70%); daily average vehicles per km (VkmMG) equal to 2,239,083 vs. 3,140,555 in 2019 (-28.70%); daily average virtual vehicle count (VTMG) of 48,543 vs. 68,086 in 2019 (-28.70%).

For completeness di information, we also report that traffic recorded at a national level shows an estimated decrease in vehicles per km of about -37.5% (source: AISCAT, 30 June 2020).

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 2020 transits totalled 21,892,055, a decrease of -29.08% on 30,870,731 transits in 2019. Transits generated 523,023,081 vehicles per km, a decrease of -23.12% on 680,267,429 vehicles per km in 2019.

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 motorway link to the airport without entering 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 2020 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 390 (-4.88% vs. 2019) for an annual total of over 10,000 transits, with a reduction in toll revenue for CAV of about EUR 13,000 (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 2020, 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 2020 the reduction in toll revenue for CAV was equal to around EUR 12,500.

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

In 2020 transits between the toll gate at Venezia Mestre and the Mira/Oriago and Mirano/Dolo toll gates (not subject to payment of toll) numbered 9,109,734, a decrease of -23.46% on FY 2019 (11,901,509).

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 68.82% of total vehicles per km (traffic paying toll both in the closed and in the open system) whereas HGVs generated 31.18%.

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

Transits with toll paid in cash accounted for 16.22% of the total (19.07% in 2019) and are detailed as follows: 0.15% as cash at manned gates (1.36% in 2019) and 16.07% as cash at automated toll booths (17.71% in 2019).

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 83.78% (80.93% in 2019) of paying transits.

While the difference with the previous year was not marked, the year 2020 confirmed the declining use of cash payments, with automated and/or deferred payment systems becoming increasingly established; this applies in particular to free-flow tolling (Telepass) which in 2020 accounted for 71.46% of total payments, versus 68.92% in 2019.

In this connection we note that in September 2020 the European Electronic Toll Service and Interoperable Electronic Toll Service for HGV started being rolled out; the project involves the homologation of free-flow tolling equipment with all motorway operators in Europe. For the time being only a few service providers are active for heavy goods vehicles, but use of the service is expected to grow exponentially.

It should be noted that in January 2021 the Company launched a promotional campaign targeting residents of the provinces of Padua, Venice and Treviso who did not have a Telepass Family subscription in 2020. The promotion consist in the possibility, from 11 January to 31 December 2021, of subscribing to Telepass Family free of charge for two years (the annual fee to be borne by the Company).

TOLL REVENUE

In 2020 toll revenue (excluding VAT and the supplementary concession fee payable to ANAS) totalled EUR 111.0 million versus EUR 144.2 million in 2019.

The final figure – which decreased by around EUR 33.2 million, -23.0% – was determined both by the growth of traffic (-26.5%) and by the rate increases approved by MIT/MEF (+1.20%): in this regard we make reference to the specific section 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 11.4 million (FY 2019: EUR 14.5 million; -21.7%). The decrease is related to the decline in 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 C it 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 the Ministry of Infrastructure – Directorate General for Supervision of Motorway Operators (“MIT/DGVCA”) in relation to the provisions of Concession Agreement in force and to the accompanying Regulatory Financial Plan.

The rates applied in 2020 were illustrated at length in the report on operations accompanying the 2019 financial statements.

We therefore provide more recent information on the rates for 2021.

By a note dated 31 December 2020 MIT/DGVCA notified the suspension of the adjustment to toll rates applicable from 1 January 2021 in consideration of the provisions of article 13 of Law Decree No. 183 of 31 December 2020 (the “Milleproroghe” decree) published in the Official Journal of the Italian Republic, issue 323 of 31 December 2020. The decree postponed the term for the rate adjustment for the year 2021 connected with the definition of the procedure of review of operators’ business plans. Specifically, the decree postponed to 31 July 2021 the deadline for motorway operators to finalise their business plans.

By a note dated 24 December 2020 MIT/DGVCA defined the additional kilometres payable to CAV for the year 2021 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 Autostrade Venete on A4 as 17.157 km (0.049 km less than in 2020).

By another note dated 29 December 2020 MIT/DGVCA notified CAV that the pilot discount scheme (frequent traveller discount of 40%) on the stretch between Mirano/Dolo and Padova Est (which was expected to end on 31 December 2020) may be extended, pending the finalisation of the Business Plan, for a further 12 months from 1 January 2021 to 31 December 2021.

INVESTMENT EXPENDITURE

The “Completion and installation works on the chloride storage facilities at Spinea, Preganziol e Dese” were started and completed.

An integrated management system was developed through the implementation of new software: for instance, ERP SAP, a new platform for human resource management, a new procurement platform and a new open source asset management platform became operational;

Development started of new software for monitoring, maintenance and management of operating activities which makes it possible to standardise and digitise core business processes;

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.

Also, the “Complementary and completion works of the Mestre Bypass” included in the Company’s RFP are being completed by ANAS S.p.A..

SAFETY AND ENVIRONMENT

Occupational health and safety management system

In the course of 2020 the Company continued managing workplace safety proactively. Compliance with the law can be verified against occupational health and safety documents that are constantly updated and all approval certificates that were sought and obtained within the terms prescribed.

Continuous updating of business procedures and the preparation of operating instructions confirm the intent of the entire organisation to conduct activities using an approach that promotes best practices and virtuous behaviour.

In relation to the dangers that arose with the spread of Covid-19 and in accordance with law provisions, the Company has adopted measure to contrast and contain the spread of the new virus at the workplace, issuing instructions, through the usual modes of communication, on the safety measures to be adopted by all employees.

Furthermore, pursuant to Resolution of the Veneto regional government (“DGR”) 601 of 12 May 2020, the Company, to comply timely and effectively with the “Manual for the restart of production activities”, enrolled in the Pilot Project promoted by the Region Veneto, whose purposes are:

- Identifying the information flows and the most appropriate manner of contact between individual enterprises and the structures of the Regional Health System, for circulating information, including on health matters, considered necessary for the protection of workers’ and public health;
- Developing epidemiological profiles of the spread of the virus among the working population, by identifying persons already infected, cured, immunised and susceptible to the virus and obtaining information on seroprevalence and its possible determining factors (geographical area, age bracket, gender, job nature).
- Obtaining, pending harmonisation on a national level, information useful for identifying the most appropriate use of the various available diagnostic and screening tests, and for supporting the process of validation of the various serological tests by the competent technical-scientific bodies;
- Verifying the effectiveness of the containment measures adopted in workplaces and obtaining elements to assess possible corrective measures, also through inspections by the competent authorities (which did not identify any irregularities).

The Company quickly reorganised its operations introducing smart working, not only as a preventative measure to contrast the spread of the virus but also as a new mode of organisation.

Environmental protection

In 2020 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 in emergency situations, specific procedures were issued. The company is implementing automation of remote control of water treatment plants and of installations measuring the characteristics and concentrations of airborne polluting agents along the motorways under concession.

MAINTENANCE

In the course of 2020 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:

- Road resurfacing;
- 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;
- Experimental sensor installations for structural monitoring;
- Periodical inspections of road structures;
- Prevention of ice formation and snowfall monitoring;
- Clearing of carriageways and grass cutting in green areas and verges;
- Maintenance of lighting, monitoring and traffic supervision equipment;
- Completion of the installation of 20 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.
- 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);
- Installation of 14 new air conditioning units 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;
- Revamping of the traffic monitoring system with the installation 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;
- 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 variable message signs (VMSs), CCTVs, traffic sensors, etc...);
- Implementation of a new integrated access control system at the headquarters at Marghera, Venice, with planned extension to other toll gates on the motorways under concession;
- Installation of the C-ITS server for managing Road Station Units along A57 Mestre ring road 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 mobile cameras for real-time transmission of data to the Operations Centre;
- Enhancement of the Citrix virtual environment for remote access management, MDM, network resource sharing and desktop virtualisation. All workstations have been virtualised;
- Enhancement of the Office 365 environment, with the distribution of a personal mail account to each user and the use of shared resources through the implementation of 2FA and Conditional Access;
- Distribution to each CAV employee of a smartphone for connecting and enabling 2FA on access systems;
- Enhancement and unification of the remote access portal to CAV's systems through access gateway to corporate resources enabling smart working for all employees;
- Enhancement of the office network, increasing its integration with toll collection and traffic control installations;
- In the networking environment, implementation of a new wi-fi network for use by employees and guests, including 5G connectivity;
- Enhancement of the remote SOC service integrating it with Microsoft 365 SaaS cloud services;
- Upgrading of all client and server operating systems
- Implementation of new EDR and EMM systems on individual clients;
- Upgrading of employees' workstations;

In addition to the above, which is part of ordinary annual maintenance, during 2020 the following works were carried out:

- Repairs to concrete surfaces of the Marghera and Terraglio structures on the Mestre ring road;
- Reconfiguration of the intersection between A4 and A57 Ovest with safety improvements;
- Replacement of longitudinal and transverse floor joints in connection with sundry structures;
- Continuation of safety tests of motorway structures pursuant to the technical requirements "Norme Tecniche Costruzioni 2018". Tests of guidelines for the classification and management of risk, safety evaluations and monitoring of existing bridges.

- Start of development of applications for wearables and smartphones dedicated to employees of the Company for use in certain activities;
- Construction of the Data Center at Padova Est and upgrade and consolidation of the Data Center at headquarters at Marghera.

MANAGEMENT SYSTEMS

During 2020 the Company continued updating its business processes and procedures and, thanks to the involvement and participation of all corporate structures, implementation was successful. In September 2020 the Company underwent an inspection by the certification body RINA Services S.p.A. which confirmed the certification of the integrated management system in place under the UNI EN ISO 9001:2015, UNI EN ISO 14001:2015, UNI ISO 45001:2018 and UNI ISO 39001:2016 standards.

The inspection did not identify any issues (instances of non-compliance) but only opportunities for improvement.

To check that implementation of procedures is fully compliant, the Company carries out periodical internal and external audits.

Also, during 2020 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 2020 CAV updated the Organisational, Management and Control Model adopted pursuant to Legislative Decree No. 231/01 and the appended documents. A further review of the 231 Model is planned as a result of regulatory changes during the year. In 2020 CAV, with the cooperation of the Data Protection Officer, improved the procedures for the application of Regulation (EU) 679/2016 on the protection of natural persons with regard to the processing and free movement 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.

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 seven 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.

The only criminal proceeding pending will be defined soon, as the hearing for the court to rule has already been set for 7 January 2021.

Finally, the proceedings before TAR Veneto (CAV vs. ART) and the Court of Auditors, joint divisions of a special composition, have been defined.

CAV reserves the right to consider the opportunity to challenge the ruling issued in the CAV vs. ART case solely with reference to the matters rejected by the court.

OTHER OPERATING INFORMATION

Accidents and Roadside Assistance Service

In 2020 accidents on the closed and open system stretches of motorway operated by CAV totalled 141, a decrease of 31.55% on 2019; of these, 91 involved light vehicles, a decrease of 30.00% on 2019, and 50 involved HGVs, a decrease of 34.21% on 2019.

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 2020 with 2019 the accident rate for light vehicles (per 100 million kilometres travelled) was 9.65 (2.09%) while that for HGVs was 15.86 (-24.70%); the overall accident rate was 11.28, a decrease of 6.88%.

Below we provide some additional figures of interest.

In 2020 there were 53 accidents causing injuries (a decrease of 43.01% on 2019); the accident rate per 100 million kilometres travelled fell to 3.95 (a decrease of 22.46% on 2019); the national figure as of 30 June 2020 was 5.89 (source: AISCAT).

The number of persons injured fell to 77 (-48.67% on 2019); the related rate fell to 5.74 (-30.16% on 2019); the national figure as of 30 June 2020 was 9.06 (source: AISCAT).

The number of fatalities was 2, -33.33% on 2019; the related rate was 0.15 (-9.30% on 2019); the national figure as of 30 June 2020 was 0.23 (source: AISCAT).

Also in 2020 the Company worked to improve quality standards, the most important of which are: information of users, through VMSs; a website with information and dedicated pages and traffic monitoring through cameras, continuously updated real-time reports on traffic events via national and local radios; activities of the Operations Centre through widespread 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.).

Moreover, the INFOVIAGGIANDO app continued to be implemented for fixed and mobile devices by the motorway operators of north-eastern Italy – CAV S.p.A., Autostrada Brescia–Verona–Vicenza–Padova S.p.A. and S.p.A. Autovie Venete, which operate adjoining motorways, in order to manage uniformly a service

providing information to users, promoting the use of shared technologies and advanced management systems while at the same time pursuing effectiveness, efficiency and operational economy.

The information provided to users through the shared platform substantially comprise:

- real-time updates on traffic and road conditions and weather forecasts;
- presence of construction sites and construction in progress;
- toll collection systems;
- indications about destinations, useful services and significant events also on motorways adjoining those operated by the parties; and
- real-time information about emergencies through local radios with large user bases.

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 2020 there were a total of 3,072 callouts, a decrease of 32.79% on 2019.

The callout rate per million kilometres travelled was 2.29 (a decrease del 8.56% on 2019).

Service Centre

The Service Centre provides 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, during 2020 services provided to customers involved 59,797 266 transactions at the Service Centre at Venezia Mestre (-54.34% on 2019).

The most significant transactions at the Service Centre were:

- 3,525 unpaid toll reports collected (-61.25%);
- 12,489 Telepass transactions (deliveries, returns, replacements) (-48.51%);
- 27,779 transactions involving licence plates (-51.65%);
- 4,620 prepaid cards sold (-55.63%).

For comparison purposes it should be noted that until 2019 a second Service Centre as open at Padova and that the Service Centre at Venezia Mestre was closed throughout April 2020 due to the Coronavirus pandemic.

Service stations and Hotel

In 2020 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 2,873,000 litres of petrol (-32.98%);

12,146,000 litres of diesel oil (-37.43%); 1,270,000 litres of LPG (-35.66%); 600 kilograms of methane (-26.24); 2,061 kilograms of lube oils (-55.85%); forecourt retailing business totalled sales of EUR 160,000 (-39.16%). Coffee shops and restaurants recorded total sales, excluding VAT, of EUR 3,598,000 (-47.51%); retail business at coffee shops and restaurants totalled EUR 1,407,000 (-59.50%); ancillary sales totalled EUR 4,543,000 (-16.78%).

The hotel at Marghera recorded total sales for restaurant services, sundry services and lodging of EUR 275,000 (-91.80%).

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 2020 generated net income of EUR 2,310,000 (-44.84%).

Operations Centre

open 24/7, is constantly in contact with the traffic officers patrolling A4, A57 Mestre ring road and the motorway link to 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 S.p.A., 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 2020 gives a net amount payable by CAV to ANAS of EUR 21,334,022.

Receivables by CAV totalled EUR 7,093,209 as of 31 December 2020 and relate mainly to the grant referred to in article 1, paragraph 78, letters c) e i) of Law No. 266/2005 (equal to EUR 4,702,500).

Payables by CAV totalled EUR 28,427,231 as of 31 December 2019 and are detailed as follows: EUR 5,248,331 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 160,094 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 1,285,765; 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 21,614,111 in respect of FY 2020.

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 2020, 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 2020. 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 RESOLUTIONS OF THE VENETO REGIONAL GOVERNMENT No. 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 2020 CAV applied the regulations set out in Legislative Decree No. 50 of 18 April 2016, as subsequently amended and supplemented.

Following regulatory changes over the last few years, and having changed the software house that manages the administrative software in use, the Company updated the regulations governing the lists of suppliers adopted by CAV.

At a meeting on 28 May 2020, the Board of Directors of CAV adopted new Regulations to implement and manage the open list of suppliers of works, supplies and services as well as engineering and architecture services. Those Regulations went into force on 1 July 2020.

That implementation, in addition to simplifying the process for inclusion of suppliers, allows CAV to use a software that is used nation-wide and goes in the direction of improvement of the Company's IT systems.

- 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 submits 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. has no 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.

MEMORANDA OF UNDERSTANDING

On 11 February 2019 the Ministry of Infrastructure and Transport, ANAS S.p.A. and the Region Veneto signed a document known as the "Protocollo CAV", the CAV Memorandum.

The purpose of the document is to identify criteria for determining amounts in the accounts of CAV that are generated from the motorway business that can be used for road infrastructure projects in the territory of the Region Veneto.

It should be noted, indeed, that CIPE Resolution No. 3 of 26 January 2007, letter f) of the preamble, states that *"in any case, by a separate agreement to be made with MIT and the Region Veneto, ANAS S.p.A. undertakes to use the resources generated from the operation of the Mestre Bypass and the motorways operated by Società delle Autostrade di Venezia e Padova under concession granted by positive silence and exceeding the requirement for amortisation of capital expenditure, repayment of related loans, and maintenance and operating charges, to finance additional expenditure on road infrastructure as will be indicated by the Region in agreement with the Ministry of Infrastructure"*

In accordance with the above, CAV's articles and memorandum of association provide that *"the net profits resulting from the approved financial statements shall be appropriated, subject to maintaining the legal reserve, in accordance with CIPE Resolution No. 3 of 26 January 2007"* (see Memorandum of Association, section 6 and Articles of Association, article 27).

On 11 February 2019 the Ministry of Infrastructure and Transport and the Region Veneto also signed an additional memorandum of understanding (known as "Protocollo Opere", the Works Memorandum) to identify the required infrastructure works in the regional territory.

Following the full repayment of the loan from ANAS, in April 2019, and in any case in compliance with the limitations and restrictions for the Company arising from the Project Bond, CAV, on a reasoned proposal from the Region Veneto, may disburse the resources generated from the operation of the Mestre Bypass and the motorways operated by Società delle Autostrade di Venezia e Padova under concession granted by positive silence and exceeding the requirement for amortisation of capital expenditure, repayment of related loans, and maintenance and operating charges, to finance the infrastructure projects identified by the Region Veneto.

INVESTEES

Concessioni Autostradali Venete – CAV S.p.A. 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 S.p.A. joined on 22 December 2010. The consortium fund totals EUR 113,949 and the share of CAV S.p.A. 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 2020

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		
3) Intellectual property rights	262,158	0
4) Concessions, licences, trademarks and similar rights	0	40,401
6) Assets under construction and payments on account	5,248,634	685,329
7) Other intangible assets	<u>543,643,427</u>	<u>587,862,021</u>
	549,154,219	588,587,751
II. Tangible assets		
1) Land and buildings	870	5,226
2) Plant and machinery	4,194	7,582
3) Industrial and commercial equipment	25,317	29,633
4) Other assets	<u>802,708</u>	<u>1,158,076</u>
	833,089	1,200,517
III. Financial assets		
Equity investments in:		
d bis) Other companies	<u>1,058</u>	<u>1,058</u>
	1,058	1,058
Total Fixed assets	<u><u>549,988,366</u></u>	<u><u>589,789,326</u></u>
C) CURRENT ASSETS		
I. Inventories		
1) Raw materials and consumables	1,256,818	1,199,475
II. Receivables		
1) Trade receivables:		
- falling due within one year	4,005,755	2,342,233
- falling due after one year	283,503	385,019
5-bis) Tax receivables		
- falling due within one year	3,814,252	5,384,047
- falling due after one year	0	0
5-ter) Deferred tax assets	1,342,359	67,876
5-quater) Other receivables:		
- falling due within one year	38,320,820	45,330,816
- falling due after one year	<u>66,563,196</u>	<u>72,161,200</u>
	114,329,885	125,671,191

	Balance as of 31 Dec. 2019	Balance as of 31 Dec. 2018
<i>III. Short-term investments</i>	0	0
<i>IV. Cash and cash equivalents</i>		
1) Bank and postal deposits	129,231,573	126,893,084
3) Cash in hand	<u>98,068</u>	<u>95,379</u>
	129,329,641	126,988,463
Total Current assets	<u>244,916,344</u>	<u>253,859,129</u>
<i>D) ACCRUED INCOME AND PREPAYMENTS</i>	334,323	539,489
TOTAL ASSETS	<u><u>795,239,033</u></u>	<u><u>844,187,944</u></u>

LIABILITIES

	Balance as of 31 Dec. 2019	Balance as of 31 Dec. 2018
A) SHAREHOLDERS' EQUITY		
I. Share capital	2,000,000	2,000,000
IV. Legal reserve	400,000	400,000
VI. Other reserves:		
- Extraordinary reserve	155,513,784	121,732,764
- 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	0	6,778,000
IX. Profit/(Loss) for the year	<u>2,649,502</u>	<u>27,003,020</u>
	170,514,513	167,865,011
B) PROVISIONS FOR RISKS AND CHARGES		
4) Other provisions:		
a) for risks	385,918	0
c) for cycle maintenance	<u>15,035,000</u>	<u>14,408,570</u>
	15,420,918	14,408,570
C) PROVISION FOR POST-EMPLOYMENT BENEFITS (TFR)	347,745	356,240
D) PAYABLES		
1) Bonds		
- falling due within one year	58,582,976	62,713,201
- falling due after one year	499,160,691	557,743,667
7) Trade payables	9,885,592	8,762,882
12) Tax payables	2,887,974	3,397,687
13) Social security payables	1,269,257	1,277,723
14) Other payables	<u>36,781,105</u>	<u>27,240,442</u>
	608,567,595	661,135,602
E) ACCRUED EXPENSES AND DEFERRED INCOME	388,262	422,521
TOTAL LIABILITIES	<u><u>795,239,033</u></u>	<u><u>844,187,944</u></u>

INCOME STATEMENT

	FY 2020	FY 2019
<i>A) VALUE OF PRODUCTION</i>		
1) Revenue from sales and services	126,468,287	165,065,362
5) Other income		
- Other	2,323,511	991,308
- Grants	102,967	168,263
	<u>128,894,765</u>	<u>166,224,933</u>
<i>B) COST OF PRODUCTION</i>		
6) Raw materials, consumables and goods	524,405	985,249
7) Services	29,074,732	30,440,108
8) Leases and rentals	545,360	382,503
9) Personnel:		
a) Wages and salaries	12,656,398	13,001,326
b) Social charges	4,079,329	4,193,912
c) Provision for post-employment benefits (TFR)	906,761	915,870
e) Other personnel costs	530,938	430,190
	<u>18,173,426</u>	<u>18,541,298</u>
10) Amortisation, depreciation and write-downs		
a) Amortisation of intangible assets	45,773,200	45,093,975
b) Depreciation of property, plant and equipment	530,304	486,642
d) Write-downs of receivables included in current assets	0	3,500
	<u>46,303,504</u>	<u>45,584,117</u>
11) Change in stocks of raw materials, consumables and goods	-57,343	-40,261
13) Other accruals		
b) Charges to provision for cycle maintenance	15,035,000	13,047,168
c) Utilisation of provision for cycle maintenance	-14,408,570	-17,754,764
14) Other operating costs	14,918,894	19,030,004
	<u>110,109,408</u>	<u>110,215,422</u>
<i>DIFFERENCE BETWEEN VALUE AND COST OF PRODUCTION</i>	18,785,357	56,009,511
<i>C) FINANCIAL INCOME AND CHARGES</i>		
16) Other financial income:		
d) financial income other than the above	5,500	18,149
17) Interest and other financial charges	15,025,620	16,605,280
	<u>-15,020,120</u>	<u>-16,587,131</u>
<i>D) ADJUSTMENTS TO THE VALUES OF FINANCIAL ASSETS AND LIABILITIES</i>		
	<u>0</u>	<u>0</u>

	FY 2020	FY 2019
<i>PROFIT(LOSS) BEFORE TAX</i>	3,765,237	39,422,380
20) Income tax for the year		
a) Current income taxes	2,390,218	12,410,204
b) Deferred tax liabilities	0	0
c) Deferred tax assets	<u>-1,274,483</u>	<u>9,156</u>
	-1,115,735	-12,419,360
21) Profit/(Loss) for the year	2,649,502	27,003,020

CASH FLOW STATEMENT

31 Dec. 2020

31 Dec.2019

A. Cash flow from operating activities (indirect method)		
Net profit for the period	2,649,502	27,003,020
Income taxes	1,115,735	12,419,360
Interest expense/(income)	15,020,120	16,587,131
1. Profit/(Loss) for the year before income taxes, interest, dividends, and gains/losses on disposals	18,785,357	56,009,511
<i>Adjustments for non-cash items with no impact on net working capital</i>		
Charges to provisions for risks and charges	15,035,000	13,047,168
Utilisation of provisions for risks and charges	-14,408,570	-17,904,764
Charge to Provision for post-employment benefits (TFR)	906,761	915,870
Other provisions	385,918	0
Amortisation of intangible assets	45,773,200	45,093,975
Depreciation of property, plant and equipment	530,304	486,642
Adjustments to the values of financial assets and liabilities	0	0
<i>Total adjustments for non-cash items</i>	<i>48,222,613</i>	<i>41,638,891</i>
2. Cash flow before changes in net working capital	67,007,970	97,648,402
<i>Changes in net working capital</i>		
(Increase)/Decrease in inventories	-57,343	-40,261
(Increase)/Decrease in trade receivables	-1,562,006	52,320
(Increase)/Decrease in tax receivables	1,569,795	35,051,792
(Increase)/Decrease in other receivables	12,608,000	5,163,380
(Increase)/Decrease in accrued income and prepayments	205,166	26,592
(Decrease)/Increase in trade payables	1,122,710	796,539
(Decrease)/Increase in social security payables	-8,466	-3,765
(Decrease)/Increase in other payables (excluding amounts already included in other items)	9,421,733	9,329,425
(Decrease)/Increase in accrued expenses and deferred income	-34,259	58,408
<i>Total changes in net working capital</i>	<i>23,265,330</i>	<i>50,434,430</i>
3. Cash flow after changes in net working capital	90,273,300	148,082,832
<i>Other adjustments</i>		
Interest received/(paid)	-12,891,901	-14,284,112
(Income taxes paid)	-2,899,931	-11,522,573
(Utilisation of provisions)	-915,256	-901,140
<i>Total other adjustments</i>	<i>-16,707,088</i>	<i>-26,707,825</i>
Cash generated from (used in) operating activities (A.)	73,566,212	121,375,007
B. Cash flow from investing activities		
<i>Investing activities</i>		
(Increase) in intangible assets	-6,339,668	-5,853,514
Decrease in intangible assets	0	0
(Increase) in property, plant and equipment	-165,490	-408,276
Decrease in property, plant and equipment	3,524	0
Cash generated from (used in) investing activities (B.)	-6,501,634	-6,261,790

	31 Dec. 2020	31 Dec.2019
C. Cash flow from financing activities		
Repayment of bonds	-64,723,400	-59,262,000
Repayment of loan from shareholders	0	-4,911,865
Cash generated from (used in) financing activities (C.)	-64,723,400	-64,173,865
Increase/(Decrease) in cash and cash equivalents	2,341,178	50,939,352
Cash and cash equivalents at beginning of period	126,988,463	76,049,111
Cash and cash equivalents at end of period	129,329,641	126,988,463

NOTES TO THE FINANCIAL STATEMENTS

PRESENTATION AND CONTENT OF THE FINANCIAL STATEMENTS

The annual financial statements as of 31 December 2020 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 software applications, are measured at cost less accumulated amortisation calculated systematically on a straight-line basis over a period of two years.

Other intangible assets

Other intangible assets – comprising the cost of construction of the Mestre Bypass to be refunded to ANAS, the indemnity paid to Società delle Autostrade di Venezia e Padova S.p.A., other works built on the motorway stretches under concession, complementary and completion works of the Mestre Bypass, financing costs resulting from taking over the concession (safety works on provincial road SP81 and the San Giuliano interchange at Mestre), costs 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 link road, 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 entities are measured at cost. Purchase cost is increased following subscribed and paid-in capital increases of the investee and new purchases of shares from third parties. The carrying amount is reduced to reflect any impairment losses.

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

Inventories

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

Cash and cash equivalents

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

Receivables and payables

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

Prepayments, accruals and deferrals

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

Shareholders' equity

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

Provision for post-employment benefits (TFR)

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

Provision for cycle maintenance

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

Provision for taxes

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

Provisions for risks and charges

Provisions for risks and charges, included within liabilities, are made for contingent liabilities, based on realistic estimates of the amount to be settled. Provisions are made only for specific losses or liabilities that are certain or probable, the amounts or timing of which cannot be determined accurately at the year end. Risks where the occurrence of a liability is probable are illustrated in the notes to the financial statements and a provision is posted for an appropriate amount. Risks where the occurrence of a liability is merely possible are disclosed in the notes to the financial statements but no provision is posted, in accordance with the applicable financial reporting standards.

Deferred tax assets and liabilities

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

The rates applied in the calculation of deferred tax assets and liabilities are 3.90% for the purpose of IRAP, regional trade income tax, and 27.50% 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 39,433,532. Movements in the year may be analysed as follows:

	Balance as of 31 Dec. 2019	Increase	Decrease	Account transfer	Balance as of 31 Dec. 2020
Industrial patent rights	0	524,317	262,159	0	262,158
Concessions, licences, trademarks and similar rights	40,401	0	40,401	0	0
Assets under construction and payments on account	685,329	5,815,351	0	-1,252,046	5,248,634
Other intangible assets	587,862,021	0.00	45,470,640	1,252,046	543,643,427
Total	588,587,751	6,339,668	45,773,200	0	549,154,219

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

'Concessions, licences, trademarks and similar rights' comprises the net book value of costs incurred to acquire other types of software. Amortisation is calculated on a straight-line basis over a period of two years. At the end of the year the balance was fully amortised.

'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 having 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 incurred for the E-roads project; d) costs incurred for the New software platform (SGI) project; e) costs (feasibility studies) referred to service stations; and d) the refund due to the Region Veneto in accordance with the Concession Agreement for safety works on the interchange of A27 with A57. For details please refer to the report on operations.

An amount of EUR 1,256,046 relating to development of software applications that were rolled out during the year has been transferred from 'Assets under construction and payments on account' to 'Other intangible assets'.

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

	Balance as of 31 Dec. 2019	Increase	Decrease	Account transfer	Balance as of 31 Dec. 2020
Complementary and completion works on the Mestre Bypass	0	225,577	0	0	225,577
Other works on the motorways under concession	636,529	320,178	0	0	956,707
E-roads	0	1,917,420	0	0	1,917,420
New software platform (SGI)	0	3,352,176	0	-1,256,046	2,100,130
Service stations	48,800	0	0	0	48,800
Total	685,329	5,815,351	0	-1,252,046	5,248,634

'Other intangible assets' comprises the net book value of the costs of the Mestre Bypass, complementary and completion works of the Mestre Bypass, the indemnity paid to Società delle Autostrade di Venezia e Padova S.p.A., other works on the motorways under concession, safety works on provincial road SP81 between the Mira/Oriago toll gate and the roundabout on state road SS319 at Malcontenta, works on the San Giuliano interchange at Mestre, the renovation of the traffic police barracks, the roundabout on entry to the Marco Polo–SS14 link road, the interchange of A27 with A57, and the new software platform (SGI).

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

Movements 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. 2019	Additions and account transfers	Decreases	Balance as of 31 Dec. 2020	Balance as of 31 Dec. 2019	Amortisation charge	Decreases	Balance as of 31 Dec. 2020	Balance as of 31 Dec. 2020
Mestre Bypass	705,199,639	0	0	705,199,639	331,763,948	28,725,823	0	360,489,771	344,709,868
Complementary and completion works	221,696,864	0	0	221,696,864	67,456,248	11,864,663	0	79,320,911	142,375,953
Indemnity paid to Società delle Autostrade di Venezia e Padova	74,689,185	0	0	74,689,185	32,628,875	3,235,408	0	35,864,283	38,824,902
Other works on the motorways	6,141,398	0	0	6,141,398	2,051,879	314,654	0	2,366,533	3,774,865
Safety works on provincial road SP81	5,384,004	0	0	5,384,004	2,135,008	249,923	0	2,384,931	2,999,073
San Giuliano interchange at Mestre	7,746,853	0	0	7,746,853	3,170,307	352,042	0	3,522,349	4,224,504
Renovation of traffic police barracks	300,000	0	0	300,000	88,391	16,277	0	104,668	195,332
Roundabout on entry to the Marco Polo–SS14 link road	800,000	0	0	800,000	240,942	43,005	0	283,947	516,053
Safety works on the A27–A57 interchange	5,633,418	0	0	5,633,418	193,742	418,436	0	612,178	5,021,240
New software platform (SGI)	0	1,252,046	0	1,252,46	0	250,409	0	250,409	1,001,637
Total	1,027,591,361	1,252,046	0	1,028,843,407	439,729,340	45,470,640	0	485,199,980	543,643,427

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; 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 link), complementary works to the main tender (Robegano variant, removal of the Roncade toll gate in the territory of Mogliano Veneto), the Martellago/Scorzè toll gate and the northern ring road at Mogliano Veneto.

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

'Other works on the motorways' comprises signage for EUR 391,752; the supply and installation of storm drain grids on the Mestre Bypass for EUR 223,170; chloride storage plants for EUR 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 link road (in operation since 2015) are part of the contractual commitments resulting from the concession of Società delle Autostrade di Venezia e Padova S.p.A. that CAV assumed on taking over the concession. The expenditure relates to the construction of works that will remain the property of, and will be maintained by, third parties.

The costs relating to renovation of the traffic police barracks went into operation in 2015.

The refund due to the Region Veneto in accordance with the Concession Agreement for safety works on the interchange of A27 with A57 went into operation in 2019.

'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 motorway link 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. 2019	Increase	Decrease	Balance as of 31 Dec. 2020
Land and buildings	5,226	0	4,356	870
Plant and machinery	7,582	0	3,388	4,194
Industrial and commercial equipment	29,633	2,415	6,731	25,317
Other assets	1,158,076	163,985	519,353	802,708
Total tangible assets	1,200,517	166,400	533,828	833,089

Movements in the year may be analysed as follows:

Tangible assets	Historical cost			Accumulated depreciation				Net book value	
	Balance as of 31 Dec. 2019	Additions	Disposals	Balance as of 31 Dec. 2020	Balance as of 31 Dec. 2019	Depreciation charge	Disposals	Balance as of 31 Dec. 2020	Balance as of 31 Dec. 2020
Land and buildings	34,838	0	17,419	17,419	29,612	1,742	14,805	16,549	870
Plant and machinery	709,218	0	0	709,218	701,636	3,388	0	705,024	4,194
Industrial and commercial equipment	94,180	2,415	0	96,595	64,547	6,731	0	71,278	25,317
Other assets	2,942,155	163,985	2,428	3,103,712	1,784,079	518,443	1,518	2,301,004	802,708
Total	3,780,391	166,400	19,847	3,926,944	2,579,874	530,304	16,323	3,093,855	833,089

'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 166,400 relate for EUR 163,985 to computers and IT equipment, and for EUR 2,415 to other equipment.

Decreases relate to the depreciation charges for the period and the disposal 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. 2019	Increase	Decrease	Balance as of 31 Dec. 2020
Other entities				
• Consorzio Autostrade Italiane Energia	1,058	0	0	1,058
Total	1,058	0	0	1,058

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 2020, approved by the board of directors on 27 January 2021.

Inventories

The balance increased by EUR 57,343 and may be analysed as follows:

	Balance as of 31 Dec. 2020	Balance as of 31 Dec. 2019
Consumables	118,894	102,452
Assets for use in maintenance	1,137,924	1,097,023
Total	1,256,818	1,199,475

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 114,329,885 as of 31 December 2020, a decrease of EUR 11,341,306 compared with the previous year. As of 31 December 2020 there were no receivables falling due after five years.

The balance may be analysed as follows:

	Balance as of 31 Dec. 2020	Balance as of 31 Dec. 2019
Trade receivables:		
• falling due within one year	4,005,755	2,342,233
• falling due after one year	283,503	385,019
Tax receivables		
• falling due within one year	3,814,252	5,384,047
• falling due after one year	0	0
Deferred tax assets	1,342,359	67,876
Other receivables:		
• falling due within one year	38,320,820	45,330,816
• falling due after one year	66,563,196	72,161,200
Total	114,329,885	125,671,191

'Trade receivables' increased by EUR 1,562,006 and may be analysed as follows:

	Balance as of 31 Dec. 2020	Balance as of 31 Dec. 2019
Trade accounts receivable	2,132,187	97,468
Invoices to be issued	2,157,071	2,629,784
Total	4,289,258	2,727,252

'Invoices to be issued' comprises EUR 341,016 for crossing fees (whereof EUR 283,503 is expected to be collected after one year), EUR 237,334 is expected to be collected after one year and EUR 1,578,721 for 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 1,569,795 compared with the previous year:

	Balance as of 31 Dec. 2020	Balance as of 31 Dec. 2019
VAT receivable		
• falling due within one year	0	5,006,519
• falling due after one year	0	0
Amount receivable pursuant to article 2, paragraph 1-quater, Law Decree No. 201/2011	0	321,219
Amount receivable pursuant to article 11 of Law Decree No. 66/2014	0	419
IRAP (regional trade income tax) receivable	470,284	55,890
IRES (corporation tax) receivable	3,343,968	0
Total	3,814,252	5,384,047

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 was reduced to nil during the year.

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, and was collected during the year.

IRES and IRAP receivables relate to advance payments made during the year in excess of the amount payable.

'Deferred tax assets' increased by EUR 1,274,483 compared with the previous year and refers to the following:

	Balance as of 31 Dec. 2020		Balance as of 31 Dec. 2019	
	Temporary difference	Tax effect	Temporary difference	Tax effect
Maintenance of tangible assets	71,274	17,762	45,039	11,598
Late payment interest	99	27	434	119
Directors' remuneration	68,683	18,888	3,986	1,096
Write-downs of receivables	229,431	55,063	229,431	55,063
Taxes	157,158	43,218	0	0
Personnel	629,620	173,146	0	0
Litigation	385,918	92,620	0	0
Provision for cycle maintenance	3,586,942	941,634	0	0
Total	5,129,125	1,342,359	278,890	67,876

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

'Other receivables' decreased by EUR 12,608,000 and may be analysed as follows:

	Balance as of 31 Dec. 2020	Balance as of 31 Dec. 2019
Receivables from interconnected motorway operators	27,578,497	34,457,075
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	0	4,702,500
Restricted cash		
- falling due within one year	5,248,331	5,022,754
- falling due after one year	66,540,707	67,436,211
Other		
- falling due within one year	791,492	1,148,487
- falling due after one year	22,489	22,489
Total	104,884,016	117,492,016

'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 4,702,500, 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 the last tranche of EUR 4,702,500 is included in receivables falling due after one year (year 2021). During the year the Company collected one tranche of EUR 4,702,500. The balance was first recorded in

2009 and does not bear interest. The amount 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.

'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 21,831,484 falling due after one year); b) a 'maintenance reserve account' of EUR 7,640,698 (entirely falling due after one year); and c) a 'debt service reserve account' of EUR 37,068,525 (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 180,653. The provision comprises EUR 180,653 posted for 100% of a receivable from a company that was declared bankrupt in 2013.

Cash and cash equivalents

The balance increased by EUR 2,341,178 and may be analysed as follows:

	Balance as of 31 Dec. 2020	Balance as of 31 Dec. 2019
Bank and postal deposits	129,231,573	126,893,084
Cash in hand	98,068	95,379
Total	129,329,641	126,988,463

Bank and postal deposits comprises: a) postal deposits of EUR 2,463,600; b) bank deposits of EUR 126,445,084; and c) toll payments not yet credited to the Company's current accounts of EUR 322,889.

Accrued income and prepayments

The balance decreased by EUR 205,166 compared with the previous year.

	Balance as of 31 Dec. 2020	Balance as of 31 Dec. 2019
Prepayments	334,323	539,489

'Prepayments' comprises long-term services that are billed in advance (EUR 128,447 for insurance services, EUR 205,876 for other services).

BALANCE SHEET INFORMATION: LIABILITIES

Shareholders' equity

Shareholders' equity increased by EUR 2,649,502 compared with the previous year and may be analysed as follows:

	Balance as of 31 Dec. 2018	Increase	Decrease	Balance as of 31 Dec. 2019
Share capital	2,000,000	0	0	2,000,000
IV. Legal reserve	400,000	0	0	400,000
VII. Other reserves:				
- Extraordinary reserve	121,732,764	33,781,020	0	155,513,784
- Restricted reserve for road infrastructure	9,776,227	0	0	9,776,227
- Restricted reserve for fines and penalties	175,000	0	0	175,000
- Restricted reserve for differences on maintenance works	6,778,000	0	6,778,000	0
IX. Profit/(Loss) for the year	27,003,020	2,649,502	27,003,020	2,649,502
Total	167,865,011	36,430,522	33,781,020	170,514,513

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

At the annual general meeting of 30 April 2020 the shareholders resolved to appropriate the profit for the year 2019 of EUR 27,003,020 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 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 from MIT/DGVCA, which considered the difference between the maintenance work performed in the period 2010 to 2018 and the work scheduled in the Business Plan. Since the reasons for such a reserve lapsed, and MIT, by a letter dated 30 August 2019, protocol No. 21066, granted the Company's request to lift the restriction, at the annual general meeting of 30 April 2020 the shareholders resolved to release the restricted reserve and appropriate it to the extraordinary reserve..

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	155,513,784	A, B, C	155,513,784		
Restricted reserve	9,776,227	B, C	0		
Restricted reserve	175,000	B	0		
Total	167,865,011		155,513,784		
Non-distributable amount			0		
Distributable amount			155,513,784		

Legend

A: Capital increase

B: Loss coverage

C: Dividend distribution

	Share capital	Legal reserve	Extraordinary reserve	Restricted reserve for road infrastructure	Restricted reserve for fines and penalties	Restricted reserve for difference on maintenance works	Profit/ (Loss) for the year	Total
As of 1 Jan. 2018	2,000,000	400,000	98,368,137	9,776,227	175,000	6,778,000	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	27,003,020	167,865,011
Appropriation to extraordinary reserve			33,781,020					33,781,020
Appropriation to restricted reserve for difference on maintenance works						-6,778,000		-6,778,000
Utilisation of profit for 2019							-27,003,020	-27,003,020
Profit/(Loss) for 2020							2,649,502	2,649,502
As of 31 Dec. 2020	2,000,000	400,000	155,513,784	9,776,227	175,000	0	2,649,502	170,514,513

Provision for risks and charges

The balance increased by EUR 1,012,348. Movements in the year may be analysed as follows:

	Balance as of 31 Dec. 2019	Increase	Decrease	Balance as of 31 Dec. 2020
Provision for risks	0	385,918	0	385,918
Provision for cycle maintenance	14,408,570	15,035,000	14,408,570	15,035,000
Total	14,408,570	15,420,918	14,408,570	15,420,918

'Provision for risks' relates to personnel.

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 decreased by EUR 8,495. Movements in the year may be analysed as follows:

	Balance as of 31 Dec. 2019	Increase	Decrease	Balance as of 31 Dec. 2020
Provision for post-employment benefits (TFR)	356,240	906,761	915,256	347,745

The increase relates to the accrual for the year; the decrease comprises EUR 455,975 relating to advances and severance indemnities paid out to employees, to 'Fondo di garanzia TFR', a fund securing payment of TFR and salaries in the event of insolvency of employers, to ASTRI, a pension fund for motorway, road, transport, infrastructure and rental industry workers; to other supplementary pension funds; and other items for EUR 459,281.

Payables

Payables totalled EUR 608,567,595 as of 31 December 2020, having decreased by EUR 52,568,007. The balance falling due after five years was EUR 281,167,996 850 and corresponds to the outstanding portion of the project bond maturing on 31 December 2025, calculated under the amortised cost method.

The heading is analysed below:

A) Bonds

The balance as of 31 December 2020 was EUR 557,743,667. Movements in the year may be analysed as follows:

	Balance as of 31 Dec. 2019	Increase	Decrease	Balance as of 31 Dec. 2020
Bonds	620,456,868	15,024,600	77,737,801	557,743,667
Total	620,456,868	15,024,600	77,737,801	557,743,667

On 12 April 2016 the project bond was issued for a nominal value of EUR 830,000,000. During 2020 the Company repaid EUR 64,723,400. 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 2,010,199 for 2020).

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 balance of EUR 557,743,667 comprises EUR 58,582,976 falling due within one year and EUR 499,160,691 falling due after one year (whereof EUR 281,167,996 falling due after five years).

The nominal debt (debt on issuance less principal repayments) as of 31 December 2020 was equal to EUR 567,836,200.

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

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

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

B) Trade payables

The balance increased by EUR 1,122,710 compared with the previous year. In detail:

	Balance as of 31 Dec. 2020	Balance as of 31 Dec. 2019
Trade accounts payable	3,508,733	3,252,323
Invoices to be issued	6,173,075	5,368,935
Contractual guarantee deposits	203,784	141,624
Total	9,885,592	8,762,882

C) Tax payables

The balance increased by EUR 509,713 and is detailed as follows:

	Balance as of 31 Dec. 2020	Balance as of 31 Dec. 2019
IRPEF, personal income tax, on the remuneration of employees and freelancers	506,152	528,584
IRES, corporation tax	0	2,839,453
VAT	2,344,318	0
Other taxes	37,504	29,650
Total	2,887,974	3,397,687

D) Social security payables

The balance decreased by EUR 8,466 compared with the previous year.

	Balance as of 31 Dec. 2020	Balance as of 31 Dec. 2019
Social security payables	1,269,257	1,277,723

E) Other payables

The balance increased by EUR 9,540,663 compared with the previous year and is detailed as follows:

	Balance as of 31 Dec. 2020	Balance as of 31 Dec. 2019
Payables to interconnected motorway operators	4,688,201	6,619,281
Payables to the State		
• Concession fee (MIT)	2,103,818	2,733,106
• Concession fee (ANAS)	1,285,765	726,522
• Supplementary concession fee pursuant to Law No. 102/2009 (ANAS)	21,614,111	10,246,400
• Sub-concession fee (MIT)	0	13,745
Payables to personnel	1,149,955	1,202,162
Payables to ANAS		
• Refund of the costs of construction of the Mestre Bypass and related complementary and completion works	5,248,330	5,022,754
• Interest on the subordinated loan from shareholder	118,930	118,930
Other	571,995	557,542
Total	36,781,105	27,240,442

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

‘Payables to the State’, totalling EUR 25,003,694, 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; and the supplementary concession fee payable to ANAS pursuant to Law No. 102/2009.

With regard to the sub-concession fee, advances paid during the year exceeded the amount owed, generating an amount receivable of EUR 29,170 that is included in ‘Other receivables’.

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

‘Payables to ANAS’, totalling EUR 5,367,260, comprises a) the costs of construction of the Mestre Bypass and related complementary and completion works not yet billed for EUR 5,248,330; b) interest on the subordinated loan from shareholder billed but not yet paid for EUR 118,930.

Accrued expenses and deferred income

The heading shows a decrease of EUR 34,259 compared with the previous year.

	Balance as of 31 Dec. 2020	Balance as of 31 Dec. 2019
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Deferred income	388,262	422,521
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'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. 2020	Balance as of 31 Dec. 2019
Third party assets held by the Company	57,250	95,525

'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 128,894,765, a decrease of EUR 37,330,168, equal to 22.46%, compared with the previous year.

Value of production is analysed below:

A) Revenue from sales and services

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

	FY 2020	FY 2019
Toll revenue:		
• Toll revenue	110,960,866	144,151,158
• Supplementary concession fee pursuant to Law No. 102/09 and Law No. 122/2010	11,367,711	14,517,539
Other motorway income		
• Income from service stations	2,310,489	4,188,244
• Share of toll collection costs paid by interconnected motorway operators	1,066,797	1,383,117
• Recharges of costs of abnormal load movements and unpaid tolls	762,424	825,304
Total	126,468,287	165,065,362

'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 6.685 km (2019: 6.200 km) for the Mestre ring road and for 17.206 km (2019: 15.836 km) for the additional kilometres applied to finance construction of the Bypass.

In FY 2020 toll revenue (after deducting the supplementary concession fee payable to ANAS) decreased by EUR 33,190,292 (-23.02%). The figure is directly related to the decline in traffic caused by the Covid 19 health emergency. 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 2020 (as in previous years) on each kilometre travelled the toll was increased by 6 thousandths of a euro for vehicle classes A e B and by 18 thousandths of a euro for classes 3, 4 and 5. As a consequence of the fall in traffic and of the composition of the classes in which traffic is distributed the supplementary concession fee payable to ANAS decreased by EUR 3,149,828 (-21.70%).

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

There are four service stations: two in the closed system, i.e. Arino Ovest and Arino Est (located close to entry to the Mestre Bypass) and two in the open system, i.e. Marghera Ovest and Marghera Est (on the roundabout at Marghera); a hotel operates at the Marghera Est service station.

Income from service stations decreased by EUR 1,877,755 (-44.83%).

The share of toll collection costs paid by interconnected motorway operators fell by 22.87%. This item of income arises from the application of article 17 of the interconnection agreement between all Italian motorway operators. All revenues are generated by activities located on the motorways under concession.

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 2020	FY 2019
Other	2,323,511	991,308
Grants	102,967	168,263
Total	2,426,478	1,159,571

‘Other income’ comprises: sub-concession fees of EUR 101,066; refunds of damage caused to structures by motorway users for EUR 407,667; contract work for EUR 1,437,548; refunds of lighting costs on the A57/A27 interchange for EUR 94,160; indemnities for failure to execute tenders and recovery of contract stamps for EUR 30,256; gains and non-recurring income of EUR 206,769; grants of EUR 102,967 (whereof EUR 73,467 disbursed by the European Union for the C-ROADS ITALY projects (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 A57; 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 29,500 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 46,045.

Cost of production

Cost of production totalled EUR 110,109,408 a decrease of EUR 106,014 compared with the previous year (-0.10%).

Cost of production is analysed below.

A) Raw materials, consumables and goods

‘Raw materials, consumables and goods’ decreased compared with the previous year by EUR 460,844 (-46.77%) and may be analysed as follows:

	FY 2020	FY 2019
Purchases of items for maintenance	173,669	479,796
Purchases of other assets	350,736	505,453
Total	524,405	985,249

B) Services

The cost of services may be analysed as follows:

	FY 2020	FY 2019
Maintenance and renovation works		
• Annual maintenance	10,687,247	10,041,869
• Scheduled maintenance	6,399,925	7,899,124
Contract work	1,437,548	128,019
Operating services		
• Share of toll collection costs	3,548,025	4,855,780
• Processing of traffic and proceeds data	497,158	659,070
• Electricity	2,090,000	1,956,500
• Other	1,004,882	1,118,700
Administrative services:		
• Administrative professional services	833,478	690,895
• Technical professional services	711,664	999,875
• Insurance	980,000	987,000
• Telephone	13,934	39,924
• Meal vouchers	238,090	263,703
• Tender evaluation committee members	213,153	303,068
• Other	131,676	194,661
Directors' remuneration	154,977	164,385
Statutory auditors' remuneration	79,429	81,233
Supervisory Board remuneration	53,546	56,302
Total	29,074,732	30,440,108

The cost of services decreased compared with the previous year by EUR 1,365,376 (-4.49%).

'Maintenance' totalled EUR 17,087,172 (EUR 17,940,993 in the previous year), a decrease of EUR 853,821 (-4.76%).

'Operating services' totalled EUR 7,140,065 (EUR 8,590,050 in the previous year), a decrease of EUR 1,449,985 (-16.88%).

'Administrative services' totalled EUR 3,121,995 (EUR 3,479,126 in the previous year), a decrease of EUR 357,131 (-10.26%).

'Directors' remuneration' comprises emoluments (EUR 129,600), social charges (EUR 12,367) and expense refunds (EUR 13,010).

'Statutory auditors' remuneration' comprises emoluments (EUR 70,000), social charges (EUR 8,800) and expense refunds (EUR 629).

'Supervisory Board remuneration' comprises emoluments (EUR 50,000), social charges (EUR 3,204) and expense refunds (EUR 342).

C) Leases and rentals

	FY 2020	FY 2019
Leases and rentals	545,360	382,503

'Leases and rentals' increased compared with the previous year by EUR 162,857; this item comprises car rentals (EUR 92,188) and other rentals (EUR 453,172).

D) Personnel

The cost of personnel is analysed as follows:

	FY 2020	FY 2019
Wages and salaries	12,656,398	13,001,326
Social charges	4,079,329	4,193,912
Provision for post-employment benefits (TFR)	906,761	915,870
Other personnel costs	530,938	430,190
Total	18,173,426	18,541,298

Personnel costs decreased compared with the previous year by a total of EUR 367,872 (-1.98%).

The average headcount during the year was 215,432 (219,128 in the previous year), therefore the average cost per employee was equal to EUR 84,358 (EUR 84,614 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. 2020	As of 31 Dec. 2019	Average
Executives	4	4	4
Middle managers	9	4	5,585
Clerical staff	137	130	137,669(*)
• full time	119	114	
• part time	17	16	
• on term contracts	1	0	
Toll collectors	57	63	61,178
• full time	46	46	
• part time	11	17	
• on term contracts	57	63	
Workers	7	7	7
• full time	7	7	
• part time	0	0	
Total	214	208	215,432

(*) The average headcount for toll collectors is calculated considering also staff on term contracts, which numbered 7 in the year under consideration.

E) Amortisation, depreciation and write-downs

Amortisation, depreciation and write-downs increased compared with the previous year by EUR 719,387 and may be analysed as follows:

	FY 2020	FY 2019
Amortisation of intangible assets	45,773,200	45,093,975
Depreciation of tangible assets	530,304	486,642
Write-downs of receivables included in current assets	0	3,500
Total	46,303,504	45,584,117

'Amortisation of intangible assets' comprises: a) amortisation of software for EUR 302,560; b) amortisation of other intangible assets for EUR 45,470,640, which is analysed in detail in these notes to the financial statements in the comments on movements in intangible assets. 'Depreciation of tangible assets' is analysed in detail in these notes to the financial statements in the comments on movements in tangible assets.

F) Change in inventories

	FY 2020	FY 2019
Change in inventories	-57,343	-40,261

'Change in inventories' is the difference between opening inventories as of 1 January 2020, equal to EUR 1,199,475, and closing inventories as of 31 December 2020, equal to EUR 1,256,818.

G) Other accruals

	FY 2020	FY 2019
Charges to provision for cycle maintenance	15,035,000	13,047,168
Utilisation of provision for cycle maintenance	-14,408,570	-17,754,764
Total	626,430	-4,707,596

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

H) Other operating costs

This item decreased compared with the previous year by EUR 4,111,110 (-21.60%) and may be analysed as follows:

	FY 2020	FY 2019
Taxes and duties	285,091	300,286
Supplementary concession fee pursuant to article 19, paragraph 9 bis, of Law No. 102/09 and Law No. 122/2010	11,367,711	14,517,539
Concession fee pursuant to article 10 L. 537/93 and article 1, paragraph 1020, of Law No. 296/2006	2,663,061	3,459,628
Sub-concession fee pursuant to article 13 of the Concession Agreement	48,231	86,002
Other costs	554,800	666,549
Total	14,918,894	19,030,004

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 2020	FY 2019
Financial income:		
• Financial income other than the above	5,500	18,149
Interest and other financial charges	15,025,620	16,605,280
Total	-15,020,120	-16,587,131

'Financial income' comprises EUR 5,384 in interest income on banks and postal accounts, and EUR 116 in other interest income.

'Interest and other financial charges' comprises: a) 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 15,025,600 (whereof EUR 13,014,401 disbursed at the interest rate of 2.115%, and EUR 2,010,199 that is the portion of the ancillary cost of issuance of the project bond attributable to the year under consideration); b) other interest expense of EUR 1,020.

Adjustments to the values of financial assets

This heading is analysed as follows:

	FY 2020	FY 2019
Revaluation		
• of equity investment	0	0
Write-down		
• of equity investment	0	0
Total	0	0

Income taxes

Income taxes are analysed as follows:

	FY 2019	FY 2018
Income taxes		
• IRES, corporation tax	1,904,612	10,375,107
• IRAP, regional trade income tax	485,606	2,035,097
• Deferred tax expense	0	0
• Deferred tax income	-1,274,483	9,156
Total	1,115,735	12,419,360

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 129,600), social charges (EUR 12,367) and expense refunds (EUR 13,010).

The remuneration of members of the Board of Statutory Auditors comprises emoluments (EUR 70,000), social charges (EUR 8,800) and expense refunds (EUR 629).

The remuneration of members of the Supervisory Board comprises emoluments (EUR 50,000), social charges (EUR 3,204) and expense refunds (EUR 342).

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 2020 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 2020 was 14.90 days (2019: 1.92 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 2020.

Cash flows:

The Company's receivables from the Region Veneto as of 31 December 2020 comprised deposits for an amount of EUR 1,146 (whereof EUR 566 relating to a water concession, file W08_001281, referred to Unità Organizzativa Genio Civile Venezia, falling due on 31 December 2032; and a guarantee deposit of EUR 580 relating to a water concession, file DD133 n.1367/C, referred to Unità Organizzativa Genio Civile Padova, falling due on 31 December 2032).

As of 31 December 2020 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 2020 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 C-ROADS ITALY projects (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	73,467
Grant towards personnel training	Fondimpresa	29,500
Tranche referred to FY 2020 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, DGVCA) 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 2020 are illustrated below.

On 31 December 2020 the Minister of Infrastructure notified the suspension of the adjustment to toll rates applicable from 1 January 2021 in consideration of the provisions of article 13 of Law Decree No. 183 of 31 December 2020 (the “Milleproroghe” decree) published in the Official Journal of the Italian Republic, issue 323 of 31 December 2020. The decree postponed the term for the rate adjustment for the year 2021 in connection with the definition of the review of operators’ business plans. Specifically, the decree postponed to 31 July 2021 the deadline for motorway operators to finalise their business plans.

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 2020, comprising the balance sheet, income statement, cash flow statement and the notes to the financial statements; and
- Appropriate the profit for the year 2020, equal to EUR 2,649,502, to the extraordinary reserve.

Venice, 11 February 2021

Signed on behalf of the Board of Directors

THE CHAIR

Luisa Serato

ANNEXES

TABLE REQUIRED BY REGION VENETO

	ENTITY	Concessioni Autostradali Venete - CAV S.p.A.			
A - I	During 2020 did the company procure works, supplies and services from third parties?	During 2020 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		At a meeting on 28 May 2020, the Board of Directors of CAV adopted new Regulations to implement and manage the open list of suppliers of works, supplies and services as well as engineering and architecture services. Those Regulations went into force on 1 July 2020.	
C - I	During 2020 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.	
	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	No. of employees on permanent contracts as of 1 January 2019	No. of employees on permanent contracts as of 1 January 2020	No. of employees on permanent contracts as of 31 December 2020	Note	
	217	207	213	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 2019	Cost of employees on permanent contracts terminated in 2019	Cost of employees on permanent contracts in 2020	Cost of employees on permanent contracts hired in 2020	Note
	18,180,857.05	670,319.58	17,779,162.86	394,263.45	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 2020 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 2020	Note	
	329,078.00		465,051.71	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:	Has the company adopted a regulation for assigning sundry executive positions that is compliant with the directive?	Date of approval of regulation	Notes
	YES	21 May 2019	NO		CAV S.p.A. adopted its own guidelines for recruiting personnel on 16 July 2010. With regard to assigning management positions, at present there is no need to adopt a specific regulation which, for sure, shall be adopted should it becomes necessary.
C-III	Has the company excess staff?		Number and category of excess staff	Notes	
	NO				

E - I	Cost of consulting engagements in the year 2009	Cost of consulting a engagements in the year 2020	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 2020	Notes
	166,677.00	565.191,17	118,013.00	51.048,06	
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 2020	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 2020	Estimated cost of consulting engagements in the year 2021 (proposed cost refund)	Estimated cost for PR, conventions, exhibitions advertising and entertaining expenses in the year 2021 (proposed cost refund)	Notes
E - I	Did the company incur sponsorship costs in 2020?	Amount of any sponsorship costs incurred in 2020	Notes		
	NO				
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 regal reserve, in compliance with CIPE Resolution of 26 January 2007"			

F - II	Are the caps to remuneration of corporate boards established by article 7 of Regional Law No. 39/2013 complied with?		Notes
	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
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
	NO		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
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 2020	Was directive L - III on double engagements complied with for appointments made in 2020?	Was directive L - IV on requirements complied with for appointments made in 2020?
			Notes

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 2020 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 2020		Costs of car purchases, maintenance, rental and operation, and taxi vouchers, incurred in 2011		Notes
	490,401.84		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 2020 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
					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?		Notes
	YES	YES (Organisation Model of CAV S.p.A. last updated on 9 April 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, CAV Protocol No. 1628 of 29 January 2015)	President: Mr. Antonio Matera; members; Mr. Michele Peloso 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		

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 2020, 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 2020 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 2020 there were no significant changes in the Company's organisation structure and, at any rate, during the year the Company reviewed its organisation structure and management system with a view to integrating and making more efficient all corporate operations;
- 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 2020 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;
- 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 2020, issued on 15 March 2021 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 2020 give a true and fair view of the financial position of the Company as of as of 31 December 2020, 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 2020, comprising the balance sheet, income statement, cash flow statement and notes thereto, were approved by the Board of Directors at its meeting on 11 February 2021;
- 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 2020 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 2020, as prepared by the Board of Directors.

15 March 2021

The Board of Statutory Auditors

Giovanni Diana – President

Claudio Girardi – Acting auditor

Incoronata Palmieri – 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

Report on the Audit of the Financial Statements

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.

PricewaterhouseCoopers SpA

Sede legale e amministrativa: Milano 20149 Via Monte Rosa 91 Tel. 0277851 Fax 027785240 Cap. Soc. Euro 6.890.000,00 i.v., C.F. e P.IVA e Reg. Imp. Milano 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 0712132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 0805640211 - **Bologna** 40126 Via Angelo Finelli 8 Tel. 0516186211 - **Brescia** 25123 Via Borgo Pietro Wuhrer 23 Tel. 0303697501 - **Catania** 95129 Corso Italia 302 Tel. 0957532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 0552482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 01029041 - **Napoli** 80121 Via dei Mille 16 Tel. 08136181 - **Padova** 35138 Via Vicenza 4 Tel. 049873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 0854545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06570251 - **Torino** 10122 Corso Palestro 10 Tel. 011556771 - **Trento** 38122 Viale della Costituzione 33 Tel. 0461237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 0403480781 - **Udine** 33100 Via Poscolle 43 Tel. 043225789 - **Varese** 21100 Via Albulzi 43 Tel. 0332285039 - **Verona** 37135 Via Francia 21/C Tel. 0458263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444393311

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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.

Report on Compliance with other Laws and Regulations

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 2018 - 2019 - 2020

(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 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
Total	1,347,813,605	180,240,851	30,098,517	22,656,686	237,664,936	1,818,474,594

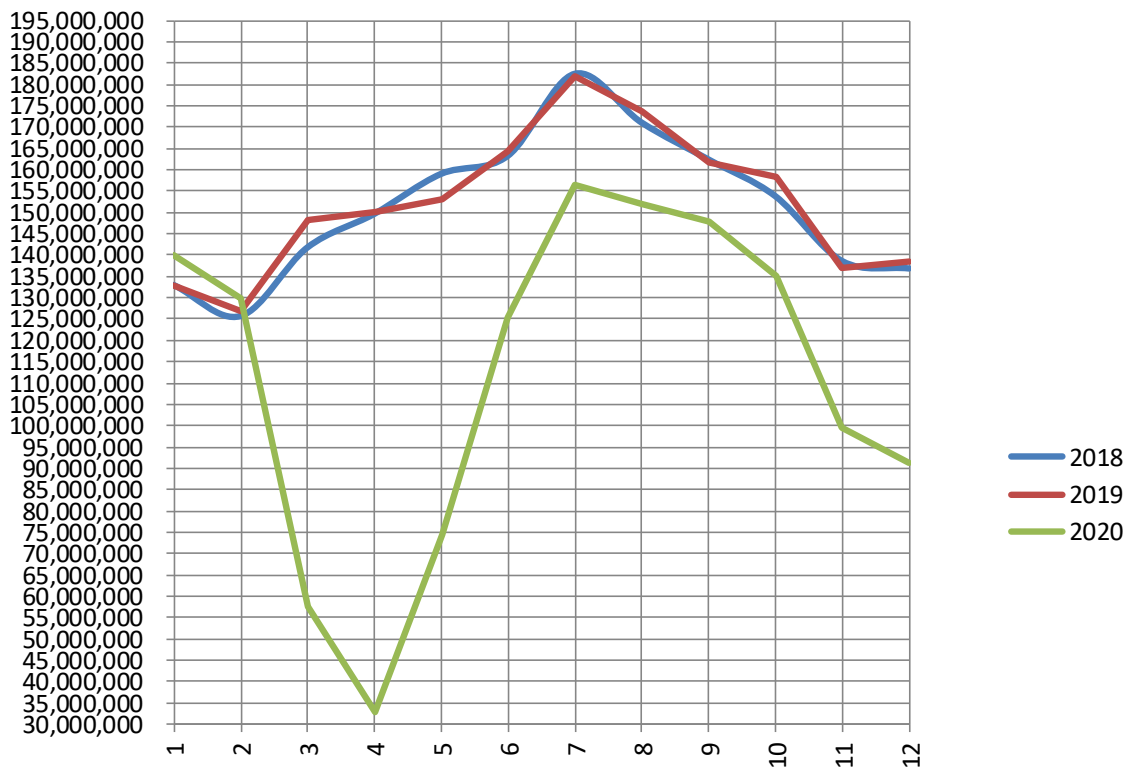
Year 2019

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
Total	1,347,421,515	182,638,569	30,282,363	22,720,279	243,507,288	1,826,570,014

Year 2020

Month	Vehicle class					Total
	A	B	3	4	5	
January	103,556,795	13,042,870	2,087,942	1,722,865	19,729,024	140,139,495
February	92,113,559	13,186,823	2,151,637	1,850,098	20,646,234	129,948,350
March	29,004,734	7,449,208	1,651,140	1,293,988	18,206,787	57,605,856
April	12,236,434	5,012,254	1,156,867	831,968	13,634,269	32,871,794
May	43,847,637	9,687,154	1,773,551	1,391,407	17,828,725	74,528,473
June	88,667,511	12,939,268	2,182,950	1,665,486	19,737,412	125,192,629
July	114,228,133	15,318,828	2,617,790	1,918,494	22,467,031	156,550,276
August	119,858,146	12,889,543	2,164,010	1,355,926	15,880,929	152,148,553
September	106,818,871	14,930,598	2,445,133	1,805,649	21,685,745	147,685,996
October	93,458,080	14,623,307	2,350,662	1,994,248	22,606,296	135,032,594
November	61,947,341	12,228,310	2,083,705	1,755,474	21,422,987	99,437,817
December	58,156,727	11,280,020	1,896,408	1,659,174	18,393,445	91,385,773
Total	923,893,968	142,588,183	24,561,794	19,244,778	232,238,884	1,342,527,606

PAYING VEHICLES PER KM, FLUCTUATIONS IN MONTHLY TOTALS



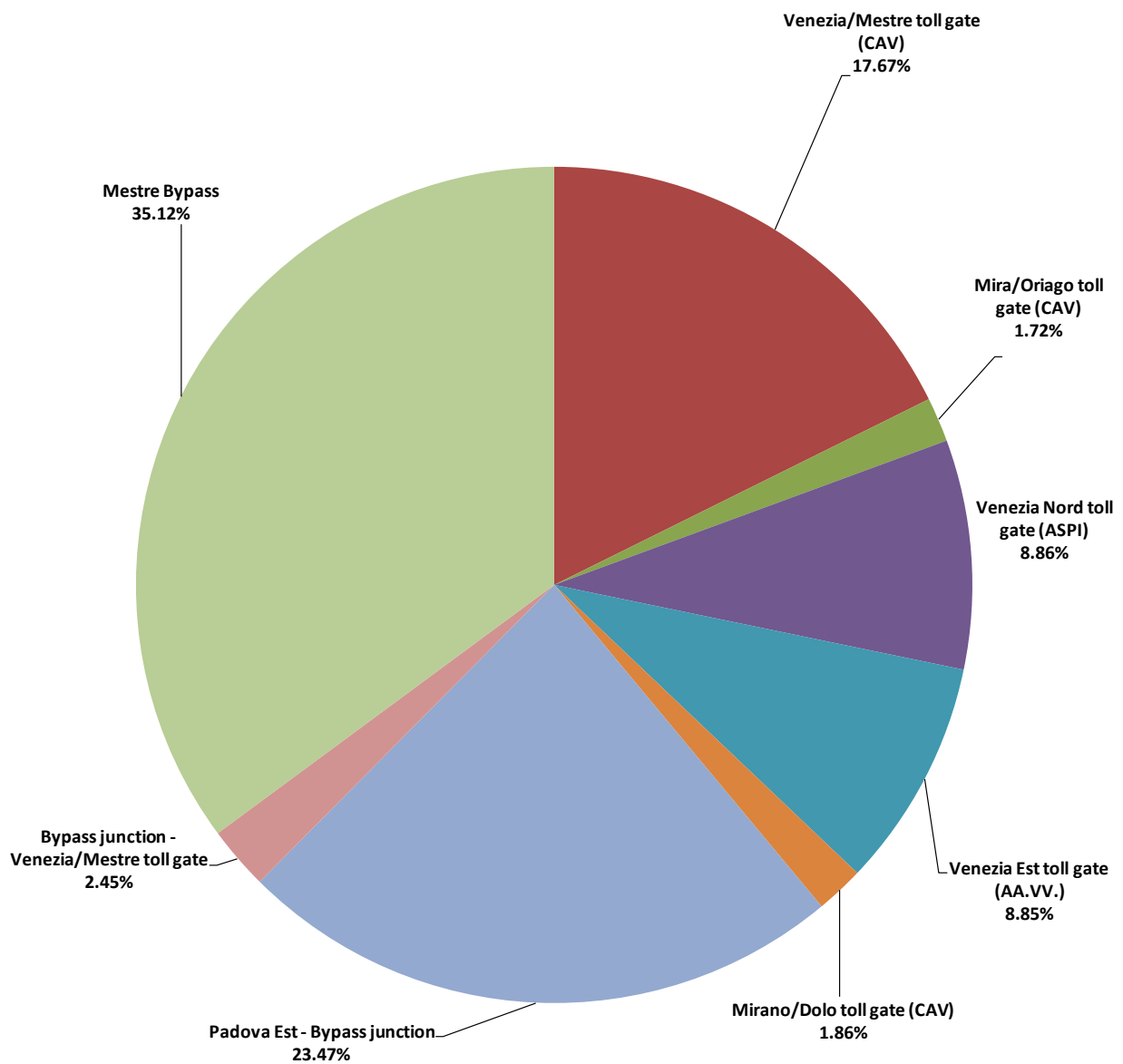
PAYING VEHICLES PER KM BROKEN DOWN BY MOTORWAY STRETCH IN THE CLOSED SYSTEM AND BY TOLL GATE IN THE OPEN SYSTEM YEAR 2020

Closed system	Vehicles per km
A) Padova Est - A4/A57 junction (entry to the Mestre Bypass)	315,136,206
B) A4/A57 junction (entry to the Mestre Bypass) - Venezia Mestre toll gate	32,827,982
A + B	347,964,188
C) Mestre Bypass	471,540,337
Total (A + B + C)	819,504,525

Open system	Transits at toll gates	Vehicles per km x 6.685 km	Vehicles per km x 17.206 km	Total vehicles per km
A) Venezia Mestre toll gate (A57 - CAV)	9,931,518	66,392,198	170,881,698	237,273,896
B) Mira/Oriago toll gate (A57 - CAV)	965,352	6,453,377	16,609,844	23,063,221
C) Mirano/Dolo toll gate (A57 - CAV)	1,045,804	6,991,201	17,994,107	24,985,308
D) Venezia Nord toll gate (A27 - ASPI)	4,978,467	33,281,054	85,659,509	118,940,563
E) Venezia Est toll gate (A4 - AA.VV.)	4,970,913	33,230,556	85,529,537	118,760,093
Total (A + B + C + D + E)	21,892,055	146,348,386	376,674,695	523,023,081

	Year 2018	Year 2019	Year 2020	% change 2019-2020
Total vehicles per km (open system + closed system):	1,818,474,594	1,826,570,014	1,342,527,606	-26.50

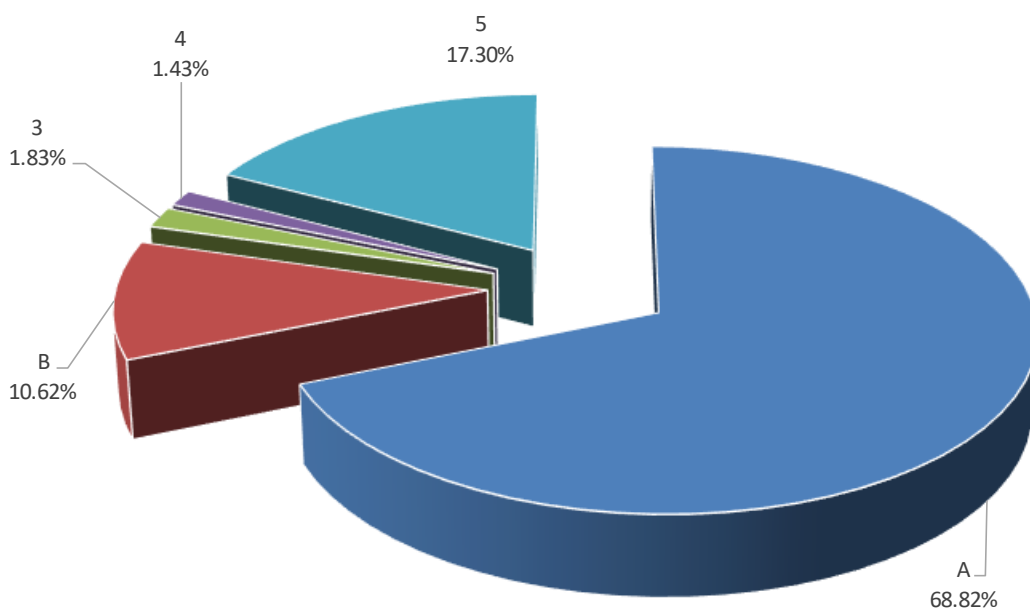
VEHICLES PER KM BY MOTORWAY STRETCH



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

	Class	Vehicles per km	%
Light vehicles	A	923,893,968	68.82
	B	142,588,183	10.62
HGVs	3	24,561,794	1.83
	4	19,244,778	1.43
	5	232,238,884	17.30
Total		1,342,527,606	100

VEHICLE CLASSES AS PERCENTAGE OF TOTAL



**ACTUAL VEHICLE COUNT - VEHICLES PER KM - VIRTUAL VEHICLE COUNT
PAYING TRAFFIC
YEARS 2019 AND 2020**

CLOSED SYSTEM	Year 2019	Year 2020	% change
Annual actual vehicle count	43,993,663	31,451,561	-28.51
Daily average actual vehicle count	120,531	85,933	-28.70
Annual vehicles per kilometre	1,146,302,591	819,504,525	-28.51
Daily average vehicles per kilometre	3,140,555	2,239,083	-28.70
Annual virtual vehicle count	24,851,550	17,766,651	-28.51
Daily average virtual vehicle count	68,086	48,543	-28.70

OPEN SYSTEM Venezia Mestre, Mira/Oriago, Mirano/Dolo, Venezia Nord and Venezia Est toll gates	Year 2019	Year 2020	% change
Annual vehicle count	30,870,731	21,892,055	-29.08
Daily average vehicle count	84,577	59,814	-29.28
Annual vehicles per kilometre: for 6.200 km in 2019 and 6.685 km in 2020	191,398,533	146,348,386	-23.54
for 15.836 km in 2019 and 17.206 km in 2020	376,674,695	-22.95	
Total vehicles per kilometre	680,267,429	523,023,081	-23.12
Daily average vehicles per kilometre	1,863,746	1,429,025	-23.33

CLOSED SYSTEM + OPEN SYSTEM	Year 2019	Year 2020	% change
Annual vehicles per kilometre	1,826,570,014	1,342,527,606	-26.50

TRAFFIC THROUGH TOLL GATES OPERATED BY CAV BROKEN DOWN BY ORIGIN AND DESTINATION YEAR 2020

ENTRY	EXIT							TOTAL
	PREGANZIOL	MARTELLAGO /SCORZE'	SPINEA	VENEZIA MESTRE	MIRANO /DOLO	MIRA /ORIGIO	PADOVA EST	
PREGANZIOL	-	57,000	42,880	1,170	2,909	298	106,414	210,671
MARTELLAGO-SCOR.	57,073	-	35,867	8,433	4,129	3,048	111,057	219,607
SPINEA	43,809	28,807	-	11,769	2,789	962	248,757	336,893
VENEZIA MESTRE	645	8,013	6,446	-	2,488,496	2,067,962	1,474,003	6,045,565
MIRANO DOLO	6,354	9,946	3,226	2,361,459	-	137,465	131,766	2,650,216
MIRA ORIAGO	243	2,704	646	1,934,513	119,839	-	109,566	2,167,511
PADOVA EST	124,038	125,260	258,441	1,519,353	142,814	134,649	-	2,304,555
ASPI (TRONCHI A23/A27)	361,282	177,375	118,963	1,819	7,034	814	449,561	1,116,848
AUTOVIE VENETE	201,472	316,450	102,546	3,101	7,369	1,312	434,471	1,066,721
BRENNERO	16,817	19,079	14,716	237,373	15,637	28,107	131,247	462,976
MILANO SERRAVALLE	3,531	2,538	2,110	28,599	1,849	1,603	15,598	55,828
BRESCIA PADOVA	151,714	171,289	180,861	1,690,754	178,199	194,367	1,544,148	4,111,332
CENTRO PADANE	3,505	4,555	2,662	35,702	2,369	4,138	25,026	77,957
ASPI (TRONCO MI-BS)	30,976	29,859	18,254	314,252	18,325	24,692	145,407	581,765
BREBEMI	5,935	7,161	3,472	49,461	4,059	4,558	35,802	110,448
T.E. SPA	208	163	155	1,806	130	159	2,050	4,671
ASPI (OTHER MOTORWAYS)	108,108	153,235	142,205	971,335	121,826	114,873	403,384	2,014,966
OTHER MOTORWAYS	6,085	7,188	5,196	77,550	5,740	6,558	39,081	147,398
TOTAL	1,121,795	1,120,622	938,646	9,248,449	3,123,513	2,725,565	5,407,338	23,685,928

EXIT	ENTRY							TOTAL
	PREGANZIOL	MARTELLAGO /SCORZE'	SPINEA	VENEZIA MESTRE	MIRANO /DOLO	MIRA /ORIGIO	PADOVA EST	
PREGANZIOL	-	57,073	43,809	645	6,354	243	124,038	232,162
MARTELLAGO-SCOR.	57,000	-	28,807	8,013	9,946	2,704	125,260	231,730
SPINEA	42,880	35,867	-	6,446	3,226	646	258,441	347,506
VENEZIA MESTRE	1,170	8,433	11,769	-	2,361,459	1,934,513	1,519,353	5,836,697
MIRANO DOLO	2,909	4,129	2,789	2,488,496	-	119,839	142,814	2,760,976
MIRA ORIAGO	298	3,048	962	2,067,962	137,465	-	134,649	2,344,384
PADOVA EST	106,414	111,057	248,757	1,474,003	131,766	109,566	-	2,181,563
ASPI (TRONCHI A23/A27)	267,415	163,976	102,284	2,087	10,123	405	464,806	1,011,096
AUTOVIE VENETE	198,235	294,161	98,079	1,999	14,915	563	481,745	1,089,697
BRENNERO	14,410	18,605	15,403	236,046	15,987	24,330	124,495	449,276
MILANO SERRAVALLE	3,014	2,629	2,151	27,678	1,894	1,350	14,111	52,827
BRESCIA PADOVA	135,675	161,282	179,823	1,668,361	181,885	159,641	1,410,663	3,897,330
CENTRO PADANE	2,760	4,040	2,293	43,343	2,497	4,602	21,649	81,184
ASPI (TRONCO MI-BS)	24,641	31,081	16,884	305,967	15,703	25,210	120,727	540,213
BREBEMI	4,614	8,601	3,179	43,582	3,200	4,329	27,161	94,666
T.E. SPA	171	370	145	2,025	113	148	1,654	4,626
ASPI (OTHER MOTORWAYS)	96,984	160,531	148,663	1,045,420	124,357	100,096	421,662	2,097,713
OTHER MOTORWAYS	4,841	7,570	4,629	75,554	5,029	5,989	32,274	135,886
TOTAL	963,431	1,072,453	910,426	9,497,627	3,025,919	2,494,174	5,425,502	23,389,532

INTERNAL TRAFFIC BETWEEN VENEZIA MESTRE, MIRA/ORIAGO AND MIRANO/DOLO TOLL GATES (non-paying) YEAR 2020

Stretch travelled		Transits	% change 2019 D 2020	Vehicles per km in the closed system		Vehicles per km in the open system	
Entry	Exit			Km 9.800	km 2.000	km 6.685	km 17.206
Venezia Mestre	Mira/Oriago	2,067,962	-24.77				
Mira/Oriago	Venezia Mestre	1,934,513	-23.47				
Subtotal		4,002,475	-24.15		8,004,950	26,756,545	68,866,585
Venezia Mestre	Mirano/Dolo	2,488,496	-22.85				
Mirano/Dolo	Venezia Mestre	2,361,459	-23.16				
Subtotal		4,849,955	-23.00	47,529,559		32,421,949	83,448,326
Mirano/Dolo	Mira/Oriago	137,465	-22.01				
Mira/Oriago	Mirano/Dolo	119,839	-19.98				
Subtotal		257,304	-21.08	2,521,579		1,720,077	4,427,173
General total		9,109,734	-23.46	50,051,138	8,004,950	60,898,571	156,742,084

58,056,088	217,640,655
Total vehicles/km in the closed system	Total vehicles/km in the open system
Total vehicles/km	275,696,743

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

Toll gate	2018	2019	2020	% change 2019 Δ 2020
Venezia Mestre	5,533,427	5,601,014	4,295,972	-23.30
Mira/Oriago	2,888,941	2,925,286	2,205,427	-24.61
Mirano/Dolo	3,360,830	3,375,209	2,608,335	-22.72
Total	11,783,198	11,901,509	9,109,734	-23.46

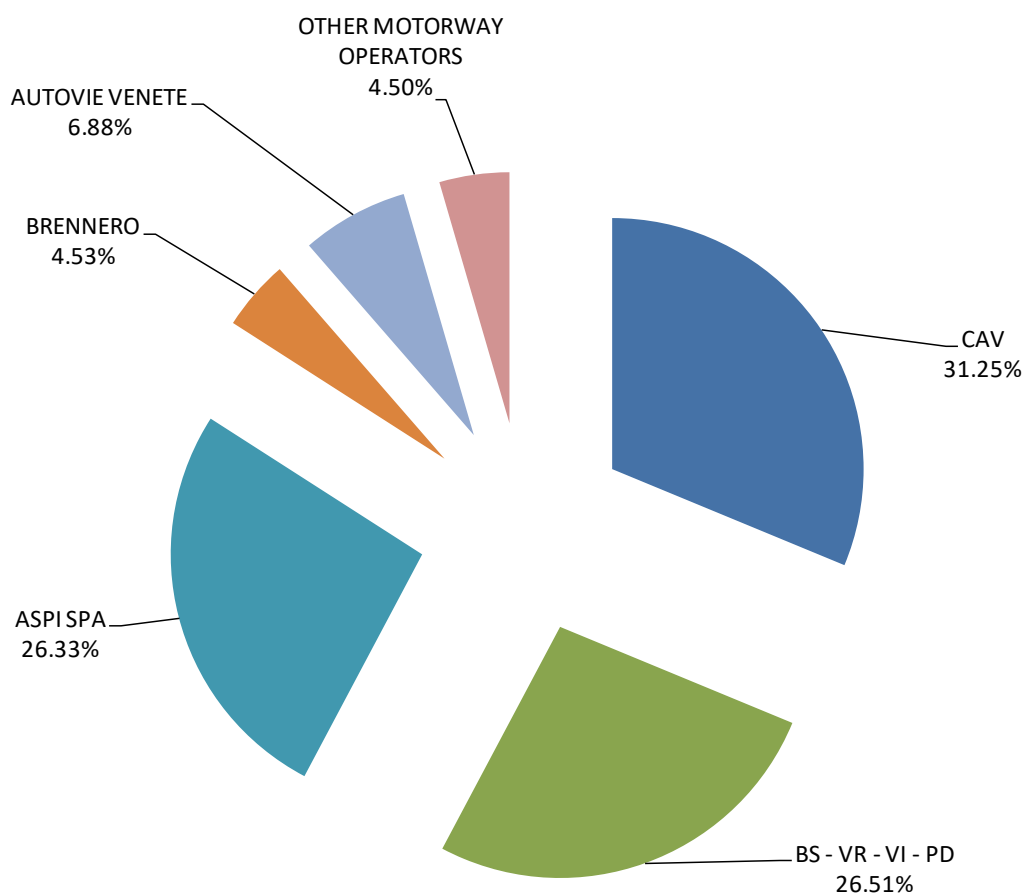
**TOLL REVENUE
TRANSACTIONS BETWEEN INTERCONNECTED MOTORWAY OPERATORS
YEAR 2020**

(Gross amounts expressed in thousands of euro)

Motorway operator	Concurrent toll payments collected by CAV attributable to CAV	Concurrent toll payments collected by CAV attributable to interconnected operators	Concurrent toll payments collected by interconnected operators attributable to CAV	Deferred toll payments attributable to CAV billed by ASPI SpA
CAV	8,255			
ASPI SPA (deferred payments)				95,094
ASPI SPA (concurrent payments)		6,954	10,583	
BS - VR - VI - PD		7,001	3,644	
BRENNERO		1,196	767	
AUTOVIE VENETE		1,817	8,350	
AUTOVIA PADANA		198	157	
AUT. FIORI		150	205	
SATAP A/21		244	153	
MILANO - SERRAVALLE		502	150	
OTHER MOTORWAY OPERATORS		95	266	
TOTAL	8,255	18,157	24,275	95,094

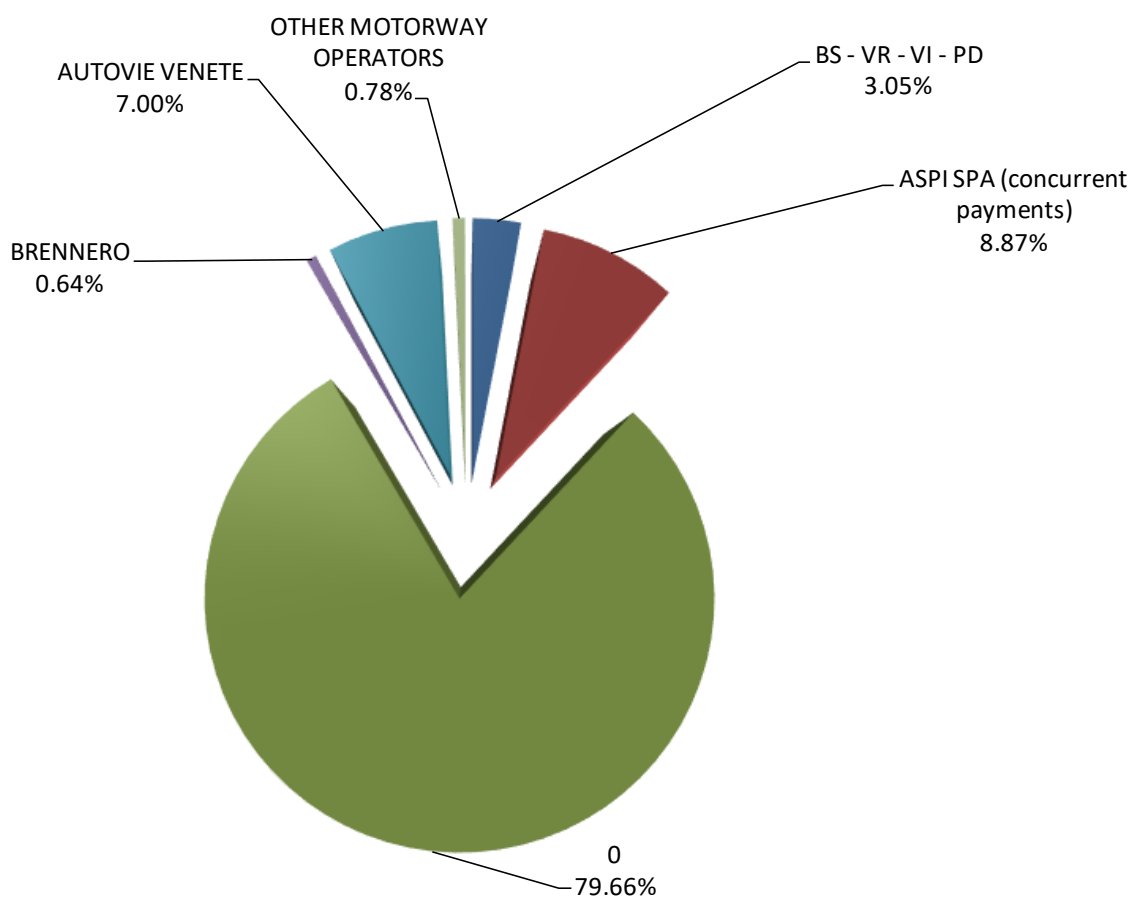
**CONCURRENT TOLL PAYMENTS COLLECTED AT TOLL GATES OPERATED BY CAV
BROKEN DOWN BY OPERATOR TO WHICH THEY ARE ATTRIBUTABLE
YEAR 2018**

OPERATOR	EUR'000	as % of total
CAV	8,255	31.25
BS - VR - VI - PD	7,001	26.51
ASPI SPA	6,954	26.33
BRENNERO	1,196	4.53
AUTOVIE VENETE	1,817	6.88
OTHER MOTORWAY OPERATORS	1,189	4.5
TOTAL	26,412	100



TOLL PAYMENTS ATTRIBUTED TO CAV BY INTERCONNECTED OPERATORS YEAR 2020

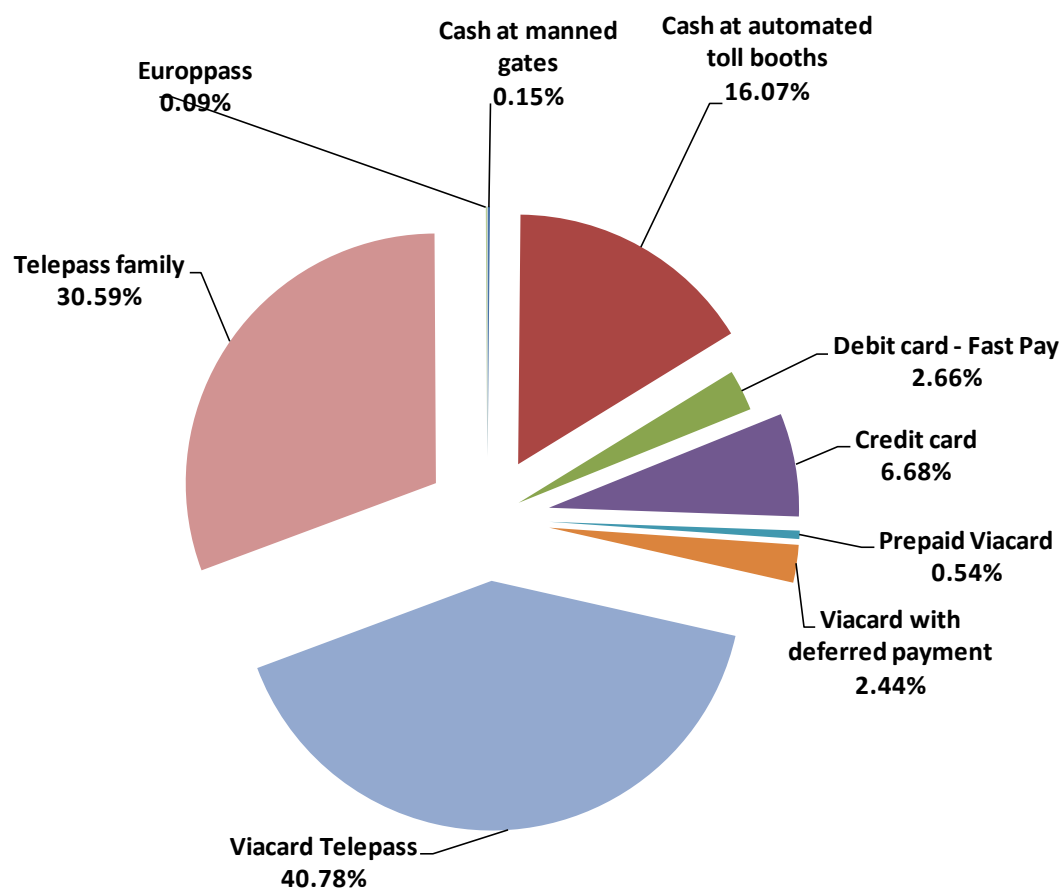
OPERATOR	EUR'000	as % of total
BS - VR - VI - PD	3,644	3.05
ASPI SPA (concurrent payments)	10,583	8.87
ASPI SPA (deferred payments)	95,094	79.66
BRENNERO	767	0.64
AUTOVIE VENETE	8,350	7
OTHER MOTORWAY OPERATORS	931	0.78
TOTAL	119,369	100



METHOD OF PAYMENT ON EXIT AT TOLL GATES OPERATED BY CAV
(as percentage of total)
YEARS 2017, 2018, 2019 AND 2020

Method of payment	2017	2018	2019	2020
Cash at manned gates	6.87	3.70	1.36	0.15
Cash at automated toll booths	15.72	16.92	17.71	16.07
Total cash	22.59	20.62	19.07	16.22
Debit card - Fast Pay	2.73	2.65	2.67	2.66
Credit card	5.21	5.90	6.76	6.68
Prepaid Viacard	0.66	0.68	0.64	0.54
Viacard with deferred payment	1.36	1.82	1.94	2.44
Total automated payment - non-free-flow transit	9.96	11.05	12.01	12.32
Viacard Telepass	35.86	36.44	36.89	40.78
Telepass Family	31.48	31.79	31.93	30.59
Euroypass	0.11	0.1	0.10	0.09
Total automated payment - free-flow transit	67.45	68.33	68.92	71.46
	77.41	79.38	80.93	83.78
Total	100	100	100	100

YEAR 2020



**ACCIDENTS
YEARS 2019 AND 2020
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. 2020
	2019	2020	2019	2020		
Light vehicles	62	38	4.60	4.11	-10.61%	
Heavy vehicles	31	15	6.47	3.58	-44.62%	
Total	93	53	5.09	3.95	-22.46%	5.89
No. of injured persons	150	77	8.21	5.73	-30.16%	9.06
No. of fatalities	3	2	0.16	0.15	-9.30%	0.23

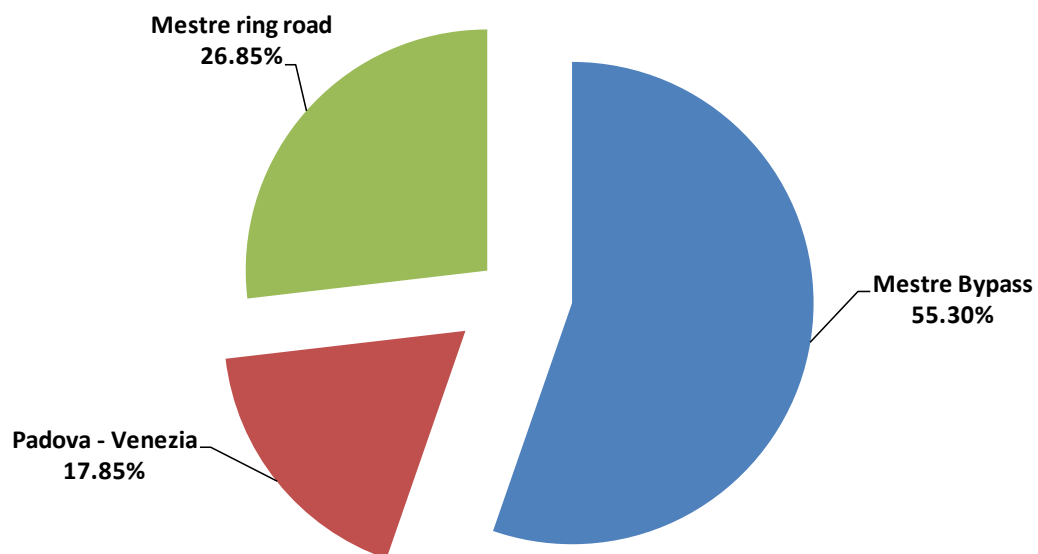
	Accidents causing injuries or fatalities		Accident rate per 100 million vehicles/km		% change in rate
	2019	2020	2019	2020	
Light vehicles	68	53	5.05	5.74	13.67%
Heavy vehicles	45	35	9.39	8.36	-10.98%
Total	113	88	6.19	6.55	6.00%

	Total accidents		Accident rate per 100 million vehicles/km		% change in rate
	2019	2020	2019	2020	
Light vehicles	130	91	9.65	9.85	2.09%
Heavy vehicles	76	50	15.86	11.94	-24.70%
Total	206	141	11.28	10.5	-6.88%

TOLL REVENUE (after VAT and the supplementary concession fee payable to ANAS) BROKEN DOWN BY MOTORWAY STRETCH YEAR 2020

Motorway stretch	Revenue (EUR/m)	%
Closed system: A4/A57		
Mestre Bypass	61.4	55.30%
Padova - Venezia	19.8	17.85%
Subtotal	81.2	73.15%
Open system: Mestre ring road A57		
Subtotal	29.8	26.85%
General total	111.0	100.00%

NET TOLL REVENUE



SERVICE STATIONS - FUEL AND LUBRICANT SALES

Petrol - (litres sold)			
STATION	2019	2020	% change
Marghera Ovest	1,262,000	971,000	-23.06
Marghera Est	355,000	262,000	-26.20
Arino Ovest	1,455,000	913,000	-37.25
Arino Est	1,215,000	727,000	-40.16
Total	4,287,000	2,873,000	-32.98

Diesel fuel - (litres sold)			
STATION	2019	2020	% change
Marghera Ovest	5,087,000	3,401,000	-33.14
Marghera Est	1,978,000	1,492,000	-24.57
Arino Ovest	6,281,000	3,677,000	-41.46
Arino Est	6,067,000	3,576,000	-41.06
Total	19,413,000	12,146,000	-37.43

LPG - (litres sold)			
STATION	2019	2020	% change
Marghera Ovest	-	-	-
Marghera Est	-	-	-
Arino Ovest	1,168,000	788,000	-32.53
Arino Est	806,000	482,000	-40.20
Total	1,974,000	1,270,000	-35.66

Methane gas - (kg sold)			
STATION	2019	2020	% change
Marghera Ovest	-	-	-
Marghera Est	-	-	-
Arino Ovest	403	299	-25.81
Arino Est	413	301	-27.12
Total	816	600	-26.47

Lubricants - (kg sold)			
STATION	2019	2020	% change
Marghera Ovest	452	469	3.76
Marghera Est	299	385	28.76
Arino Ovest	2,087	636	-69.53
Arino Est	1,830	571	-68.80
Total	4,668	2,061	-55.85

SERVICE STATIONS - FORECOURT RETAILING

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

STATION	2019	2020	% change
Marghera Ovest	16	4	-75.00
Marghera Est	5	3	-40.00
Arino Ovest	87	50	-42.53
Arino Est	155	103	-33.55
Total	263	160	-39.16

SERVICE STATIONS - FOOD AND BEVERAGE - CAFES AND RESTAURANTS

(sales excluding VAT - EUR'000)

STATION	2019	2020	% change
Marghera Ovest	362	268	-25.97
Marghera Est	324	253	-21.91
Arino Ovest	3,766	1,870	-50.35
Arino Est	2,402	1,207	-49.75
Total	6,854	3,598	-47.51

SERVICE STATIONS - RETAIL BUSINESS

(convenience stores at cafés and restaurants)

(sales excluding VAT - EUR'000)

STATION	2019	2020	% change
Marghera Ovest	112	76	-32.14
Marghera Est	91	46	-49.45
Arino Ovest	1,869	755	-59.60
Arino Est	1,402	530	-62.20
Total	3,474	1,407	-59.50

SERVICE STATIONS - ANCILLARY SALES

(at cafés and restaurants)

(sales excluding VAT - EUR'000)

STATION	2019	2020	% change
Marghera Ovest	1,457	1,343	-7.82
Marghera Est	1,270	1,371	7.95
Arino Ovest	1,586	1,043	-34.24
Arino Est	1,146	786	-31.41
Total	5,459	4,543	-16.78

HOTEL - MARGHERA

(sales excluding VAT - EUR'000)

Business	2019	2020	% change
Café, services and lodging	3,355	275	-91.80

ROYALTIES PAID TO CAV

(excluding VAT - EUR'000)

Business	2019	2020	% change
Fuel	1,526	890	-41.68
Lubricants	2	1	-50.00
Forecourt retailing	45	30	-33.33
Food and beverage	1,592	764	-52.01
Retail business (convenience stores at cafés and restaurants)	500	186	-62.80
Ancillary sales	56	38	-32.14
Hotel (café, services and lodging)	42	3	-92.86
Land concession	425	398	-6.35
Total	4,188	2,310	-44.84