



(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

# Pavimental S.p.A.

**Financial statements as at and for the year ended  
31 December 2021**

(with report of the auditors thereon)

KPMG S.p.A.

11 March 2022



KPMG S.p.A.  
Revisione e organizzazione contabile  
Via Curtatone, 3  
00185 ROMA RM  
Telefono +39 06 80961.1  
Email [it-fmauditaly@kpmg.it](mailto:it-fmauditaly@kpmg.it)  
PEC [kpmgspa@pec.kpmg.it](mailto:kpmgspa@pec.kpmg.it)

**(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)**

## **Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010**

*To the shareholders of  
Pavimental S.p.A.*

### **Report on the audit of the financial statements**

#### ***Opinion***

We have audited the financial statements of Pavimental S.p.A. (the "company"), which comprise the balance sheet as at 31 December 2021, the income statement and the statement of cash flows for the year then ended and notes thereto.

In our opinion, the financial statements give a true and fair view of the financial position of Pavimental S.p.A. as at 31 December 2021 and of its financial performance and cash flows for the year then ended in accordance with the Italian regulations governing 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 "Auditors' responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### ***Other matters***

##### ***Management and coordination***

As required by the law, the company disclosed the key figures from the latest financial statements of the company that manages and coordinates it in the notes to its own financial statements. Our opinion on the financial statements of Pavimental S.p.A. does not extend to such data.



### **Comparative figures**

The company's 2020 financial statements were audited by other auditors, who expressed their unqualified opinion thereon on 11 March 2021.

### **Responsibilities of the company's directors and board of statutory auditors ("Collegio Sindacale") 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 regulations governing their preparation and, in accordance with the Italian 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.

The directors are responsible for assessing the company's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the company or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the company's financial reporting process.

### **Auditors' 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 auditors' 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 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 these financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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;
- obtain 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;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;



- conclude 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 auditors' 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 auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern;
- evaluate 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 communicate with those charged with governance, identified at the appropriate level 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 identify during our audit.

## **Report on other legal and regulatory requirements**

### ***Opinion pursuant to article 14.2.e) of Legislative decree no. 39/10***

The company's directors are responsible for the preparation of a management report at 31 December 2021 and for the consistency of such report with the related financial statements and its compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to express an opinion on the consistency of the management report with the company's financial statements at 31 December 2021 and its compliance with the applicable law and to state whether we have identified material misstatements.

In our opinion, the management report is consistent with the company's financial statements at 31 December 2021 and has been prepared in compliance with the applicable law.

With reference to the above statement required by article 14.2.e) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Rome, 11 March 2022

KPMG S.p.A.

(signed on the original)

Marco Mele  
Director of Audit



Società per azioni soggetta all'attività di direzione e coordinamento di Autostrade per l'Italia S.p.A.

***Financial Statements  
as at and for the year  
ended 31 December  
2021***

*Headquarters - 00159 Rome, Via Giuseppe Donati no.  
174 Share Capital € 10,116,452.45 fully paid-up  
Registration no. in the Rome Companies Register and Internal Revenue Code 00481670586  
VAT Code 00904791001, E.A.R. no. 526702*



## CONTENTS

1. Introduction	3
1.1. Letter by the Chairman and the General Manager and Board Member	4
1.2. Main financial data	5
1.3. Corporate bodies	6
2. Management Report	7
2.1. Introduction	8
2.2. Management of Operations	8
2.3. Significant corporate transactions	13
2.4. Order backlog	13
2.5. Financial position, results of operations and cash flows	14
2.6. Investments	21
2.7. Quality System	21
2.8. SA 8000 System	22
2.9. Human Resources	23
2.10. Environmental management	26
2.11. Management of health and safety in the workplace	27
2.12. Relations with subsidiaries and consortium companies	28
2.13. Registered office, secondary offices and local units	34
2.14. Outlook	35
2.15. Disclosure pursuant to art. 2428 of the Italian Civil Code, paragraph 3, subsection 6-bis	36
2.16. Other information pursuant to art. 2428 of the Italian Civil Code	37
2.17. Disclosure concerning the application of the GDPR no. 679/2016	37
2.18. Information on the application of Legislative Decree no. 231/01	38
2.19. SOA Certifications	39
2.20. Events after 31 December 2021	39
2.21. Proposals to the Shareholders' Meeting	39
3. Financial statements as at and for the year ended 31 December 2021	41
4. Key figures from the financial statements of the company that manages and coordinates the company	109



**1.**

***INTRODUCTION***



### 1.1. Letter by the Chairman and General Manager and Board Member

Dear Shareholders,

2021 was a complex year, with many targets achieved and characterised by major changes for our Company.

At a corporate level, on 18 December 2020, the deed for the transfer of the airport business unit of Pavimental S.p.A. to ADR Infrastrutture S.p.A. was signed and is valid from 1 January 2021. The sale of the investment in ADR Infrastrutture S.p.A. to Aeroporti di Roma was finalised on 21 January 2021. On 29 January 2021, as part of a reorganisation of the group's investments, Atlantia S.p.A. sold to Autostrade per l'Italia S.p.A. a 59.40% investment in Pavimental. As a result of this transaction, as of said date, the Company is subject to the management and coordination of Autostrade per l'Italia S.p.A., pursuant to arts. 2497 and following of the Italian Civil Code. On 23 April 2021, the sale by Atlantia S.p.A. to Autostrade per l'Italia S.p.A. of a 20% investment in Pavimental was finalised. Therefore, as a result of the above transaction, Autostrade per l'Italia S.p.A. owns 99.40% of the share capital of Pavimental.

In the framework of the new set-up of the Autostrade Group, the key role of Pavimental was reiterated in supporting the realisation of the huge investment plan of Autostrade per l'Italia S.p.A., in which the Company's mission will be more focused on the construction of new infrastructures than the modernisation of the existing infrastructures.

2021 was also a year of major transformation for the Company, which, as outlined in the 2020-24 Strategic Plan, saw the groundwork for the new Company organisation needed to support both the expected growth in volumes on the captive market and the sustainability of the non-captive market initiatives, a context in which Pavimental believes that it can compete on the basis of its technical and operating excellence and its geographical presence, which is unique in Italy.

Despite the major difficulties caused by the ongoing COVID-19 pandemic, the Company manages to complete its operating programmes as best as possible, at the same time confirming its focus on health and safety in the workplace, environmental sustainability and corporate ethics, also through the acquisition of new certifications in the field of anti-corruption (ISO 37001) and corporate social responsibility (SA8000), becoming one of the highest level players in these contexts.

Lastly, we believe that the work carried out in the financial year just closed has been vital in terms of creating the conditions for achieving the results outlined in the Pavimental Strategic Plan.



## 1.2. Main financial data

The financial statements at 31 December 2021 closed with a net profit amounting to €23,376 thousand and are supplemented by this Report prepared in compliance with art. 2428 of the Italian Civil Code.

The following is the main financial data for the year:

(€ thousand)	2021	2020
<b>Total operating revenues</b>	573,147	485,634
<b>Gross Operating profit (EBITDA)</b>	42,167	13,389
<b>Operating profit/(loss) (EBIT)</b>	33,898	(4,034)
<b>Pre-tax profit/(loss)</b>	28,805	(5,883)
<b>Net profit/(loss) for the year</b>	23,376	(4,928)

(€ thousand)	31.12.2021	31.12.2020
<b>Net Invested capital:</b>	224,363	186,229
<b>Net Equity</b>	53,727	10,065
<b>Net financial debt</b>	170,636	176,164

### 1.3. Corporate bodies

#### BOARD OF DIRECTORS IN OFFICE FOR THE 2021, 2022 AND 2023 FINANCIAL YEARS

Chairman Amedeo Gagliardi

---

BOARD MEMBER AND GENERAL MANAGER Alfredo Culliaciati

---

BOARD MEMBERS  
Andrea Di Maurizio (1)  
Roberto Ramaccia (2)  
Patrizia Cutrupi (3)

---

#### BOARD OF STATUTORY AUDITORS IN OFFICE FOR THE 2021, 2022 AND 2023 FINANCIAL YEARS

Chairman Francesco Mariano Bonifacio

---

STANDING AUDITORS  
Pier Giorgio Cempella  
Mario Francesco Anaclerio

---

ALTERNATE AUDITORS  
Sara Antonelli  
Andrea Balelli

---

#### INDEPENDENT AUDITORS FOR 2021-2023

KPMG S.p.A.

---

(1) - The Board member Andrea Di Maurizio resigned on 25 May 2021.

(2) - At their meeting on 7 June 2021, the shareholders appointed the Board member Roberto Ramaccia.

(2) - At their meeting on 7 June 2021, the shareholders appointed the Board member Patrizia Cutrupi.

## **2. MANAGEMENT REPORT**



## 2.1 Introduction

Pursuant to article 2428 of the Italian Civil Code, this report is aimed at providing a truthful, balanced and comprehensive analysis of the situation of the Company and its operating performance, both in overall terms and in the distinct sectors in which the Company works, also through its subsidiaries and associates, with specific regard to the costs, revenues and investments, and also the principal risks and uncertainties to which it is exposed and which, if existing, are highlighted and described in the main body of the document. In this context, in particular, the analysis is articulated through reference to the principal indicators relevant to the specific activities of the Company, and also the information given on the environment and human resources.

## 2.2 Management of Operations

The financial year 2021 ended with an increase in the volume of works realised by the Company when compared to 2020. Specifically, the increase in activities mainly concerned the works for the modernisation of the network with regard to tunnels, viaducts and barriers on the stretches for which Autostrade per l'Italia S.p.A. is responsible.

As regards activities carried out, the details are as follows:

### Maintenance-Road surfacing

The total production carried out for Autostrade per l'Italia S.p.A. amounted to € 39,228 thousand.

Activities were mainly carried out on the basis of an additional agreement (signed in February 2021) to the biennial 2019-2020 contract

The new Framework Agreement for maintenance activities was signed in the last quarter of the year, for an overall maximum of € 75,000 thousand.

### Network Modernisation

The total production carried out for Autostrade per l'Italia S.p.A. amounted to € 278,672 thousand, a significant increase, with specific regard to the modernisation of tunnels on the network managed by DT1, DT4 and DT7.

### Construction of Infrastructures

The total amounted to € 180,261 thousand.

The following are the details of the main contracts:

Highway A4 Turin – Trieste enhancement works on the fourth lane for the section between the Viale Certosa intersection and the Sesto San Giovanni intersection from Km 126+450 to km 135+750

The works were awarded for a total net contractual amount of € 116,027 thousand, due to the application of the 26.69% discount; this amount was increased to € 147,051 thousand after the definition of a variant appraisal.

Production in 2021 amounted to € 140,964 thousand and includes reserves and price revisions for the increase in cost of raw materials, as described in more detail below. An additional variant appraisal on the work is being defined. This appraisal will determine a new contractual amount, in excess of the initial amount. On the basis of what described above, the percentage of the contract completed is about 90%.

Highway Milan – Naples extension to three lanes of the section Barberino di Mugello – Florence North (Lot 1)

In April 2014, the Company was awarded the works for adding a third lane to the section between Barberino di Mugello and Florence North (Lot 1) for an amount of € 223,455 thousand, subsequently adjusted to € 190,992 thousand as a result of the application of the discounts defined in the Ministero Infrastrutture e Trasporti. A variant appraisal of the work is being defined. This appraisal will determine a new contractual amount of € 186,874 thousand.

Production in 2021 amounted to € 203,107 thousand, including the portion of the additional payments defined in 2017 in the Settlement Deed signed with the contractor, an acceleration bonus for the advance opening of the Calenzano section for € 1,848 thousand and reserves and price revisions for the increase in the cost of raw materials as described in more detail below. On the basis of that described above, the percentage of the contract completed is 95%.

Highway Milan – Naples extension to three lanes of the section Barberino di Mugello – Florence North (Lot 2)

The tender contract for the construction of the third lane - Lot 2 - in the section between Barberino di Mugello and Florence North was signed in 2015 by the Company with the Contractor Autostrade per l'Italia S.p.A. for an amount of € 373,244 thousand, arising from the application of the 12.36% discount; adjustment to the discount in 2016 defined by the MIT (29.69%) led to the recalculation of the contractual amount to € 302,464 thousand.

A variant appraisal of the work is being defined. This appraisal will determine a new contractual amount of € 394,250 thousand.



The predominant activity in the Lot is the Santa Lucia Tunnel, which is being constructed as a natural tunnel excavated mechanically using a TBM-EPB. The excavation was completed in early June 2020.

Production in 2021 amounted to € 386,317 thousand, including the portion of the additional payments defined in 2017 in the Settlement Deed signed with the contractor and reserves and price revisions for the increase in the cost of raw materials as described in more detail below.

On the basis of what described above, the percentage of the contract completed is about 96%.

*Extension to three lanes of the section Barberino Florence South - Incisa Valdarno, NORTH Lot, from km 300+749 to km 306+986 on the highway A1 Milan - Naples*

The works were awarded by the Contractor Autostrade per l'Italia S.p.A. in November 2014 for an amount of € 93,372 thousand. A variant appraisal on the work is being defined. This appraisal will determine a new contractual amount, in excess of the initial amount.

Production in 2021 amounted to € 140,571 thousand, including the portion of the additional payments defined with the contractor for € 2,970 thousand and reserves and price revisions for the increase in the cost of raw materials as described in more detail below.

*Execution of works on the A14 Bologna - Bari - Taranto Extension to the third lane from Rimini North to Porto S. Elpidio section Cattolica - Fano. Compensatory works in the Fano area*

The works were awarded by the Contractor Autostrade per l'Italia S.p.A. for an amount of € 28,679 thousand. Production during 2021 amounted to € 181 thousand. The percentage of the contract completed is 100%.

*Other activities for other contractors*

The total amounted to € 75,055 thousand and is essentially constituted by that produced for the contractor COCIV (Consorzio Collegamenti Integrati Veloci).

The decrease compared to last year is linked to the transfer of assets of the airport sector to the contractor GESAC S.p.A. for the adjustment of the Freight Terminal at Naples Capodichino airport and for the contractor GEASAR S.p.A. for the "Extension of runway 23 at Costa Smeralda airport in Olbia".

It should be noted that in the 2021 income statement, the Company, supported by internal and external legal advisers, ascertained reserves of € 20,000 thousand on the contract for the construction of the



Voltri Interconnection and Polcevera completion and Additional Deed no. 1 of the General Contractor COCIV (Consorzio Collegamenti Integrati Veloci) .

As regards the reserves ascertained on the contracts awarded by Autostrade per l'Italia S.p.A., the inclusion must be noted of € 8,300 thousand for the financial year on the A1 Highway Milan - Naples contract for extension to three lanes on the Barberino Florence South - Incisa Valdarno stretch Lot 1 North from Km 300+749 to Km 306+986, of € 6,800 thousand on the A4 Highway Turin - Trieste contract for the extension to four lanes of the stretch between the Viale Certosa intersection and the Sesto San Giovanni intersection from Km 126+450 to Km 135+750, of € 5,000 thousand on the A1 Highway Milan - Naples contract for extension to three lanes on the Barberino di Mugello - Florence North stretch Lot 2 and lastly of € 1,600 thousand on the A1 Highway Milan - Naples contract for extension to three lanes on the Barberino di Mugello - Florence North stretch Lot 1.

The production revenues in 2021 were also affected by the price revisions that the Decree by the Ministry of Infrastructure and Sustainable Mobility of 11 November 2021 introduced as a result of the increase in the cost of raw materials, for a total of € 5,999 thousand.

It should be noted that the Company Management, supported by the reasoned opinion of an external legal consultant, did not deem it necessary to reflect in the financial statements the effects of the MIT resolution on lowering some soundproofing contracts awarded in previous years and now almost completed.

#### Overseas Activities

Activities in Poland were carried out through the local Permanent Establishment of Pavimental S.p.A. in temporary association with Pavimental Polska Sp. z.o.o. The permanent establishment closed 2021 with a net loss of € 173 thousand. On 15 November 2021, the Board of Directors of the Company approved the closure of the Permanent Establishment in Poland.

A breakdown by business segment of the 2021 activities is summarised below:

	2021						2020					
	Road surfacing maintenance	Non maintenance works	Infrastructures	Other contractors	Other revenues	Total	Road surfacing maintenance	Non maintenance works	Infrastructures	Other contractors	Other revenues	Total
<b>For Autostrade per l'Italia</b>												
Maintenance - Road surfacing	39,228					39,228	59,595					59,595
Network modernisation		278,672				278,672		137,647				137,647
Other infrastructures			2,625			2,625			1,101			1,101
A4 expansion to 4 lanes San Giovanni Viale Certosa (Lot 1)			26,894			26,894			26,455			26,455
SP 46 Paderno Rho - Nuovo Polo Fieristico stretch			1,133			1,133			91			91
Expansion to 3 lanes Barberino - Florence North Lot 1			7,176			7,176			8,935			8,935
Expansion to 3 lanes Barberino - Florence North Lot 2			93,118			93,118			64,656			64,656
Completion of the pass variant			1,643			1,643			552			552
Florence infrastructures			34,797			34,797			29,264			29,264
Gronda di Genova first stretch Lot 1A			8,116			8,116			2,387			2,387
San Benigno			4,329			4,329						
Adriatica A14 Lot 6 B			249			249			5,297			5,297
Fano compensation works			181			181			3,294			3,294
	39,228	278,672	180,261			498,161	59,595	137,647	142,032			339,274
<b>For Others in the Atlantia Group</b>												
Stalexport Malopolska S.A.								1,091				1,091
Tangenziale di Napoli										177		177
Aeroporti di Roma									50,378			50,378
<b>Works for Atlantia Group</b>	39,228	278,672	180,261			498,161	59,595	138,738	192,410	177		390,920
<b>For other contractors</b>												
Co.Im.A. Scarl				62		62						
Airport works										29,122		29,122
COCIV				74,945		74,945				66,213		66,213
Nardò Technical Centre S.r.l.				48		48		31				31
<b>Total works</b>	39,228	278,672	180,261	75,055		573,216	59,595	138,769	192,410	95,512		486,286
Losses on infrastructure works provision			-	1,000		(1,000)						
Pre-operating costs on infrastructure contracts			-	1,229		(1,229)			1,011			(1,011)
<b>Total production</b>	39,228	278,672	178,032	75,055		570,987	59,595	138,769	191,398	95,512		485,274
Revenue from sales					1,165	1,165					24	24
Revenue from services					995	995					337	337
<b>Production revenues from core activities*</b>	39,228	278,672	178,032	75,055	2,160	573,147	59,595	138,769	191,398	95,512	361	485,635

\* Amount net of other costs and revenue



### 2.3 Significant corporate transactions

As already highlighted previously, during the course of 2020, a project was started aimed at separating the Company's business unit operating in the airport sector, to then be transferred to the control of Aeroporti di Roma S.p.A..

ADR Infrastrutture S.p.A. was incorporated on 6 November 2020, a full subsidiary with share capital of € 50 thousand, and the Deed for the transfer of the airport business unit of Pavimental S.p.A. to ADR Infrastrutture S.p.A. was signed on 18 December 2020 and is valid from 1 January 2021. This transaction led to the recording of a capital gain amounting to € 20,212 thousand reflected in the 2021 income statement.

After the negotiations between the Company and Aeroporti di Roma S.p.A., the contract for the sale of 100% of the controlling investment in ADR Infrastrutture S.p.A. to Aeroporti di Roma S.p.A. was signed on 29 December 2020, for a consideration of € 12,200 thousand. On 21 January 2021, given that the conditions precedent envisaged in the aforementioned contract had been met, Pavimental S.p.A. transferred the shares to Aeroporti di Roma S.p.A. and received the relative payment. This transaction led to the recording of a capital loss from the sale of investments amounting to € 2,950 thousand reflected in the financial charges in the 2021 income statement.

On 29 January 2021, Autostrade per l'Italia S.p.A., which already owned 20% of the share capital of Pavimental S.p.A., finalised the purchase from Atlantia S.p.A. of an additional 59.4% of the share capital, thereby increasing its investment to 79.4%. On 23 April 2021 the sale by Atlantia S.p.A. to Autostrade per l'Italia S.p.A. of a 20% investment in Pavimental was finalised. Therefore, as a result of the above transaction, Autostrade per l'Italia S.p.A. owns 99.40% of the share capital of Pavimental. Astaldi S.p.A.'s investment remains unchanged at 0.60% (Webuild Group).

On 21 December 2021, Autostrade per l'Italia S.p.A. made a payment on account for future capital increase for € 20,000 thousand, allocated for the subscription of a capital increase to be resolved and made executive by 31 December 2022 at the latest.

### 2.4 Order backlog

As at 31 December 2021, the Company's order backlog amounted to € 266,209 thousand, broken down as follows:

(€ thousand)

<b>Autostrade per l'Italia S.p.A.</b>	161,197
<i>of which</i>	
Ordinary road surfacing maintenance	29,989
Major works	33,727
Other highway works	97,481
<b>Other contractors</b>	105,012
<b>Total</b>	266,209

During the year, with the company signed a Framework Agreement for maintenance of the highways with Autostrade per l'Italia for a total maximum amount estimated at € 75,000 thousand and a Framework Agreement for the maintenance of underground and open-air work of art for € 100,000 thousand, in which the interventions are defined in individual implementation contracts.

## 2.5 Financial position, results of operations and cash flows

This paragraph describes and comments the Reclassified Income Statement and the Reclassified Balance Sheet for 2021, compared to the amounts for the previous financial year.

It must be noted that the reclassified tables differ somewhat from the official tables described hereafter in the Notes.

Specifically, the Reclassified Income Statement introduces the "Gross operating profit (EBITDA)" which is not included in the ordinary income statement. This margin is the synthetic indicator of Gross Profit from operations calculated by deducting operating costs with the exception of the amortisation and depreciation, provisions and other write-downs. The result of subtracting these latter costs from the gross operating profit is the Operating profit (EBIT), which is the same as the *operating profit (loss)* stated in the ordinary income statement. As regards the operating profit, there are no differences in amounts and intermediate results in the two tables, the sole difference being the briefer nature of the Reclassified Income Statement.

The Reclassified Balance Sheet differs from the ordinary one, being of a briefer nature and defining the following indicators in particular:

- *Working capital*, defined as the difference between the inventories, trade receivables, other current assets, trade payables, provisions for risks and charges and short-term borrowings and the other current liabilities;

- *Invested capital, less current liabilities and medium and long-term provisions for risks and charges*, determined as the algebraic sum of the fixed assets, operating capital and medium and long-term provisions for risks and charges;
- *Equity*, which matches the net equity in the financial statements;
- *Net financial debt*, representing an indicator of the financial structure, given by the sum of the net medium and long-term financial debt (corresponding to the algebraic sum of the medium and long term financial payables and medium and long-term financial receivables) and the net short-term financial debt (corresponding to the algebraic sum of the short-term financial payables, cash flow and financial short-term financial receivables and net accrued financial income and expenses).

### Economic management

Production revenues from core activities for 2021, amounting to € 598,987 thousand (gross of the other revenue and income of € 25,840 thousand), shows an increase of € 104,196 thousand (+ 21.06%).

Specifically, the increase in business activities mainly concerned the new initiatives regarding the Framework Contracts for the maintenance of open-air and underground works of art commissioned by Autostrade per l'Italia S.p.A. (€ 279,993 thousand). These increases have mitigated the effect of the termination of airport activities for both Aeroporti di Roma S.p.A. and for others as a result of the transfer of the business unit and reduced production in the Maintenance of Highway Road Surfaces due to the continuation of the activities in the 2019-2020 Framework Agreement. The other revenue and income reflect the inclusion of the capital gain from the transfer of the airport business unit to ADR Infrastrutture S.p.A. for € 20,212 thousand.

The external production costs increased by € 60,715 thousand (+15.81%) compared to last year. This increase is in line with the increase in production and is correlated to the increase in the requirements of goods and services as a result of increased production, which was mainly of an urgent nature.

The cost of labour increased by € 14,494 thousand (+ 15.10%). The average paid workforce increased from 1,203.69 units in 2020 to 1,316.42 units in 2021. This increase was made necessary due to the simultaneous start of activities linked to certain implementing contracts for the Framework Agreement with Autostrade per l'Italia, with a high concentration of works mainly in the Genoa area.

The Gross Operating Profit (EBITDA) amounted to € 42,167 thousand, an increase of € 28,778 thousand from last year because of the dynamics described above.

Amortisation and depreciation amounted to € 7,922 thousand, a reduction of € 8,668 thousand compared to 2020. Last year, the income statement reflected the depreciation of the TBM and the other fixed assets involved in the excavation of the Santa Lucia tunnel, completed in early June 2020.



In 2021, the Company allocated a total of € 233 thousand to cover receivables that cannot or are unlikely to be claimed. The provisions for risks and charges decreased by € 719 thousand compared to last year.

As a result of the movements shown above, the Operating Profit (EBIT) improved by € 37,932 thousand compared to 2020.

The *net financial charges* increased by € 3,244 thousand compared to last year, mainly as a result of the inclusion of the capital loss from the transfer of the investment in ADR Infrastrutture to Aeroporti di Roma S.p.A. (amounting to € 2,950 thousand).

The Company closed the financial year with less net financial debt compared to 31 December 2020.

Income taxes for the year amounted to € 5,429 thousand and increased by € 6,384 thousand due to less IRAP, amounting to € 1,286 thousand, and the inclusion of the IRES tax and deferred taxes amounting to € 5,098 thousand.

The net profit for 2021 was € 23,376 thousand.

**RECLASSIFIED INCOME STATEMENT**

(€ thousand)	2021	2020	DIFFERENCES	
			ABSOLUTE	%
Revenue from works	476,071	428,151	47,920	11.19
Change in contract work in progress	94,916	57,121	37,795	66.17
Other revenue from sales and services	2,160	362	1,798	496.58
Other revenue and income	25,840	9,157	16,683	182.19
<b>Total revenue</b>	<b>598,987</b>	<b>494,791</b>	<b>104,196</b>	<b>21.06</b>
External management costs	(444,796)	(384,081)	(60,715)	15.81
Other costs	(1,562)	(1,353)	(210)	15.51
<b>Added value</b>	<b>152,629</b>	<b>109,357</b>	<b>43,272</b>	<b>39.57</b>
Net cost of labour	(110,462)	(95,968)	(14,494)	15.10
<b>Gross Operating Profit (EBITDA)</b>	<b>42,167</b>	<b>13,389</b>	<b>28,778</b>	<b>(214.93)</b>
Amortisation and depreciation	(7,922)	(16,590)	8,668	(52.25)
Other write-downs	(233)		(233)	
Accruals to the provisions for risks and charges	(114)	(833)	719	(86.34)
<b>Operating Profit (EBIT)</b>	<b>33,898</b>	<b>(4,034)</b>	<b>37,932</b>	<b>940.36</b>
Net financial income charges	(5,089)	(1,621)	(3,468)	213.96
Net exchange rate losses	(161)	(156)	(5)	3.27
Adjustments to financial assets	157	(72)	229	318.58
<b>Pre-tax profit (loss)</b>	<b>28,805</b>	<b>(5,883)</b>	<b>34,688</b>	<b>589.66</b>
Income taxes	(5,429)	955	(6,384)	668.61
<b>Net profit/(loss) for the year</b>	<b>23,376</b>	<b>(4,928)</b>	<b>28,304</b>	<b>574.36</b>

## Equity and financial structure

The *Invested capital less the financial liabilities and M/L term provisions for risks and charges* as at 31 December 2021 amounted to € 224,363 thousand (€ 186,229 thousand as at 31 December 2020).

The *fixed assets* amounted to € 57,703 thousand, an increase of € 18,360 thousand compared to last year, mainly as a result of the following changes:

- increase due to the reclassification of the TBM and tapes in the fixed assets, for a total of € 19,300 thousand;
- new investments in tangible fixed assets of € 8,487 thousand and in intangible fixed assets of € 15 thousand;
- adjustments for investments as at 31 December 2020 of € 672 thousand;
- disposal of tangible fixed assets for € 839 thousand, net of the relevant provisions.
- the decrease of € 7,922 thousand in depreciation for the year;

The *working capital* amounted to € 169,432 thousand and increased by € 19,602 thousand compared to last year, mainly because of the increase of € 80,685 thousand in warehouse inventories, determined by:

- the increase in contract work in progress for € 94,350 thousand. The increase is correlated to the activities for Autostrade per l'Italia S.p.A., for € 70,386 thousand referring to the implementing contracts of the Framework Agreement for network maintenance and modernisation, activities for third parties, for € 31,096 thousand mainly attributable to the contract for the “Voltri Interconnection and Polcevera completion Lot” awarded by COCIV. The increase is mitigated by the billing and receipt of the reserves from Aeroporti di Roma S.p.A. for € 7,000 thousand as part of the agreements for the extraordinary transfer and sale transaction. We would point out the inclusion of reserves for progressive billing as at 31 December 2021 towards Autostrade per l'Italia S.p.A. for € 29,572 thousand and towards Consorzio Cociv for € 36,450 thousand;
- the increase in warehouse inventories for € 9,231 thousand, concerning the increased quantities of raw materials purchased to deal with the increased production volumes during the year; It should be noted that the stocks being transferred amounted to € 6,564 thousand;
- the decrease in assets, such as the TBM and tapes reclassified in the fixed assets, and the equipment transferred to ADR Infrastrutture, for a total of € 21,458 thousand.

These positive changes were partially offset by:

- the decrease in other assets for € 10,632 thousand, mainly regarding the reduction in advance payments to suppliers for € 5,098 thousand, of which € 3,379 thousand being transferred, and the reduction in tax receivables for € 3,613 thousand (referring to the reduction in VAT to be recovered), added to the reduction in deferred tax assets for € 3,151 thousand due to the use of the tax loss carried forward;
- the increase in trade payables for € 45,806 thousand, partly correlated to the increase in activities carried out during the year, mainly of an urgent nature;
- the increase in other liabilities for € 5,532 thousand, reflecting VAT payables amounting to € 5,424 thousand.

The *Medium and long-term provisions for risks and charges* amounted to € 2,771 thousand (€ 2,944 thousand as at 31 December 2020) and decreased by € 173 thousand due to the use of the employees' leaving entitlement for personnel leaving the company.

The *equity* amounted to € 53,727 thousand and increased compared to last year (€ 10,065 thousand) because of the net profit for the year and due to the payment on account for future capital increase € 20,000 thousand by Autostrade per l'Italia S.p.A.

The Company closed the 2021 financial year with a net financial debt of € 170,636 thousand, a decrease of € 5,528 thousand compared to last year.

## ANALYSIS OF THE EQUITY STRUCTURE

(€ thousand)	31/12/2021	31/12/2020	DIFFERENCES	
			ABSOLUTE	%
<b>Fixed assets</b>				
Intangible Fixed Assets	38	76	(38)	(49.76)
Tangible fixed assets	52,277	33,879	18,398	54.30
Equity investments	5,388	5,388		
<b>Total Fixed Assets (A)</b>	<b>57,703</b>	<b>39,343</b>	<b>18,360</b>	<b>46.67</b>
<b>Current assets</b>				
Inventories	351,563	270,878	80,685	29.79
Trade receivables	49,460	49,318	142	0.29
Other assets	27,547	38,179	(10,632)	(27.85)
Trade payables	(229,221)	(183,415)	(45,806)	24.97
Provisions for risks and charges	(6,076)	(6,820)	744	(10.91)
Other liabilities	(23,842)	(18,310)	(5,532)	30.21
<b>Total current assets (B)</b>	<b>169,432</b>	<b>149,830</b>	<b>19,602</b>	<b>13.08</b>
<b>Gross invested capital (C=A+B)</b>	<b>227,134</b>	<b>189,173</b>	<b>37,961</b>	<b>20.07</b>
<b>Provisions for medium and long-term risks and charges (D)</b>	<b>2,771</b>	<b>2,944</b>	<b>(173)</b>	<b>(5.86)</b>
<b>NET INVESTED CAPITAL (E=C-D)</b>	<b>224,363</b>	<b>186,229</b>	<b>38,134</b>	<b>20.48</b>
<b>Net Equity</b>				
Share capital paid-up	10,116	10,116		
Reserves and retained earnings (losses carried forward)	20,235	4,877	15,358	314.90
Net profit (loss) for the year	23,376	(4,928)	28,304	(574.36)
<b>Total Net Equity (F)</b>	<b>53,727</b>	<b>10,065</b>	<b>43,662</b>	<b>433.80</b>
<b>Net financial debt</b>				
<b>Net medium and long-term financial debt</b>				
Medium and long-term financial Assets /Liabilities	12,192	23,625	(11,433)	(48.39)
<b>Total Net medium and long-term financial debt (G)</b>	<b>12,192</b>	<b>23,625</b>	<b>(11,433)</b>	<b>(48.39)</b>
<b>Net short-term financial debt</b>				
Short-term financial payables	181,855	161,287	20,568	12.75
Short-term cash and financial receivables	(23,412)	(8,748)	(14,664)	167.62
<b>Total Net short-term financial debt (H)</b>	<b>158,444</b>	<b>152,539</b>	<b>5,905</b>	<b>3.87</b>
<b>Total net financial debt (I=G+H)</b>	<b>170,636</b>	<b>176,164</b>	<b>(5,528)</b>	<b>(3.14)</b>
<b>HEDGING OF THE NET INVESTED CAPITAL (L=F+I)</b>	<b>224,363</b>	<b>186,229</b>	<b>38,134</b>	<b>20.48</b>

## 2.6 Investments

The investments made during the course of the year amounted to € 8,501 thousand.

With regard to the intangible fixed assets, new investments were made in software licences amounting to € 15 thousand.

The new investments in tangible fixed assets, for a total of € 8,487 thousand, are attributable to the renewal of work equipment and machinery, the use of new motor vehicles in support of operating activities and the purchase of assets currently being set-up for use.

The following table contains a summary of the investments made during 2021, subdivided by category:

(€ thousand)	Intangible Fixed Assets	Tangible fixed assets	Total
Software licences	15		15
Land and industrial buildings		156	156
Plant and Machinery		3,180	3,180
Lorries and vehicles in support of operating activities		3,447	3,447
Other tangible fixed assets		255	255
Assets under construction and payments on account		1,448	1,448
<b>Total Investments</b>	15	8,487	8,501

## 2.7 Quality System

Activities concerning Quality were very intense in 2021. Specifically:

- the company's Quality System was subjected to an overall audit by a third party for the annual inspection as per ISO 9001. In April, the certificate was extended to the activities of General Contractor ;
- in July, the FPC (Factory Production Control) certificates were awarded for the production of recyclable aggregate pursuant to UNI EN 13242 at the operating units in Anagni, Arezzo, Magliano Sabina, Pontenure and Zola Predosa;
- pursuant to UNI EN 13108, the internal and external audits were conducted on all of the currently certified operating units of the Company. Only the certificate for the operating unit in Ortona was suspended;

- the FPC certificates for bitumen modified from polymers at the facilities of the operating units of Loreto, Magliano Sabina and Zola Predosa were the subject of annual audit, as per UNI EN 14023;
- the FPC certificate according to the optional scheme for production of Cement Bound Granular Mixtures was renewed;
- training activities for personnel at headquarters and on worksites were planned and carried out, with classroom activities and training on the job. Internal and external audits were conducted on the main infrastructural highway worksites, on suppliers of construction products and on all airport activities. Overall, there were about 70 first and second party audits and about 5 inspections on Company working areas;
- with regard to the company operating processes, the main documents were updated in line with the company Quality System. The Quality Manual was also monitored and updated;
- as regards the “Make it Sustainable” Sustainability certification, an audit was conducted in May for the annual maintenance of the certificate awarded to the operating unit in Zola Predosa. In May and November, the audits were conducted regarding the certification of the Barberino Infrastrutture operating unit.

## 2.8 SA8000 System

The Management System for Corporate Social Responsibility was implemented during the course of the year, as per the SA8000 voluntary scheme. An internal committee was set up, the SA8000 Committee, and the required documentation prepared.

In August and September, about 600 hours of training were provided and 15 audits conducted on the operating units nationwide and the Rome headquarters.

In September, the competent Certification Authority conducted the third party audits, which led to the issuing of the relative certification in October, subject to six-monthly audit.

## 2.9 Human Resources

From an organisational viewpoint, 1 January 2021 saw the transfer of the business unit concerning airport works with the creation of the subsidiary ADR Infrastrutture S.p.A., for which the Company guaranteed services until 31 December 2021.

The workforce of the Human Resources and Finance Department was redefined in the first half of the year. The Procurement unit became part of the Finance Department.

The new Buildings Technical Area was created in June, into which the existing Technical Offices merged. The new Technical Area took responsibility for the execution of extraordinary construction and installation maintenance works (*Smart Spacing* project) in the headquarters of Autostrade per l'Italia, located in via Alberto Bergamini, 50 in Rome and in via Fulvio Testi, 280 in Milan.

In the second half of the year, the new Commercial and Development Department was created, with the aim of defining, in agreement with the top management, and implementing the strategy for positioning the Company on the *non-captive* market by developing commercial initiatives.

With regard to the *Information Systems*, 2021 saw the beginning of a process of digital transformation in support of the business plan, with an expected timeframe for completion of 4 years.

In line with that started by the parent and with the same orientation, a roadmap was defined focusing on various areas for improvement, the foundations of which are:

- the migration of the infrastructures towards cloud solutions in SaaS mode;
- re-engineering of the business processes for planning tenders and procurement;
- digitalisation of the employee life cycle;
- support of the HSE processes;
- technological and applicative adjustment of the ERP vs SAP solution.

*Industrial Relations* has mainly dealt with the problems relating to the extension of the state of emergency caused by the Covid-19 pandemic, also as a result of the introduction of the Green Pass. As part of the government measures for containing the spread of Covid-19, Decree Law 127/21 has made the use of green pass certification mandatory for work since 15 October 2021. The Company has adopted all the measures to fulfil the regulation in this regard.

There were also two Trade Union agreements reached during the year regarding non-management personnel of the Company and stipulated with the national Trade Unions:

- in May, a trade union agreement was signed repealing, for 2021 only, the percentage limits established in the reference national contract regarding the number of fixed-term contracts. The

agreement reached determined on a pact basis an increase in contractual flexibility regarding the use of fixed-term contracts;

- in September, an agreement was signed with the Ministry of Labour for the implementation of the Expansion Contract, an experimental measure adopted by the Company as an incentive for employees not more than 36 months away from retiring to take early retirement, on a voluntary basis.

Still on the topic of Industrial Relations, agreements were stipulated with the RSA/RSU (trade union representatives) at the Rome Headquarters and the worksites for financing the training plans regarding professional conduct, envisaged by the inter-professional fund for continuous training of Confindustria (Fondimpresa).

Lastly, the definition with the head office RSU of collective leave for 2021 and the settlement with the various company RSU/RSA of the conflicts and problems of individual workers or individual production sites were concluded successfully.

As regards the aspects inherent to the *hiring of human resources*, about 470 job vacancies were advertised during the year, leading to the hiring of 442 resources from outside the Company.

The following initiatives were of particular relevance:

- COS Project - Security Operating Control personnel: as a result of the issue and application of the new Group Health & Safety policy, the Security Operating Control (COS) personnel were selected and hired, under agency work contracts, in the territorial units;
- Project for inclusion of disadvantaged resources: realised by the Company in collaboration with the Municipality of Turin, the educational agency of Turin SFEP (School of Permanent Training and education) Social Services Division, the employment agency Openjobmetis / Quanta and the Association CNOS-FAP Piedmont Region National Centre of Salesian Works - Professional Training and Updating, the aim of the project is to encourage the professional integration of foreign and disadvantaged adult workers. It involved the hiring of refugee migrants and those with subsidiary protection and adults in unfavourable conditions, after a specialised professional training course aimed at training professionals to be employed in the works realised by the Company. The project led to the hiring, under agency contracts, of 21 workers in the North-West Area (Tunnelling and Integrated Barriers operating unit - Genoa).

Various professional development initiatives were also started which, through the use of growth evaluation tools aimed at measuring the level of possession of transversal skills and the strong points

and areas for improvement of the resources involved in the project, enabled the following:

- the acquisition of useful information for the use of resources in different or more complex roles that those covered;
- the availability of objective information for starting training courses and development action consistent with the evaluation results;
- encouraging greater awareness of themselves by the resources with respect to the skills required by their role;
- obtaining a map of the potential of the resources to be included in succession tables and career development plans.

With regard to personnel training, activities focused on:

- mandatory safety as per Legislative Decree 81/08;
- training of Safety Coaches: as part of the Group Active Safety Value plan, focusing on Safety, the individuals identified as Safety Coaches took part in a training course aimed at learning, increasing awareness of, communication and prevention of risks in the workplace;
- anti-corruption;
- SA8000: during the process for obtaining this certification, courses were provided for most of the personnel, in both attendance and distance modes;
- technical and specialist skills: some seminars, so-called “Informative pills”, were held in collaboration with external legal firms and were conducted by video-conference on the following topics: management of employment contracts, bids and tenders, safety in the workplace, privacy laws, aggregation requirements and forms, execution of tender contracts and laws on price surveys. On the basis of the topics dealt with, the seminars involved the Technical Directors, managers and their staff at headquarters and in the territorial units and were conceived with the aim of providing personnel with constant updates and details on critical topics.

Overall, 375 training courses were organised during 2021, for a total of about 13,760 training hours.

The following table compares the company workforce as at 31 December 2021 and 2020 respectively, in consideration of the different types of continuing and fixed-term employment contracts:

	31.12.2021			31.12.2020			Difference
	CONT.	FT	TOTAL	CONT.	FT	TOTAL	
Executives	9		9	9		9	
Managers	20		20	22		22	(2)
Office workers	324	20	344	301	30	331	13
Blue collars	995	198	1,193	895	299	1,194	(1)
	<b>1,348</b>	<b>218</b>	<b>1,566</b>	<b>1,227</b>	<b>329</b>	<b>1,556</b>	<b>10</b>

As regards the average remunerated workforce, 2021 closed with an average of 1,316 units compared to 1,204 in 2020.

The average remunerated workforce is broken down into the following categories:

	2021			2020			Difference
	CONT.	FT	TOTAL	CONT.	FT	TOTAL	
Executives	9		9	9		9	-1
Managers	21		21	23		23	-2
Office workers	292	29	321	274	24	298	23
Blue collars	737	229	966	644	229	873	93
	<b>1,059</b>	<b>258</b>	<b>1,316</b>	<b>951</b>	<b>253</b>	<b>1,204</b>	<b>113</b>

## 2.10 Environmental Management

The company made a major effort in 2021 in order to ensure that its activities were carried out in complete respect of the laws in force on environmental matters.

Specifically:

- all of the facilities authorised to produce bituminous conglomerate with a recycled component retained their registration in the Provincial Register of Companies and/or the National Roll of Environmental Managers;
- the management of “milled” waste continued during the year, in order to ensure the respect of the deadlines and quantitative limits authorised for reserve deposits. This has been done through the transformation of bituminous conglomerate for the partial reuse of the recycled conglomerates and transfers to authorised third parties;

- ISO 14001:2015 Environmental Certification was renewed during the course of the year for all of the Company's activities and is valid until 2024 on an annual basis;
- punctual and assiduous environmental monitoring was carried out on all operating areas, production facilities and maintenance and construction worksites of the Company. The planned audit schedule was fully implemented, albeit with activities carried out remotely
- the efficiency of the fire-fighting devices present in the Company's Operating Units was verified and guaranteed;
- an Energy Manager was appointed to ensure the preservation and rational use of energy.

### 2.11 Management of health and safety in the workplace

In 2021, activities concerning safety were characterised by the need to ensure the fulfilment of the legal obligations, at the same time pursuing the continuous enhancement of the company's health and safety standards.

These necessarily had to take into consideration the continuation of the Covid-19 emergency in the country and the related precautions and restrictions.

To this end, the following activities were carried out during the course of the year:

- application of the shared anti-Covid-19 protocols;
- fulfilment of the obligation to update the training of the RLS and persons responsible annually, which was done by e-learning, and, where deemed necessary, carrying out additional and updating training, informative and professional training activities for dependent staff.

These activities were carried out by the company or through third parties in respect of the government measures.

Periodical monitoring of injuries in the workplace, with consequent disclosure to the top management and those responsible for health and safety, was also carried out.

ISO 45001:2018 Certification was renewed, expiring in 2024 on an annual basis; ISO 39001:2012 Certification was also maintained, attesting the application by the Company of a Road Safety Management (SGS) System.

The operating and/or organisational procedures concerning safety were updated as a result of the organisational changes made. The current procedures system has thus been adjusted to the organisation and is consistent with it.

The pre-contractual documents needed for verification of Technical and Professional Suitability (ITP) of the company and third parties involved were also managed.



Audits were conducted on all of the operating sites, mostly remotely. The scheduled audit plan was fully implemented.

## 2.12 Relations with subsidiaries and consortium companies

### Pavimental Est (in liquidation)

Headquarters in Moscow  
Share capital 4,200,000 new Roubles  
100% investment

The Company has been inactive since 1999. The accruals to cover any losses, that are currently expected to be incurred, amount to € 343 thousand. The liquidation procedure of the holding company started in 2014.

### Pavimental Polska Sp.z o.o

Head office in Trzebinia  
Share Capital 3,000,000 PLN  
100% investment.

Production activities on the following works were carried out in 2021:

- contract HM-4-2019 Resurfacing 2019-2020 on the A4 Katowice-Krakow highway, contractor Stalexport Autostrade Malopolska. The contract acquired in 2019, with a total amount in 2021 of 67,770 thousand PLN, as a result of subsequent variation orders, has been extended until 04/05/2022. As at 31/12/2021, works had been completed for progressive production revenues of 66,526 thousand PLN, of which 11,308 thousand PLN during the year;
- contract F2b-10-2018 Reconstruction of the drainage for the motorway A4 part III on the A4 Katowice-Krakow highway, contractor Stalexport Autostrade Malopolska. The contract acquired in 2019, with a total amount in 2021 of 15,440 thousand PLN, was completed as at 31/12/2021. Production during the year amounted to 3,147 thousand PLN;
- contract MPA12-2019 Modernisation of 12 culverts on the A4 Katowice-Krakow highway, contractor Stalexport Autostrade Malopolska. The contract acquired in 2020, with a total amount in 2021 of 7,161 thousand PLN, was completed as at 31/12/2021. Production during the year amounted to 4,168 thousand PLN;
- contract F2b-12-2020 Reconstruction of the drainage for the motorway A4 part IV on the A4 Katowice-Krakow highway, contractor Stalexport Autostrade Malopolska. The contract acquired in 2020 has a total amount of 70,782 thousand PLN, also as a result of subsequent variation orders.



As at 31/12/2021, works had been completed for a progressive amount of 36,964 thousand PLN.

Production during the year amounted to 34,952 thousand PLN;

- contracts of minor amounts fully completed in 2021, for total production revenues of 1,467 thousand PLN.

The workforce as at 31 December was 81 units, including 26 office workers and 55 blue collars, a reduction of 12 units compared to last year.

#### Elmas S.c. a r.l. (in liquidation)

Headquarters in Rome

Quota capital € 10,000

60% investment.

The works for the refurbishment of the main runway, the restructuring of runway 14-32 and the enhancement of the AVL systems at Cagliari Elmas airport awarded to the temporary association of enterprises between Pavimental S.p.A. and SAR.CO.BIT. S.r.l., the performance of which was contracted to Elmas S.c.a.r.l., were completed during 2009.

In the framework of the bankruptcy procedure of the quotaholder SAR.CO.BIT S.r.l., the Cagliari Law Courts accepted the claim by Pavimental for amounts payable on 4 October 2010, for an amount of € 1,408 thousand.

The Company was put into liquidation on 12 June 2013.

#### Co.Im.A. S.c a r.l. (in liquidation)

Headquarters in Rome

Quota capital € 10,000

75% investment.

On 26 July 2012, a limited liability consortium company was incorporated, named Co.Im.A. S.c.a.r.l., the scope of which is the realisation of public works and infrastructures through participation in procedures for awarding contracts through tenders, competitive tenders, concession or through any other system of awarding. The quota capital amounts to € 10 thousand and the investments are divided as follows:

- Pavimental S.p.A. 75%;
- Autostrade Tech S.p.A. 20%;
- Pavimental Polska S.p. z o.o 5%.





Consorzio Costruttori TEEM (in liquidation)

Headquarters in Milan  
Quota capital € 10,000  
1% investment

Consorzio Costruttori TEEM is responsible for coordination between the construction companies involved in the TEEM initiative.

The activities have been completed and the Consortium has been put into liquidation.

Consorzio Lambro

Headquarters in Milan  
Quota capital €  
200,000 2.78%  
investment

Again, with reference to the External Eastern Bypass project in Milan, a limited liability consortium company was incorporated on 19 December 2011, called Lambro, with a quota capital of € 200 thousand and with the corporate purpose of performing the works awarded to the components of Group A of Consorzio Costruttori TEEM. The investment owned by Pavimental is 2.78%.

As at 31 December 2020, activities were concluded.

ADR Infrastrutture S.p.A.

Headquarters in Rome  
Share capital € 5,050,000

On 21/01/2021, the Company sold the entire share package to Aeroporti di Roma S.p.A.

The following is the financial data concerning these companies.

Income statement data	2021	2020	Difference
<b>(€ thousand)</b>			
<b>Contract works</b>			
Consorzio Co.Im.A. in liquidation	62		62
	62		62
<b>Other Services and Income</b>			
Pavimental Polska	326	312	14
	326	312	14
<b>Service costs</b>			
Consorzio Ramonti in liquidation	209	10	199
Consorzio Elmas in liquidation	142	2	140
Consorzio Co.Im.A. in liquidation	35	40	(5)
Consorzio Lambro		1	(1)
Consorzio CAIE	5	5	
Pavimental Polska		388	(388)
	391	446	(54)
<b>Other costs</b>			
Consorzio Co.Im.A. in liquidation	4		4
	4		4
<b>Financial income</b>			
TE Tangenziale Esterna di Milano	139	139	
Pa vimental Est in liquidation	(30)		(30)
	109	139	(30)

Balance sheet data	31.12.2021	31.12.2021	Difference
<b>(€ thousand)</b>			
<b>Trade receivables and assets under construction</b>			
Consorzio Co.Im.A. in liquidation	2,935	2,859	76
Consorzio Costruttori TEEM in liquidation	118	106	11
Consorzio Lambro	2,327	2,327	
Consorzio Elmas in liquidation	548	548	
Pavimental Polska	37	230	(193)
Consorzio RFCC in liquidation	124	124	
	<b>6,089</b>	<b>6,194</b>	<b>(106)</b>
<b>Financial receivables</b>			
TE Tangenziale Esterna di Milano	2,034	1,896	139
Consorzio Ramonti in liquidation	171	171	
Consorzio Elmas in liquidation	1,030	1,030	
Pavimental Est in liquidation	366	340	26
Consorzio RFCC in liquidation	2,291	2,291	
Consorzio Co.Im.A. in liquidation	20	20	
	<b>5,912</b>	<b>5,748</b>	<b>164</b>
<b>Other receivables</b>			
Consorzio Co.Im.A. in liquidation			
Consorzio Elmas in liquidation	2	2	
Consorzio Ramonti in liquidation	145	145	
	<b>147</b>	<b>147</b>	
<b>Provisions for risks and charges</b>			
Pavimental Est in liquidation	343	343	
Consorzio RFCC in liquidation	2,997	2,997	
	<b>3,340</b>	<b>3,340</b>	
<b>Trade payables</b>			
Consorzio Costruttori TEEM in liquidation	145	145	
Consorzio Elmas in liquidation	1,580	1,440	140
Consorzio Lambro	506	501	5
Consorzio Ramonti in liquidation	209	10	199
Pavimental Polska	573	599	(26)
Consorzio Co.Im.A. in liquidation	1,871	1,903	(32)
	<b>4,885</b>	<b>4,598</b>	<b>287</b>



## 2.13 Registered office, secondary offices and local units

The following are the offices:

### REGISTERED OFFICE

ROME - Via Giuseppe Donati no. 174

### SECONDARY OFFICES AND LOCAL UNITS

Worksites:

- Anagni (Frosinone)
- Andria (BAT)
- Arezzo
- Barberino di Mugello (Florence)
- Bologna
- Calenzano (Florence)
- Fiesso Umbertino (Rovigo)
- Genova
- Genova Bolzaneto Viadotti e Gallerie
- Genova Bolzaneto GE Infrastrutture
- Genova COCIV
- Loreto (Ancona)
- Magliano Sabina (Rieti)
- Marcianise (Caserta)
- Ortona (Chieti)
- Ortona (Chieti) – Ortona Gallerie
- Piacenza
- Rimini
- Trezzo sull'Adda (Milan)
- Modena Casello Modena Sud
- Uboldo (Varese)
- Mondolfo (PU)
- Località Cangiano
- Contrada Lamapaola
- Civitella in Val di Chiana, Via delle Case Rosse no. 12
- Località Bovecchio– Via Frassineta s.n.
- Zola Predosa - Via Prati 10A
- Via Madonna del Facchino snc
- Via Trento s.n.c.
- Autostrada A12 Estkm 2 Dir. Ge-Li
- Via Sardonella snc
- Via Morasso 67
- Via Evandro Ferri 34
- Località Leonessa
- Località Campitelli
- S.S. Sannitica km. 19+600
- Zona industriale Località Tamarete no.10
- Zona industriale Località Tamarete no.10
- Località Borghetto di Roncaglia
- Frazione S.Martino in Riparotta
- S.P. 2 s.n. per Grezzago
- Autostrada A1 MI-NA km 168+906
- Via IV Novembre s.n.
- Via Sterpettine s.n.c.



- Barberino di Mugello (Florence) - Località Cornocchio
- Rimini (RN) - Via Flaminia Conca no. 85
- Florence - Via di Ponte a Iozzi Località Cascine del Riccio
- Barberino di Mugello (Florence) - Località Poggiolino
- Castiglione dei Pepoli - Località Roncobilaccio
- Castiglione dei Pepoli - Località Badia
- Zola Predosa (Opere d'Arte Centro) - Via Prati 10/A
- Termoli (Opere d'Arte Sud Est) - Contrada Pantano Basso 10/A
- Novate - Via Giacomo Brodolini Snc
- Avellino (Catalogo Blu) - Via Pasconi snc – Manocalzati (AV)
- Ferrara (Viadotti e Gallerie Centro) - Autostrada A13 Bologna – Padova km 30+700
- Terni (Viadotti e Gallerie Centro) - A1 Tratto Fabbro – Roma Nord km 455+857 Loc Pagliano
- Codognè (TV) (Viadotti e Gallerie Nord Est) - Via XXX Ottobre, 54

#### 2.14 Outlook

It is expected that there will be a decrease in the production revenues of Autostrade per l'Italia S.p.A. during the 2022 financial year, mainly as a result of:

- the decrease in national interventions in the scope of the framework agreements for the maintenance of open-air and underground and blue catalogue works of art ;
- the infrastructural tenders, as a result of the completion of the extension to three lanes of the A1 between Barberino di Mugello and Florence North and between Florence South and Incisa, partially offset by the start of works in the Calenzano-Rioveggio area and extension to three lanes of the A11 between Florence and Pisa South (Lot 1) and the increase in work on the San Benigno Intersection (lot 2) and the enhancement of the sound mitigation system on the A8 Highway Milan-Varese, Lot 2.

That described above does not include the possible positive effects of the recent ruling of the Constitutional Court (no. 218 of 23 November 2021) regarding the abrogation of art. 177 of the Code of Public Contracts (Legislative Decree 50 of 18/04/2016) regarding in house works.

Also, with a view to strengthening the non-captive market, an increase is forecast in tenders for third parties, especially the completion of the tunnels currently being done for COCIV as part of the HS/HC Stretch “Terzo Valico dei Giovi” and the market opportunities correlated to the National Recovery and Resilience Plan, mainly in transport infrastructures.



Sales to third parties of bituminous conglomerate are also expected to start, given the saturation of production plants.

#### 2.15 Disclosure pursuant to art. 2428 of the Italian Civil Code, paragraph 3, subsection 6-bis

The Company operates in the sector of maintenance of the highway network and the construction of infrastructures, prevalently on behalf of Autostrade per l'Italia S.p.A. and, to a lesser extent, third party contractors, and is not exposed to specific market risks in this regard, except for those exclusively due to eventual changes to the strategies decided by the Group or changes to the regulatory framework.

Excluding that mentioned in this Management Report with regard to the discounts on certain soundproofing contracts, the Company is not exposed to significant risks of changes to the prices of the works carried out, as the remuneration for the activities carried out is determined contractually with the contractors.

The Company has not recorded any significant cases of additional payments for infrastructural works not being made in the past.

The Company is not exposed to significant risks in terms of changes in cash flows, except for those exclusively due to the dynamics of the receipt of receivables claimed from its contractors.

The company is not exposed to significant credit risks and has not encountered significant cases of non-payment by the counterparty, except for that described as regards the receivables from Adriatica S.c.a.r.l. and Sielpa, for which the Company has prudentially accrued an amount in the financial statements for the possible failure to recover the credit.

Considering the financial exposure of the Company as at 31 December 2021, mainly towards the parent Autostrade per l'Italia S.p.A., also as a result of the increase in net working capital, the Company is exposed to a liquidity risk which it is addressing by undertaking a series of initiatives aimed at containing it.

Specifically, the actions undertaken involve both the reduction of the time for ascertaining and billing works, mainly to the parent Autostrade per l'Italia S.p.A., thus reducing the receipt times, and assessing the possibility of expanding the usable credit lines.

From this viewpoint, the Company has carried out a financial transaction with Unicredit Factoring concerning the availability of a credit line for advance contract payments on the Framework Agreements signed with Autostrade per l'Italia S.p.A. for the maintenance and network modernisation works. This led to the receipt in July of € 32,022 thousand and a corresponding financial debt. As at 31 December, as a result of the repayments made, the residual financial debt amounted to € 17,788 thousand.



We believe that constant monitoring of the financial situation and the successful outcome of the above actions will ensure the coverage of the financial needs of the Company for the next 12 months as envisaged in the last business plan, unless there is a further significant and unforeseen worsening of the economic scenario.

With regard to the loan at variable interest rate from Credit Agricole Corporate Investment Bank Deutschland (euribor+0.60 bps), the company signed an IRS for an equal amount to hedge the interest rate risk.

The Company is involved in civil and administrative disputes and in legal action concerning the ordinary performance of its activities. On the basis of the information currently available, the company believes that these disputes and legal actions will not determine significant negative effects on the financial position, results of operations and cash flows of the company, other than those reflected in these financial statements.

#### **2.16 Other information as per art. 2428 of the Italian Civil Code**

The Company does not possess treasury shares or shares in Subsidiaries, directly or through trust companies or intermediaries. Similarly, no transactions were carried out during the financial year involving treasury shares or shares of Subsidiaries.

#### **2.17 Disclosure concerning the application of the GDPR no. 679/2016**

During the course of the 2021 financial year, with a view to continuously improving privacy, the Company prepared various plans of action to continue to ensure a system for protecting personal data in compliance with the GDPR.

In this regard, the following activities were carried out in the first half of the year:

- internal audits, together with the DPO, at some operating units of the Company in order to verify the suitability of the technical and organisational measures for data protection implemented by the Company itself;
- management of the privacy fulfilments related to the incorporation of ADR Infrastrutture S.p.A.;
- a survey for employees concerning the data breach procedure for the management of breaches of personal data with the aim of assessing the level of maturity on the topic;
- a training course, in collaboration with Autostrade per l'Italia S.p.A., for the data owners of the processes.

In the second half of the year, activities were focused mainly on the adoption of the schemes and procedures for ensuring respect of the privacy laws in force, consistently with the adoption of the



measures for checking employees' Green Passes. In this regard, the main interventions concerned the proxy to the individuals checking Green Passes and relative training, disclosures aimed at ensuring the transparency of the personal data processed and updates to all Company personnel.

In addition to that concerning the Green Pass, we would point out that an assessment was conducted by Autostrade per l'Italia S.p.A. to verify the compliance by the subsidiaries with the privacy standards adopted by the parent.

Lastly, the year ended with the preparation and sharing with the DPO of the programme and schedules for 2022 of the corrective action for the proper maintenance of the privacy model.

## 2.18 Information on the application of Legislative Decree no. 231/01

During the year, the Supervisory Board (hereinafter SB) of the Company underwent various subjective changes, as described below.

At the start of the year, the composition of the SB was as follows:

- Nicola Selvaggi, Coordinator;
- Bruno Ciappina, Member;
- Franco Mottola, resigning member. The

following changes were then made:

On 27 January, the mandate of Franco Mottola ended with his resignation. Ignazio Giovanni Patrone replaced him on the same date. On 1 March, the Coordinator Nicola Selvaggi resigned from his post with immediate effect, due to the company role not being compatible with his other activities. On the same date, in adherence to the SB Regulation, Mr. Patrone, the eldest of the members, took over as Coordinator. Faustino Petrillo was appointed as a member on 24 June. Mr. Petrillo and Mr. Ciappina both stepped down from office on 9 November. Both members, employed by Autostrade per l'Italia S.p.A., were replaced by external members appointed by the Board of Directors; the two new members, Roberto Fiore and Corrado Ferriani, took office on the same date.

The current composition of the SB, with a term of office of 3 years, is as follows:

- Ignazio Giovanni Patrone, Coordinator;
- Roberto Fiore, Member;
- Corrado Ferriani, Member.

The SB met 10 times during 2021 and reported periodically to the Board of Directors and to the Board of Statutory Auditors on the activities carried out. The SB shared the methodological lines for updating the 231 Model adopted by the Company in December 2021.



## 2.19 SOA Certifications

In 2021, the certification company La Soatech S.p.A. made some variations to the Certificate, described below.

The transfer of the airport business unit to ADR Infrastrutture S.p.A. has involved the momentary loss of part of the production capacity of the Company. This made a process of re-certification necessary in order to regain the previous production capacity and certifications, which ended on 11 January 2021 with the issue of Certificate no. 42623/17/00.

This certification recognises a new category (OS8) and raises the qualification level of six categories (OG6, OG10, OS11, OS19 and OS30) and the names of Franco Tolentino and Gianluca Cangemi were removed, as both stepped down from office.

Certificate no. 43480/17/00 was released on 9 March, under which category OS26 regarding special airport surfacing was regained after being entirely transferred with the business unit to ADR Infrastrutture S.p.A., under classification VII.

## 2.20 Events after 31 December 2021

It must be pointed out that, as you are aware, conflict has broken out in Ukraine. It is not yet possible to forecast its possible consequences on the economy and on the sector in which the Company operates. There were no other events after 31 December 2021 worthy of mention.

## 2.21 Proposals to the Shareholders' Meeting

Dear Shareholders,

The draft financial statements we are submitting for approval show a net profit for the year of 23,376,221.27 Euros.

We therefore ask you to approve the financial statements for 2021 and this Management Report in the versions submitted, and propose:

- the allocation of 108,228 Euros to increase the Legal Reserve, in order to enable a total amount to be achieved amounting to 20% of the share capital, as envisaged by the Italian Civil Code;
- the allocation of 25,767 Euros to increase the Reserve from unrealised exchange rate gains;
- the allocation of 6,128,697.15 Euros to cover losses carried forward;
- to retain the remaining earnings of 17,113,469.12 Euros.



The Board of Statutory Auditors steps down from office in today's Shareholders' Meeting. We therefore ask you to appoint the new Board of Statutory Auditors, pursuant to the law and the by-laws, determining in advance the number of members and establishing their remuneration.

Rome, 25 February 2022



**3. FINANCIAL STATEMENTS**  
**AS AT AND FOR THE**  
**YEAR ENDED 31**  
**DECEMBER 2021**



BALANCE SHEET

ASSETS

	31/12/2021		31/12/2020
A) Share capital proceeds to be received			
B) Fixed Assets:			
<i>I - Intangible Fixed Assets:</i>			
1) Start-up and capital costs			
3) Industrial patents and intellectual property rights	13,448		46,295
4) Concessions, licenses, trademarks and similar rights	24,733		30,105
7) Other		38,181	
			76,401
<i>II - Tangible Fixed Assets:</i>			
1) Land and buildings	4,922,888		5,810,683
2) Plant and machinery	38,483,040		21,769,648
3) Industrial and commercial equipment	6,172,844		4,784,207
4) Other assets	687,820		716,457
5) Assets under construction and payments on account	<u>2,010,056</u>	52,276,647	<u>797,412</u>
			33,878,406
<i>III - Financial Fixed Assets:</i>			
1) Investments in:	(*)		(*)
a) subsidiaries	726,722	5,387,872	726,722
b) associates	4,900		4,900
d - bis) other companies	4,656,250		4,656,250
2) Financial receivables:		6,535,152	6,275,450
a) from subsidiaries	<u>1,416,110</u>		<u>1,390,343</u>
b) From associates	2,461,875		2,461,875
d) from subsidiaries of parents	3,792		3,792
d - bis) from others	2,653,375		2,419,441
4) derivative financial instruments		<u>11,923,024</u>	
			11,663,323
<b>TOTAL FIXED ASSETS (B)</b>		<b><u>64,237,852</u></b>	<b><u>45,618,130</u></b>
C) Current assets:			
<i>I - Inventories:</i>			
1) Raw materials, consumables and supplies	30,526,739		22,757,269
3) Contract work in progress	<u>349,625,446</u>	380,152,186	<u>277,583,351</u>
			300,340,620
<i>I-bis - Assets held for sale</i>			21,458,378
<i>II - Receivables:</i>			
1) trade receivables	(**)	10,675,669	(**)
2) from subsidiaries		3,452,362	26,423,269
3) from associates		269,114	3,569,386
4) from parents		34,434,036	269,114
5) from subsidiaries of parents		3,709,953	1,307,902
5 - bis ) tax receivables		8,004,744	19,207,237
5 - ter ) deferred tax assets		5,661,036	11,618,047
5 - quater ) from others		<u>8,715,386</u>	<u>8,811,710</u>
		74,922,299	84,527,761
<i>III - Current financial assets:</i>			
1) investments in subsidiaries			50,000
5) derivative financial instruments			
6) other securities			<u>50,000</u>
<i>IV - Cash and cash equivalents:</i>			
1) bank and postal deposits	19,327,186		4,680,735
3) cash and equivalents and prepaid cards	<u>206,331</u>	19,533,517	<u>215,007</u>
			4,895,743
<b>TOTAL CURRENT ASSETS ( C )</b>		<b><u>474,608,002</u></b>	<b><u>411,272,501</u></b>
D) Prepayments and accrued income		<u>2,224,720</u>	<u>3,035,902</u>
<b>TOTAL ASSETS</b>		<b><u>541,070,574</u></b>	<b><u>459,926,533</u></b>
(*) Due within next financial year			
(**) Due after next financial year			

**Pavimental s.p.A.**  
 Consigliere e  
 Direttore Generale  
 (Ing. A. Cullaciati)



BALANCE SHEET

LIABILITIES

	31/12/2021	31/12/2020
A) Net equity:		
I - Share capital	10,116,452	10,116,452
II - Share premium reserve	4,622,072	4,622,072
IV - Legal reserve	1,915,002	1,915,002
VI - Other reserves indicated separately:		
Reserve for unrealised exchange rate gains	29,617	29,617
Translation reserve	-67,952	-210,988
Payments for future capital increases	20,000,000	
VII - Hedging reserve	-135,870	-278,048
VIII - Losses carried forward	-6,128,697	-1,200,452
IX - Net profit (loss) for the year	<u>23,376,221</u>	<u>-4,928,245</u>
	<u>53,726,846</u>	<u>10,065,410</u>
B) Provisions for risks and charges:		
2) tax provision, including deferred tax liabilities	94,893	94,893
3) derivative financial instruments	333,698	724,978
4) other provisions	5,647,325	5,999,692
	<u>6,075,915</u>	<u>6,819,562</u>
C) Employees' leaving entitlement	<u>2,771,484</u>	<u>2,944,088</u>
D) Payables:		
4) bank loans and borrowings	63,795,564	56,551,501
5) loans and borrowings from other financial backers	17,788,424	
6) payments on account	28,728,716	51,036,969
7) trade payables	222,877,980	178,050,845
9) payables to subsidiaries	4,027,975	3,945,009
10) payables to associates	209,000	
11) payables to parents	117,197,629	45,393
11 - bis ) payables to subsidiaries of parents	372,561	132,633,028
12) tax payables	7,818,203	1,582,189
13) social security charges payable	1,956,882	2,206,914
14) other payables	13,106,697	12,919,165
	<u>477,879,631</u>	<u>438,971,013</u>
E) Accrued expenses and deferred income	<u>616,697</u>	<u>1,126,449</u>
<b>TOTAL LIABILITIES</b>	<u><u>541,070,574</u></u>	<u><u>459,926,533</u></u>

(\*) Due within next financial year

(\*\*) Due after next financial year



## INCOME STATEMENT

	2021	2020
<b>A) Production revenues:</b>		
1) revenue from sales and services	478,230,615	428,512,356
3) changes in contract work in progress	94,916,424	57,123,042
4) internal work capitalised		
5) other revenue and income	30,585,385	12,485,082
<b>Total production revenues</b>	<u>603,732,424</u>	<u>498,120,479</u>
<b>B) Production costs :</b>		
6) for raw materials, consumables, supplies and goods	170,237,363	171,660,451
7) for services	295,105,814	223,902,176
8) for use of third party assets	1,551,747	1,243,901
9) personnel expenses		
a) salaries and wages	70,344,786	61,648,332
b) social security costs	29,827,028	25,303,343
c) employees' leaving entitlement	4,221,520	3,757,534
d) pension and similar costs	551,323	563,146
e) other costs	<u>1,918,902</u>	<u>4,439,760</u>
10) amortisation, depreciation and write-downs:	106,863,560	95,712,115
a) amortisation of intangible fixed assets	52,740	68,428
b) depreciation of tangible fixed assets	7,869,508	16,521,669
d) write-downs of current receivables and liquid funds	<u>232,786</u>	
11) changes in inventories of raw materials, consumables, supplies and goods	8,155,034	16,590,097
12) provisions for risks	-14,333,245	-9,231,211
13) other provisions	113,777	833,000
14) other operating costs	<u>2,140,025</u>	1,443,768
<b>Total production costs</b>	<u>-569,834,075</u>	<u>-502,154,297</u>
<b>OPERATING PROFIT (LOSS) (A-B)</b>	<u>33,898,350</u>	<u>-4,033,817</u>
<b>C) Financial income and charges :</b>		
15) income from equity investments:		
subsidiaries		
associates		
16) other financial income:		
a) from receivables classified as fixed assets		
other	138,690	138,690
d) other income		
from subsidiaries		
from associates	2,285	
from subsidiaries of parents		
other	<u>15</u>	<u>1</u>
17) interest and other financial charges:	140,990	138,691
to subsidiaries		
to associates		
to parents	616,433	3,463
to subsidiaries of parents	2,950,000	477,965
other	<u>1,663,815</u>	<u>1,278,851</u>
17 - bis ) net exchange rate losses	-161,095	-155,986
<b>Net financial charges</b>	<u>-5,250,354</u>	<u>-1,777,573</u>
<b>D) Adjustments to financial assets and liabilities :</b>		
18) write-backs		
a) of equity investments		
d) of derivative financial instruments	<u>187,435</u>	<u>53,533</u>
19) write-downs		
a) of equity investments	-30,058	
d) of derivative financial instruments	<u>-30,058</u>	<u>-125,207</u>
<b>Total adjustments to financial assets and liabilities</b>	<u>157,377</u>	<u>-71,674</u>
<b>Pre-tax profit (loss)</b>	<u>28,805,372</u>	<u>-5,883,065</u>
20) income taxes, current and deferred		
a) Current taxes	-4,943,000	-779,808
b) Taxes concerning previous years	-77	4,770
c) Changes in deferred taxes	-3,089,007	1,456,334
d) Income from tax consolidation	2,602,933	273,523
<b>Total income taxes, current and deferred</b>	<u>-5,429,151</u>	<u>954,819</u>
21) Net profit (loss) for the year	<u>23,376,221</u>	<u>-4,928,245</u>

	2021	2020
<b>A. Cash flow arising from operating activities (indirect method)</b>		
<b>Net profit (loss) for the year</b>	23,376,221	(4,928,245)
Income taxes	5,429,151	(954,819)
Interest income/expense	5,250,354	1,777,573
Capital gains/losses arising from sale of assets	(493,617)	(28,515)
<b>1. Profit (loss) for the year before income tax, interest, dividends and capital gains/losses from sales of assets</b>	<b>33,562,109</b>	<b>(4,134,007)</b>
Non-monetary adjustments that did not affect net working capital		
Accruals to provisions	324,499	861,875
Impairment losses		
Amortisation and depreciation	7,922,248	16,590,097
Other non-monetary adjustments	(16,582,107)	38,469
<i>Total non-monetary adjustments</i>	<i>(8,335,360)</i>	<i>17,490,441</i>
<b>2. Cash flow before changes in net working capital</b>	<b>25,226,749</b>	<b>13,356,435</b>
Changes in net working capital		
Inventory increase/(decrease)	(109,249,669)	(65,153,855)
Trade receivables decrease/(increase)	(11,084,274)	10,442,108
Trade payables increase/(decrease)	69,477,653	4,486,738
Prepayments and accrued income decrease/(increase)	226,669	1,277,571
Accrued expenses and deferred income increase/(decrease)	(509,752)	1,002,434
Other changes in net working capital	18,193,180	(8,387,146)
<i>Total changes in net working capital</i>	<i>(32,946,193)</i>	<i>(56,332,151)</i>
<b>3. Cash flow after changes in net working capital</b>	<b>(7,719,444)</b>	<b>(42,975,717)</b>
Other adjustments		
Interest received/(paid)	(5,250,354)	(1,347,627)
(Income taxes paid)	(5,429,151)	1,863,360
Dividends received		
(Use of provisions)	(1,070,016)	(2,490,580)
<i>Total other adjustments</i>	<i>(11,749,521)</i>	<i>(1,974,847)</i>
<b>Cash flow used in operating activities (A)</b>	<b>(19,468,965)</b>	<b>(44,950,564)</b>
<b>B. Cash flow from investing activities</b>		
Tangible fixed assets		
(Investments)	(8,486,623)	(6,952,353)
Disinvestments	1,332,563	291,920
Intangible Fixed Assets		
(Investments)	(14,520)	(35,573)
Disinvestments		
Financial fixed assets		
(Investments)	(294,298)	(240,801)
Disinvestments	12,200,000	
<b>Cash flow from (used in) investing activities (B)</b>	<b>4,737,122</b>	<b>(6,936,807)</b>
<b>C. Cash flow from financing activities</b>		
Third party funds		
Increase/(decrease) in short-term borrowings from banks and other financial backers	20,568,604	38,412,472
Loans granted		
Loans repaid	(11,198,987)	(6,454,970)
Own funds		
Payment for future capital increases	20,000,000	
Disposals (repurchase of treasury shares)		
Dividends (interim dividends)		
<b>Cash flow from financing activities(C)</b>	<b>29,369,617</b>	<b>31,957,501</b>
<b>Increase in liquid funds (A+B+C)</b>	<b>14,637,774</b>	<b>(19,929,870)</b>
<b>Liquid funds as at 1 January</b>	<b>4,895,743</b>	<b>24,825,613</b>
<b>Liquid funds as at 31 December</b>	<b>19,533,517</b>	<b>4,895,743</b>





### 3.1 General Information

The Company has a share capital of 110,116,452.45 Euros, with a number of shares amounting to 77,818,865 and is owned, as at 31 December 2021, 99.40% by Autostrade per l'Italia S.p.A. and 0.60% by Astaldi S.p.A. (Webuild Group).

The shareholding structure changed in 2021 as a result of the purchase by Autostrade per l'Italia S.p.A. of the interests in the Company previously owned by Atlantia S.p.A. (which owned 59.40%) and Aeroporti di Roma S.p.A. (which owned 20%).

It must be pointed out that Autostrade per l'Italia S.p.A. in turn is controlled by Atlantia S.p.A.; the shares of the latter are listed on the stock exchange organised and managed by Borsa Italiana S.p.A. As of the date of these financial statements, Sintonia S.p.A. is the majority shareholder of Atlantia S.p.A. Neither Sintonia S.p.A. nor its parent Edizione S.r.l. manage and coordinate Atlantia S.p.A.; also, the latter does not manage and coordinate over Atlantia S.p.A.

The corporate purpose involves the undertaking, in Italy and abroad, and also together with third parties, of initiatives and activities of public and private interest, related to the execution of:

- 1) earthworks and any related current type masonry and reinforced concrete works, demolitions and clearances;
- 2) civil, industrial and monumental works, complete with related and accessory installations and works, masonry works concerning complexes for energy production and distribution;
- 3) special reinforced concrete works;
- 4) road construction and surfacing, airport and railway related works;
- 5) surfacing using special materials;
- 6) hydraulic works, aqueducts, sewerage systems, irrigation systems and hydraulic defence and installation systems;
- 7) maritime works, construction of piers, basins, sidewalks, etc.; drainage works;
- 8) dams;
- 9) tunnels;
- 10) miscellaneous special works, special foundations; land stabilisation works; site clearance, handling, collection, transport, storage, processing, recovery and disposal of special waste and special hazardous waste.

The Company has adhered to the Group tax system entitled "Consolidated tax system", prepared by the indirect parent Atlantia S.p.A.

The Company, which has investments in subsidiaries, has not prepared the consolidated financial statements, given that the conditions for exemption provided by art. 27, paragraph 3 of Legislative Financial statements at 31.12.2021



Decree 127/1991 are met. The Group consolidated financial statements, which the Company and its subsidiaries are part of, will be prepared by the direct parent Autostrade per l'Italia S.p.A., with headquarters in Via A. Bergamini 50, Rome, and will be made public in the terms and methods provided by the laws in force and published on the website [www.autostrade.it](http://www.autostrade.it). The indirect parent Atlantia S.p.A. (with headquarters in Piazza San Silvestro 8, Rome) also prepares the Group consolidated financial statements, made public in the terms and methods provided by the laws in force and published on the website [www.atlantia.it](http://www.atlantia.it).

These financial statements were approved by the Board of Directors of Pavimental S.p.A. in its meeting on 25 February 2022 and have been audited by KPMG S.p.A. as part of its engagement for the statutory audit of the financial statements in accordance with art. 2409-bis of the Italian Civil Code and Legislative Decree 39/2010.

During the course of the 2020 financial year, a project was started with the Shareholders in the framework of a wider-ranging reorganisation of the Atlantia Group, aimed at separating the business unit of the Company regarding airport activities and then transferring it to the control of Aeroporti di Roma S.p.A.

To this end, as a result of the in-depth analysis and negotiations carried out, the scope of the aforementioned business unit was identified, which includes the assets, liabilities and relative legal agreements regarding the construction, maintenance and modernisation of airport buildings, infrastructures and runways. On 6 November 2020, the Company thus incorporated the fully controlled subsidiary ADR Infrastrutture S.p.A., with an initial share capital of € 50 thousand, and on 18 December 2020, by public deed, Pavimental transferred the aforementioned business unit to the subsidiary ADR Infrastrutture as of 00:01 on 1 January 2021. The transfer was made for € 15,100 thousand (€ 5,000 thousand for the increase in the share capital of the subsidiary and € 10,100 thousand for the extraordinary reserve), corresponding to the economic value of the business unit determined by the independent firm PricewaterhouseCoopers Advisory S.p.A. in an appraisal and making recourse to the estimate procedure as per art. 2343-ter, paragraph 2, subsection b) of the Italian Civil Code, as referred to in art. 2440 of the Italian Civil Code.

In comparison with this economic value, the net book value of the assets and liabilities transferred to ADR Infrastrutture (used as reference in the preparation of the appraisal, referring to 30 June 2020) amounted to € -5,112 thousand (more liabilities than assets transferred). Therefore, on 1 January 2021, the aforementioned business unit was transferred, recording a capital gain on the transfer of € 20,121 thousand, which was reflected in the income statement for the 2021 financial year, with the above amount of € 15,100 thousand being increased by the book value of the investment in ADR Infrastrutture S.p.A. Furthermore, taking into account that envisaged in the deed of transfer stipulated, given that as a result of normal management, the net book value on the date of effect of the transfer of the assets and

Financial statements at 31.12.2021



liabilities of the business unit transferred amounted to € -2,523 thousand, on 1 January 2021, the Company also recorded receivables for adjustment of € 2,589 thousand from ADR Infrastrutture, received during the course of 2021.

The following table shows the items in the balance sheet as at 31 December 2020 which include the assets and liabilities of the business unit which, as stated, were transferred to ADR Infrastrutture S.p.A. on 1 January 2021.

#### ASSETS AND LIABILITIES TRANSFERRED

(€ thousand)

Financial fixed assets - financial receivables	35
Operating capital - Inventories	29,438
Operating capital - assets held for sale	2,158
Operating capital - Receivables	12,343
Operating capital - Prepayments and accrued income	585
<b>Total Assets</b>	<b>44,559</b>
Employees' leaving entitlement	29
Deposits	22,774
Payables to suppliers	23,171
Payables to subsidiaries of parents	34
Other payables	1,074
<b>Total Liabilities</b>	<b>47,082</b>
<b>NET ASSETS AND LIABILITIES TRANSFERRED</b>	<b>-2,523</b>

After the negotiations between the Company and Aeroporti di Roma S.p.A., on 29 December 2020, the contract was signed through which Pavimental sold and transferred to Aeroporti di Roma S.p.A. the entire share package representing 100% of the share capital of ADR Infrastrutture S.p.A., for the price of € 12,200 thousand. On 21 January 2021, given that the conditions precedent envisaged in the aforementioned contract had been met, the Company endorsed the shares in favour of Aeroporti di Roma S.p.A. after receiving the transfer price. This involved the recording on the same date of a capital loss from the transfer of the investment of € 2,950 thousand, included among the financial charges in the income statement for the 2021 financial year. It must be noted that the payment made by Aeroporti di Roma S.p.A. in favour of the Company is not subject to adjustment and that the Company provided the guarantees in favour of the transferor (and consequent indemnity obligations) that are commonly guaranteed by the seller in similar transactions regarding any damage, losses, costs or charges that may emerge in the 2 years following the transfer (extended to 6 years for social security and tax-related matters) that may be incurred by ADR Infrastrutture S.p.A., also regarding the business unit transferred to it by the Company,



and attributable to the period of management and ownership of the latter.

### 3.2 Basis of preparation

The financial statements as at and for the year ended 31 December 2021 have been prepared according to the dispositions of the Italian Civil Code, as modified by Legislative Decree 139/2015, which adopted European Directive no. 34/2014. The financial statements include the balance sheet prepared using the layout as per art. 2424 of the Italian Civil Code, the income statement prepared using the layout as per art. 2425 of the Italian Civil Code, the Statement of cash flows prepared using the layout as per art. 2425 ter of the Italian Civil Code and these notes prepared as per the provisions of art. 2427 of the Italian Civil Code.

The financial statements have been prepared on a going concern basis, in line with the criterion of clarity and provide a true and fair view of the company's financial position, results of operations and cash flows. No exceptional cases arose during the course of the financial year making recourse to the waivers as per art. 2423, paragraph 5 of the Italian Civil Code necessary.

The Balance Sheet, Income Statement and Statement of Cash Flows are in Euros without decimal points, as per art. 2423, paragraph 6 of the Italian Civil Code. Unless otherwise stated, the comments on the balance sheet and income statement items in these notes are expressed to the nearest € thousand.

The amounts in the aforementioned financial statements include the corresponding amounts in the financial statements as at and for the year ended 31 December 2020, for comparative purposes pursuant to paragraph 5 of art. 2423 ter. To this end, it must be noted that, as of these financial statements, in order to provide a better accounting representation and taking their effective nature and use into account, the receivables for loans paid out by the Company to its subsidiaries and associates have been classified among financial fixed assets rather than current assets. With regard to this, in order to ensure the necessary comparability of the items in the financial statements, the corresponding amounts as at 31 December 2020, amounting to € 3,852, have been reclassified.

There are no assets or loans allocated to a specific business transaction .

As regards the information on the business performance of the Company and the main events during the year, see that described in the Management Report accompanying these financial statements, prepared by the Directors pursuant to art. 2428 of the Italian Civil Code. Details of the main events occurring after the closure of the financial statements are included in a specific paragraph in these notes.

As regards the transactions undertaken with related parties, it should be noted that, pursuant to art. 2427, paragraph 22-bis of the Italian Civil Code, no significant transactions were undertaken during the course of the financial year which were not concluded under normal market conditions in terms of both price of the transactions and of the motivation leading to the decision to undertake them.



It should be pointed out that, in respect of that established by art. 2497 bis, paragraph 4 of the Italian Civil Code, the summary overview of the key figures from the financial statements of Autostrade per l'Italia S.p.A. at 31 December 2020 (latest financial statements approved as of the date of preparation of these notes), a company which as of the date of these financial statements exercises management and coordination activities over the Company, has been annexed to these notes.

### **3.3 Accounting standards and policies**

The accounting standards used in preparing these annual financial statements are those in arts. 2423-bis (standards for preparing the financial statements) and 2426 (accounting policies) of the Italian Civil Code, interpreted and integrated by the accounting standards of the Italian Accounting Association - OIC. Specifically, the following principles were observed in preparing the financial statements:

- Prudence: the assessment of the items has been made in accordance with the principle of prudence, applying reasonable caution in estimates in uncertain conditions. Only the profits realised at the reporting date have been stated and the risks and losses concerning the financial year have been taken into account, even if they became known after the reporting date. The different elements of the single items have been assessed separately;
- Going concern: the assessment of the items has been made on a going concern basis;
- Substance: the recognition and presentation of the items took into account the substance of the transaction or contract in question;
- Accruals basis: the income and costs concerning the financial year have been taken into account, independently of the date of receipt or payment;
- Consistency in the criteria for assessment: the accounting policies have not been modified with respect to those used in the previous financial year;
- Materiality: the materiality of information has been assessed according to that stated in OIC11;
- Comparability: the amount of the corresponding item in the previous financial year has been given for each item in the balance sheet and income statement.

No items have been offset.

As regards the most significant items in the financial statements, the criteria for assessment applied by the Company are described below.

#### **Fixed assets**

As per art. 2424-bis of the Italian Civil Code, among the fixed assets are recorded assets which are destined to be used over the long term.



The maintenance and repair costs that improve assets are attributed to the assets they refer to and are amortised over their expected useful life.

#### Intangible fixed assets

With the consent of the Board of Statutory Auditors and when required, the intangible fixed assets have been recorded at the purchase or production cost, including when directly attributable accessory costs are incurred, determined in compliance with art. 2426, no. 1 of the Italian Civil Code and are systematically amortised over their expected useful life. Amortisation varies from a minimum of three financial years to a maximum of twenty financial years, in relation to the circumstances of the costs capitalised, as highlighted in the following table.

<u>Intangible Fixed Assets</u>	<u>Amortisation rate</u>
Application software	33.3%
Industrial patents	5%
Software licences	33.3%
State concessions	10%

The costs incurred for both the tender contracts awarded and those currently being awarded are attributed to the income statement for the financial year in which they are incurred, given that they represent costs of a recurring nature required for the performance of ordinary business activities. As regards the costs for the State concessions, the amortisation rate is calculated on the basis of the duration of the concession.

The amortisation concerning the capitalisation of industrial patents is calculated with reference to the twenty-year duration of the patent.

The intangible fixed assets are written down whenever their value is found to be lower than the residual useful life. If during subsequent financial years the reasons for their write-down cease to exist, the original value is restored, adjusted for amortisation only.

#### Tangible fixed assets

The tangible fixed assets are recorded at the purchase cost, determined in compliance with art. 2426, no. 1 of the Italian Civil Code. Should the conditions be met, the cost also includes the increases for any directly attributable accessory costs, in accordance with the provisions of the Italian Civil Code and the accounting standards referenced previously.



The company has no assets in for which monetary revaluations have been carried out in the past.

The tangible fixed assets in foreign currency are recognised at the exchange rate on the day on which the purchase was completed.

The cost, determined as above, of the tangible fixed assets the use of which is limited over time is systematically depreciated in every financial year on the basis of the technical and economic rates described later on, deemed congruous in relation to the residual useful life of the asset in question. As regards the fixed assets that became operational during the year, the depreciation is calculated as of the date of their entry into use.

The ordinary maintenance and repair costs are charged to the income statement for the financial year in which they are incurred, while improvement and expansion costs are recorded as an increase in book value of the assets, should they imply an increase in the value of the asset or its useful life.

Should the recoverable value, defined as the greater of the value of use or the fair value, of the tangible fixed assets be durably less than their book value, it is written down accordingly and charged to the income statement. The original value is restored when the reasons that led to write-down are no longer in place.

The depreciation of the tangible fixed assets required for the construction of the Santa Lucia Tunnel, the main activity of the tender for the works for the expansion to three lanes - Lot 2 on the Barberino di Mugello - Florence North stretch of the Milan-Naples highway, is recorded in the financial statements on the basis of the linear distance excavated. Taking the specific nature of the activity carried out into account, this method of determining the depreciation is deemed functional to the remaining useful life linked to the "economic duration" of such special fixed assets, as regulated by OIC 16. The recoverable nature of the net non-depreciated book value of the TBM and the transporter belts, amounting to € 19,300 thousand as at 31 December 2021, has been verified on the basis of an appraisal by an independent expert, taking into account the wear and tear of the assets and their current condition.

The annual depreciation rates used in 2021 are given in the following table.

Tangible fixed assets	Depreciation rate
Works and improvements on land	4%
Light buildings	10%
Light buildings	12.5%
Generic plant	10%
Special systems and equipment	in proportion to the progress of excavations
Specific plant and machinery	12.5%
Specific plant and machinery	15%
Miscellaneous tools	40%
Motor cars and other vehicles	25%
Vehicles, lorries, excavators and mechanical diggers	20%
Electromechanical and electronic machinery	20%
Furniture and fittings	12%



### Financial fixed assets

Equity investments are recorded among Fixed assets or current assets according to whether their possession is deemed long term or not.

The investments recorded under financial fixed assets are assessed at the purchase or subscription cost; the investments in foreign currency are recorded at the exchange rate at the time of their acquisition or at the cost they were originally recorded at. The cost is written down for impairment losses should the investment in question have accrued losses, also exchange rate losses, and there are not expected to be any profits in the immediate future such to absorb the losses or if the profit-making prospects of the investee do not allow the complete recovery of the book value. Any losses that exceed the book value of the investments are accrued in a specific provision under liabilities. Should the reasons for the write-down cease to exist, the original value is restored within the limits of the write-down made, with effects on the income statement. Furthermore, a provision for write-downs of investments is also recorded among liabilities, to cover the additional costs that may be required for the management of the investments.

There were no write-backs of equity investments.

Any dividends are recognised during the financial year in which the right thereto arises, even if the date of payment has not yet been defined.

The receivables recorded among financial fixed assets are recognised in the financial statements at amortised cost, if applicable.

### Inventories and contract work in progress

At the reporting date, the raw materials, consumables and supplies are measured at the lower of the purchase cost, determined using the “weighted average cost” method, and the net realisable value assumed on the basis of market performance.

Any obsolete or slow-moving assets are written down in relation to the expected future use or realisation, through provisions that reduce the book value of the inventories themselves. The restoration of the original cost whenever the reasons for the write-down cease to exist is taken to the income statement.

Contract work in progress refer to works that were still ongoing at the end of the financial year under contracts with the contractors for works not yet certified; they are recorded on the basis of the contractual consideration accrued with reasonable certainty, calculated on the basis of the percentage of completion method and determined in relation to the physical progress of the works, gross of the advance payments received and net of the consideration definitively invoiced.

Given the technical complexity, dimension and duration of the works, the additional consideration,  
Financial statements at 31.12.2021



contract variations, price reviews, the reserves and the incentives represent elements to be assessed even before the agreement with the counterparty is formalised. The requests for additional consideration due to modifications to the works provided contractually are considered in the overall amount of the contract revenues when it is reasonably certain that the contractor will approve the variants and the relevant price. The other requests for consideration (claims), due to increased costs incurred for reasons attributable to the contractor, for example, are considered in the overall amount of the revenues when there is a reasonable certainty that they will be collected, in consideration of the advanced state of negotiation or technical/legal assessments.

The pre-operating costs are considered as contract costs; they are included in the contract profit margin on the basis of the progress of the works determined in the methods provided for the application of the percentage of completion method.

If it is probable that the total estimated costs for a single contract will exceed the total estimated revenues, the probable loss for the completion of the contract is recorded as a decrease in contract work in progress. If this loss exceeds the value of the work in progress, a suitable provision for risks is accrued for the excess losses.

#### Receivables

Receivables are recorded in the financial statements at amortised cost, taking the time value and their estimated realisable value. Should the effects of the application of the amortised cost method and/or discounting not be significant, the receivables are recorded in the financial statements at nominal value, taking into account their estimated realisable value. The receivables are recorded in the financial statements net of the provision for bad debts, accrued for bad debts that are considered foreseeable at the reporting date.

#### Provisions for Risks and Charges

The provisions for risks and charges are allocated to cover certain or probable losses or liabilities the due date or amount of which is unknown at year end. The provisions reflect the best possible estimate on the basis of the elements available on the date of preparation of the financial statements. The risks for which the occurrence of a liability is merely possible are indicated, if significant, in the comments on the provisions, without the need to accrue provisions for risks and charges.

The cost of the services rendered by directors and employees remunerated on the basis of cash-settled share-based plans is measured at the fair value of the relevant liability and is recognised in the income statement as a balancing entry to the provision for risks and charges during the period of accrual of the rights granted on the basis of the best estimate of those that will become exercisable.



### Employees' leaving entitlement

The employees' leaving entitlement is determined in compliance with art. 2120 of the Italian Civil Code, with regard to the regulatory modifications made pursuant to Legislative Decree no. 252 dated 5 December 2005 and subsequent amendments and integrations. The amount recorded in the financial statements reflects the liability accrued at the end of the year with employees, net of advance payments made and substitute tax. This liability is reassessed by means of indices.

Following the approval of Law no. 296 dated 27 December 2006 (Reform of supplementary social security) and subsequent decrees and regulations, the allocations accrued from 1 January 2007 recorded in the income statement as personnel expenses, in accordance with the reform of supplementary social security, are periodically paid to INPS and the supplementary pension funds chosen by the employees as of the chosen date; those accrued before this choice is made are charged to employees' leaving entitlement.

OIC 31 has clarified that the financial component of the INPS Treasury Fund and the supplementary Social Security Fund must be included under employees' leaving entitlement (B.9.c).

### Payables

Payables are recorded in the financial statements at amortised cost, taking the time value of money into account. If the estimate of future cash flows is reviewed after initial recognition, the book value of the payables is adjusted to reflect the reassessed estimated cash flows. The difference between the reassessed present value of the payables on the date of review of the estimated future cash flows and the previous amount on the same date is recorded in the income statement under financial charges and income.

Should the effects due to the application of the amortised cost method and/or the effect of the time value of money not be significant, the payables are assessed at nominal value.

### Receivables and Payables in foreign currency

The receivables and payables originally recorded in foreign currency are converted into Euros at the historical exchange rates on the date of the relevant transactions. The exchange rate differences that occur on collection of the receivables and settlement of the payables in foreign currency are included in the income statement. The receivables and payables in currency other than the Euro, excluding the fixed assets, are recorded in the financial statements at the exchange rate applied by the Bank of Italy on the reporting date.

The net exchange rate gains or losses are recognised in the income statement under item C17 bis - Net exchange rate gains (losses). Any unrealised net exchange rate gains are allocated to an undistributable



reserve upon approval of the financial statements. The accounts of the permanent establishment in Poland are kept in local currency (PLN; Polish Zloty); the balances are converted at the average exchange rate for the period for the income statement items and at the transaction-date spot exchange rate for the balance sheet items and aggregated to those of the parent. The exchange rate gains or loss resulting from the elimination of the items between the parent and the Polish branch are included in a net equity reserve.

#### Derivative financial instruments

The derivative financial instruments are recorded at fair value, even if they are embedded derivatives. Fair value gains or losses are recognised in the income statement or, if the instrument hedges the risk of the expected cash flows of another financial instrument or scheduled transaction, directly in a positive or negative net equity reserve. This reserve is taken to the income statement to the extent and in the times corresponding to the occurrence of changes to the cash flows of the instrument hedged or when the transaction being hedged occurs. The items being hedged against the risk of changes in interest rates or exchange rates or market prices or against the credit risk are assessed in line with the hedging derivative instrument.

Hedging is deemed to exist in the presence from the start of a close and documented match between the characteristics of the instrument or hedged transaction and those of the hedging instrument.

#### Cash and cash equivalents

The cash and cash equivalents represent the balance of bank accounts and the available cash and the amounts effectively available at the reporting date are recorded.

#### Prepayments and accrued income, accrued expenses and deferred income

These are determined on an accruals basis, so as to attribute to the financial year the portion of income and costs common to two or more financial years.

#### Income taxes

The income taxes for the financial year are determined on the basis of a realistic forecast of the tax costs to be paid, in application of the tax laws and regulations in force.

As of the 2009 tax year, Pavimental has adhered to the National Consolidated tax system prepared by Atlantia S.p.A., defining all the reciprocal relations and responsibilities (so-called "Regulation").

The group taxation option was tacitly renewed at the end of the triennium 2018-2020.

The Regulation subscribed by the parties envisages the total recognition of the amount corresponding to the sum of the IRES rate and the losses or profits transferred, and the transfer of any tax receivables.



Consequently, the balance sheet items concerning the current IRES tax system are classified in the financial statements under receivables from parents or payables to parents.

The recording of current and deferred IRAP tax remains unchanged. The payables for IRAP tax are recorded in the balance sheet under the item Tax payables, net of any advance payments made, or under the item Tax receivables, if the balance is positive.

Furthermore, in accordance with the provisions of article 2424 of the Italian Civil Code, as modified by Legislative Decree 6/2003, deferred tax assets (net of deferred tax liabilities which may be offset) have been indicated separately in the financial statements.

Deferred tax assets and liabilities, commensurate to the temporary differences between the book values recorded among the assets and liabilities in the financial statements and the corresponding tax bases, and any previous tax losses, are recorded on the basis of the tax rates known on the reporting date for the financial years in which they will occur and the Company makes accounting adjustments to the accruals on the basis of the new rates if the circumstances arise.

The deferred taxes deriving from income components for which deferred taxation is applied are recorded if there is a founded probability that the relevant debt will arise; the balancing entry to them is the tax provision, including deferred tax liabilities.

The future tax benefits deriving from tax losses carried forward or income components for which deferred deduction is applicable are only recorded if their future realisation is reasonably certain and are recorded in Current Assets under Deferred tax assets.

### Revenues and Costs

Production revenues, other revenue and income and costs and charges have been recorded in compliance with the accruals and prudence concepts.

In particular, contract revenues are recognised on the basis of the contractual payments accruing with reasonable certainty, calculated according to the percentage of completion and determined in relation to the physical progress of the works.

### 3.4 Information on Balance Sheet items

The following is an analysis of the most relevant items in the balance sheet, stating the corresponding amounts for last year.

#### 3.4.1 Intangible fixed assets - € 38 thousand (€ 76 thousand)

This item shows a net decrease of € 38 thousand compared to the previous financial year, in relation to



the combined effect of the following factors:

decrease by effect of the amortisation amounting to € 53 thousand; increase by effect of new software investments amounting to a total of € 15 thousand.

The intangible fixed assets were not written down or revalued, as the conditions for doing so were not met.

The changes to the item in question are analytically represented in the following table:

(€ thousand)	31/12/2020		Changes in the current financial year		31/12/2021			
	Cost	Amortisation	Net book value	Investments classification	Amortisation	Cost	Amortisation	Net book value
. Concessions, licenses, trademarks and similar rights:								
- Software licences	5	2	3	15	6	20	8	12
- State concessions	808	781	27		14	808	795	14
. Industrial patents and intellectual property rights								
- Software	3,644	3,602	42		32	3,644	3,634	10
- industrial patents and intellectual property rights	18	14	4		1	18	15	3
. Other:								
- Construction sites and offices improvement	624	624				624	624	
<b>Total</b>	<b>5,099</b>	<b>5,023</b>	<b>76</b>	<b>15</b>	<b>53</b>	<b>5,114</b>	<b>5,076</b>	<b>38</b>

### 3.4.2 Tangible fixed assets - € 52,277 thousand (€ 33,879 thousand)

The decrease in the tangible assets, amounting to € 18,398 thousand, derives prevalently from the combined effect of the following factors:

- depreciation amounting to € 7,870 thousand;
- increase deriving from the new investments made by the Company, amounting to € 8,487 thousand, according to that illustrated in the Investments section of the Management Report, to which reference should be made;
- reclassifications and other adjustments for € 18,620 thousand;
- decrease of € 838 thousand due to withdrawals from use and disposals (net of the relative accumulated depreciation) and exchange rate differences.

During the course of 2021, the reclassification to this item was made of the net book value of the TBM and the relative transporter belts, which last year had been held for sale and classified in the specific working capital item (for a total of € 19,300 thousand), given that there are no elements of immediate transferability of these assets and the possible realisation of the transfer transaction in the short-term. The recoverable nature of these assets has been verified on the basis of an appraisal by an independent expert, taking into account the wear and tear of the assets and their current condition.



The following is a summary of the movements that occurred during the financial year:

	31/12/2020		Changes in the current financial year									31/12/2021		
	Cost	Provision value	Net book value	Investments	Financial year transfers	Disposals	Net additions over net other adjustments	Tot.	Depreciation	Disposals	Tot.	Cost	Provision value	Net book value
Land and buildings	18,634	12,823	5,811	156	6	(1,146)	(984)	470	(565)	(96)	17,650	12,727	4,923	
Plant and machinery	143,922	122,153	21,770	3,180	158	(4,454)	18,628	17,511	5,136	(4,339)	797	161,433	122,950	38,483
Industrial and commercial equipment	32,764	27,980	4,784	3,447	35	(1,699)	1,783	1,955	(1,561)	395	34,547	28,374	6,173	
Other assets	6,940	6,224	716	255	29	(89)	195	308	(85)	224	7,135	6,447	688	
Assets under construction and payments on account	797		797	1,448	(218)	(8)	1,213				2,010		2,010	
	203,056	169,180	33,878	8,467	(7,789)	18,620	19,718	7,670	(4,399)	1,319	221,776	170,499	52,277	

It must be noted that on 4 April 2018, a Deed for the constitution of a special lien on the TBM in favour of Credit Agricole Corporate Investment Bank was signed, in accordance with the loan contract for the purchase of the device.

### 3.4.3 Financial fixed assets - € 11,923 thousand (€ 11,663 thousand)

For comments on the performance of the activities of the subsidiaries during the course of 2021, see that stated in the Management Report in the paragraph entitled subsidiaries and consortiums.

The item in question includes:

*Investments in subsidiaries*

*€ 727 thousand (€ 727 thousand)*

Subsidiaries	Gross book value	Provision for write-downs of investments	Net book value
<b>(€ thousand)</b>			
Pa vimental Est (in liquidation)	1,563	1,563	
Pa vimental Polska	713		713
Consorzio Elmas (in liquidation)	6		6
Consorzio Co.Im.A. (in liquidation)	8		8
	2,290	1,563	727

Pavimental Est in liquidation, whose book value of € 1,563 thousand amounts to 100% of the share capital, had already been written off as of the financial statements at 31 December 1998. The provision for write-downs of investments under liabilities includes € 343 thousand for the coverage of further estimated losses, also in consideration of the liquidation of the Company.

The Company is the sole owner of the shares of Pavimental Polska; the book value of the investment amounts to € 713 thousand. The 2020 financial statements, the latest approved, closed with a net profit of 4.4 million PLN (approximately € 1 million; this has brought the net equity of the Company to 25.2 million PLN (approximately € 5.5 million).



*Investments in associates*

€ 5 thousand (€ 5 thousand)

Associates	Gross book value	Provision for write-downs of investments	Net book value
<b>(€ thousand)</b>			
Consorzio R.F.C.C. (in liquidation)	155	155	
Consorzio Ramonti (in liquidation)	5		5
	160	155	5

The investment in Consorzio R.F.C.C. in liquidation, recorded for € 155 thousand and written off, is representative of 30% of the consortium fund. € 2,997 thousand are accrued in the provision for write-downs of investments under liabilities for the estimated consortium losses, regarding the portion concerning the Company.

The accruals made also prudentially take into account the negative effects that may derive from an unfavourable settlement of pending disputes, for an update on which see the Management Report.

*Investments in other companies*

€ 4,656 thousand (€ 4,656 thousand)

Other companies	Gross book value	Provision for write-downs of investments	Net book value
<b>(€ thousand)</b>			
Tangenziale Esterna S.p.A.	4,649		4,649
Consorzio Costruttori TEEM in liquidation*			
Consorzio Lambro	6		6
Consorzio Autostrade Italiane Energia	1		1
	4,656	-	4,656

\* Book value € 100

TE, incorporated on 14 January 2009, is the project concessionary company for the design, realisation and management of the External Eastern Bypass in Milan. It should be noted that there is a binding non-usability clause on the shares of the company TE in favour of the banks.

On 11 June 2012, the EPC contract was signed for the awarding of the works by TE to the general contractor Co.Co.TEEM.

The activities for the realisation of the connected works in the concession contract have been completed. Lastly, the consortium company Lambro is involved in the execution of the works awarded to the components of Group A of the Co.Co.TEEM.

The following is an illustration of the movements in all the items representative of the investments in



subsidiaries, associates and other companies:

	31/12/2020				Changes in the current financial year				31/12/2021				
	Cost	Write-backs	Write-downs	Book Value	Cost	Write-backs (ex Art. 2426-b of the Italian Civil Code)	Reclassifications	Write-downs	Liquidations	Cost	Write-backs	Write-downs	Book Value
<b>Investments in Subsidiaries:</b>													
Pavimental Est (in liquidation)	1,563		(1,563)							1,563		(1,563)	
Pavimental Polska Sp. Zo.o.	713			713						713			713
Consorzio Elmas (in liquidation)	6			6						6			6
Consorzio Co.Im.A. (in liquidation)	8			8						8			8
	2,290		(1,563)	727						2,290		(1,563)	727
<b>Investments in Associates:</b>													
Consorzio R.F.C.C. (in liquidation)	155		(155)							155		(155)	
Consorzio Ramonti (in liquidation)	4,9			5						5			5
	160		(155)	5						160		(155)	5
<b>Investments in Other Companies:</b>													
- Tangenziale Esterna S.p.A.	4,649			4,649						4,649			4,649
- Consorzio Lambro	6			6						6			6
- Consorzio Costruttori TEEM (in liquidation)													
- Consorzio Autostrade Italiane Energia	1			1						1			1
	4,656			4,656						4,656			4,656
Total	7,106		(1,718)	5,388						7,106		(1,718)	5,388

The following table contains the summary figures concerning the investments in subsidiaries, associates and other companies:



Name	Head Office	Capital in foreign currency	Capital in Euros	Net Loss/profit in foreign currency	Net Loss/profit in Euros	Net equity in foreign currency	Net equity in Euros	Investment %	Corresp.		
									Financial Statement	Book value in Euros (B)	Excess (A-B)
(A)											
<b>Subsidiaries:</b>											
Pavimental Est (in liquidation)	Moscow	Rub. 4200000	45,900	Rub. 32159000	351,600	Rub. (1,405,000)	(15,400)	100	(15,400)	-	(15,400) *
Pavimental Polska Sp. Zo.o.	Trzebinia	Pln 3,000,000	713,222	Pln. 4482695	983,055	Pln. 25251588	5,537,673	100	5,537,673	713,222	4,824,451
Consorzio Elmas (in liquidation)	Rome		10,000				10,000	60	6,000	6,000	-
Consorzio Co.Jm.A. (in liquidation)	Rome		10,000				10,000	75	7,500	7,500	-
									5,535,773	726,722	4,809,051
<b>Associates:</b>											
Consorzio R.F.C.C (in liquidation)	Tortona		510,000		(3,337)		(8,130,650)	30	(2,439,195)	-	(2,439,195) **
Consorzio Ramonti (in liquidation)	Tortona		10,000					49	4,900	4,900	-
									(2,434,295)	4,900	(2,439,195)
<b>Other Companies:</b>											
Tangenziale Esterna	Milan		464,945,000		(15,001,456)		281,672,234	1	2,816,722	4,649,450	(1,832,728) ***
Consorzio Costruttori TEEM	Milan		10,000				10,000	1	100	100	-
Consorzio Lambro	Milan		200,000				200,000	2.78	5,560	5,560	-
									2,822,382	4,655,110	(1,832,728)

**Notes:**

(\*) The excess, adjusted through waiver of Pavimental receivables booked in previous years, was fully covered by the "Provision for write-downs of investments," under liabilities. (\*\*) The surplus is entirely covered by the "Provision for write-downs of investments" under liabilities.

(\*\*\*) Financial statements figures refer to the latest approved financial statements. Accumulated losses are considered recoverable.



### Financial receivables

The table below shows the breakdown of financial receivables at the reporting date, with the corresponding comparative amounts.

<u>(€ thousand)</u>	31/12/2021	31/12/2020
<b>Subsidiaries</b>		
Pavimental Est (in liquidation)	366	340
Consorzio Elmas (in liquidation)	1,030	1,030
<u>Consorzio Co.Im.A. (in liquidation)</u>	<u>20</u>	<u>20</u>
	1,416	1,390
<b>Associates</b>		
Consorzio R.F.C.C. (in liquidation)	2,291	2,291
<u>Consorzio Ramonti (in liquidation)</u>	<u>171</u>	<u>171</u>
	2,462	2,462
<b>Parents</b>		
<u>Autostrade per l'Italia</u>	<u>4</u>	<u>4</u>
	4	4
<b>Other companies</b>		
<u>Tangenziale Esterna S.p.A.</u>	<u>2,034</u>	<u>1,896</u>
	2,034	1,896
<b>Other</b>		
<u>Other receivables</u>	<u>619</u>	<u>523</u>
	619	523
<b>Total</b>	<b>6,535</b>	<b>6,275</b>

The increase in this item amounts to approximately € 260 thousand. The item also includes that paid out during 2015 in accordance with the Shareholder Loan Contract signed with Tangenziale Esterna S.p.A. and amounting to € 1,150 thousand. The medium/long-term loan is interest bearing, at a rate of 12.06%.

To this end, it must be noted that, as of these financial statements, in order to provide a better accounting representation and taking their effective nature and use into account, the receivables for loans paid out by the Company to its subsidiaries and associates have been classified among financial fixed assets rather than current assets. With regard to this, in order to ensure the necessary comparability of the items in the financial statements, the corresponding amounts as at 31 December 2020 have been reclassified.



### 3.4.4 Current assets - € 474,608 thousand (€ 411,273 thousand)

This item is composed as described below.

*Inventories* € 380,152 thousand (€ 300,341 thousand)

<b>(€ thousand)</b>	<b>31/12/2021</b>	<b>31/12/2020</b>
Raw materials, consumables and supplies	30,527	22,757
Contract work in progress	349,625	277,584
<b>Total</b>	<b>380,152</b>	<b>300,341</b>

*Raw materials, consumables and supplies* € 30,527 thousand (€ 22,757 thousand)

These mainly represent the closing inventories of materials for the production activities, broken down in the following table, amounting to € 29,851 thousand, € 22,081 thousand as at 31 December 2020.

<b>(€ thousand)</b>	<b>31/12/2021</b>	<b>31/12/2020</b>
Inert materials and cement	1,972	1,944
Spare parts machinery and equipment	828	678
Prefabricated and brick	461	2,093
Steel, laminates and profiles	13,975	9,510
Bitumen, fuels and lubricants	783	1,411
Other materials	11,832	6,445
<b>Total</b>	<b>29,851</b>	<b>22,081</b>

The increase in the item in question is a result of the operating requirements for the maintenance of works of art and network modernisation awarded by Autostrade per l'Italia S.p.A..

The measurement of the inventories was made at average weighted purchase cost, and is lower than the market value; the closing inventories of materials as at 31 December 2021 are not bound by mortgages, liens or other collateral limiting their availability to the Company.

The item in question also includes land located in Magliana and held for sale (€ 676 thousand), as resolved by the Board of Directors of the Company.



As a result of the transfer of the business unit to ADR Infrastrutture finalised on 1 January 2021, as previously described, inventories as at 31 December 2020 have been transferred, amounting to € 6,564 thousand.

*Contract work in progress*

*€ 349,625 thousand (€ 277,584 thousand)*

This item expresses the amount of works carried out and not yet certified by progress reports as at 31 December 2021; said amount was determined using the physical measurement method, on the basis of the agreed payments.

The inventories also include additional payments that are being finalised and formalised with the counterparty (work variants, price reviews, incentives, etc.) recorded in the financial statements to the extent that their recognition is reasonably certain.

During the course of 2021, the Company confirmed the reserves recorded for the contract for the Realisation of Supplementary Works in Fano for € 1,947 thousand, recorded for the same amount in previous years.

In the current financial year, the Company, supported by internal and external legal advisers, confirmed reserves of € 20,000 thousand on the contract for the construction of the Voltri Interconnection and Polcevera completion and Additional Deed no. 1 of the General Contractor COCIV (Consorzio Collegamenti Integrati Veloci).

As regards the reserves confirmed on the contracts awarded by Autostrade per l'Italia S.p.A., the inclusion must be noted of € 8,300 thousand for the financial year on the A1 Highway Milan - Naples contract for extension to three lanes on the Barberino Florence South - Incisa Valdarno stretch Lot 1 North from Km 300+749 to Km 306+986, of € 6,800 thousand on the A4 Highway Turin - Trieste contract for the extension to four lanes of the stretch between the Viale Certosa intersection and the Sesto San Giovanni intersection from Km 126+450 to Km 135+750, of € 5,000 thousand on the A1 Highway Milan - Naples contract for extension to three lanes on the Barberino di Mugello - Florence North stretch Lot 2 and lastly of € 1,600 thousand on the A1 Highway Milan - Naples contract for extension to three lanes on the Barberino di Mugello - Florence North stretch Lot 1.

On the basis of that described and that included in the amounts recorded in previous years, the requests for additional payments to the Contractor Autostrade per l'Italia S.p.A. amounted to € 29,572 thousand as at 31 December 2021, and the requests for additional payments from third parties amounted to € 36,450 thousand as at 31 December 2021.



The amount of work in progress in 2021 was also affected by the price revisions granted under the Government measures as a result of the increase in the cost of raw materials, for a total of € 5,999 thousand.

The breakdown of the inventories for work in progress is contained in the following table:

(€ thousand)	31/12/2021	31/12/2020
Maintenance of road surfacing (ASPI)	8,469	12,447
Infrastructure projects (ASPI)	114,960	90,451
Other highway works (ASPI)	154,301	101,099
Airport works (ADR)		24,378
Airport works (other contractors)		4,847
Other works (other contractors)	72,053	41,526
Pre-operating costs	843	2,836
Provisions for losses on long-term projects	(1,000)	
<b>Total</b>	<b>349,625</b>	<b>277,584</b>

The increase in contract work in progress, amounting to € 72,041 thousand, compared to last year is mainly attributable to:

- the increase in inventories for Autostrade per l'Italia S.p.A. amounting to € 73,733 thousand, essentially due to the nationwide interventions in the scope of the framework agreements for the maintenance of open-air and underground works of art and blue catalogue works (€ 70,394 thousand);
- the increase in inventories for other contractors for € 30,527 thousand, mainly due to the development of the Voltri interconnection lot and Polcevera completion awarded by the COCIV during the course of the year;
- the decrease in inventories totalling € 22,874 thousand as a result of the transfer of the business unit to ADR Infrastrutture S.p.A. finalised on 1 January 2021, as described previously, regarding the inventories as at 31 December 2020 for Aeroporti di Roma S.p.A. and other airport contractors. The Company also billed and received some reserves from Aeroporti di Roma S.p.A. for € 7,000 thousand as part of the agreements for the extraordinary transfer and sale transaction.

It must be noted that the Company released to the income statement € 1,229 thousand in pre-operating costs concerning ongoing infrastructure contracts suspended in previous years in inventories and allocated € 1,000 thousand to cover the probable losses for the completion of long-term contracts.



#### Assets held for sale

- € thousand (€ 21,458 thousand)

As at 31 December 2020, this item included the fixed assets within the scope of the transfer of the airport business unit to the subsidiary ADR Infrastrutture (€ 2,158 thousand), finalised on 1 January 2021, as described previously, and the new book value of the TBM and relative transporter belts (€ 19,300 thousand). With regard to the latter, they have been reclassified in these financial statements under tangible fixed assets, as seen in note 4.2.

#### Receivables

The following is the representation by category and by geographical area of the receivables included in the item in question:

(€ thousand)	31/12/2021			31/12/2020		
	Italy	Abroad	Total	Italy	Abroad	Total
<b>Receivables</b>						
Trade receivables	10,676		10,676	26,423		26,423
From subsidiaries	3,415	37	3,452	3,340	230	3,569
From associates	269		269	269		269
From parents	33,483		34,434	1,308		1,308
From subsidiaries of parents	3,033	677	3,710	18,465	742	19,207
Tax receivables	8,005		8,005	11,618		11,618
Deferred tax assets	6,554		5,661	8,812		8,812
From others	8,715		8,715	13,321		13,321
<b>Total</b>	<b>74,150</b>	<b>714</b>	<b>74,922</b>	<b>83,555</b>	<b>973</b>	<b>84,528</b>

The movement is attributable to that described hereafter.

#### a) Trade receivables

The breakdown of this item is illustrated in the following table:



(€ thousand)	31/12/2021	31/12/2020
Receivables from contractors:		
Payments billed for works awarded	6,600	4,399
Payments to be billed on completion of works	53	53
Receivables from other customers:		
Payments billed	8,788	26,575
Payments to be billed	79	14
	15,520	31,041
Provision for bad debts	(4,844)	(4,618)
<b>Total</b>	<b>10,676</b>	<b>26,423</b>

The decrease of € 15,747 thousand in the net trade receivables is referable to both the transfer, for € 3,576 thousand, of the airport business unit to ADR Infrastrutture and trends in the collection of the receivables during the financial year.

This item includes amounts due from Adriatica S.c.a.r.l. in joint administration for € 2,840 thousand, which the Company is recovering on the basis of the allocation plan. During the course of the year, the Company made an additional accrual of € 233 thousand for impaired receivables or those unlikely to be collected and released to the income statement or used € 7 thousand of the provision for bad debts allocated in previous years, as shown in the following changes therein:

(€ thousand)	31/12/2020	Accrual	Used / Released	31/12/2021
Provision for bad debts - customers	4,618	233	(7)	4,844
<b>Total</b>	<b>4,618</b>	<b>233</b>	<b>(7)</b>	<b>4,844</b>

In general, the provision for bad debts reflects the assessment made by the Company Directors, supported by the opinion of internal and external legal advisers, as to the recoverability of the receivables due on the reporting date, considering the estimated non-recoverability.

*b) Receivables from subsidiaries*

*€ 3,452 thousand (€ 3,569 thousand)*

The details of this item are as follows:



	31/12/2021	31/12/2020
<b>(€ thousand)</b>		
Trade Receivables from:		
Consorzio Co.Im.A. (in liquidation)	3,586	3,510
Pavimental Polska	37	230
Consorzio Elmas (in liquidation)	550	550
	4,173	4,290
Provision for bad debts	(720)	(720)
<b>Total</b>	<b>3,452</b>	<b>3,569</b>

There were no significant variations compared to 31 December 2020.

c) *Receivables from associates*

€ 269 thousand (€ 269 thousand)

There were no movements in this item during the year:

	31/12/2021	31/12/2020
<b>(€ thousand)</b>		
Trade Receivables from:		
Consorzio R.F.C.C. (in liquidation)	124	124
Consorzio Ramonti (in liquidation)	145	145
	269	269
Provision for bad debts		
<b>Total</b>	<b>269</b>	<b>269</b>

d) *Receivables from parents*

€ 34,434 thousand (€ 1,308 thousand)

The breakdown of this item is illustrated in the following table:



(€ thousand)	31/12/2021	31/12/2020
<b>Receivables from Atlantia S.p.A.</b>		
Advance payments		1
Receivables for the consolidated tax system	951	1,307
	951	1,308
<b>Receivables from Autostrade per l'Italia S.p.A.</b>		
Payments billed	32,063	
Payments to be billed	1,702	
Advance payments	870	
	34,635	-
Provision for bad debts	(1,153)	
<b>Total</b>	<b>34,434</b>	<b>1,308</b>

The increase is attributable to the inclusion as at 31 December 2021 of receivables from Autostrade per l'Italia S.p.A. of € 34,635 thousand. It must be noted that as at 31 December 2020, the receivables from Autostrade per l'Italia S.p.A. were classified under Receivables from subsidiaries of parents, with regard to the shareholding structure on said date.

This item is also constituted by the receivables from Atlantia regarding the request for reimbursement of the amounts deductible for IRAP purposes on the basis of IRES taxes for the years under the Consolidated tax system (€ 951 thousand).

(€ thousand)	31/12/2020	Reclassifications	Accrual	Used / Released	31/12/2021
Provision for bad debts - parents		1,153			1,153
<b>Total</b>		<b>1,153</b>			<b>1,153</b>

The current provision for bad debts referring to the receivables from Autostrade per l'Italia S.p.A. has been reclassified from Receivables from subsidiaries of parents to this item as a result of the ownership change.

*e) Receivables from subsidiaries of parents* *€ 3,710 thousand (€ 19,207 thousand)*

This item includes the receivables of a trade nature from other companies in the Group. The details of this item are illustrated below:

(€ thousand)	31/12/2021	31/12/2020
Trade Receivables		
Payments billed	1,675	15,865
Payments to be billed	25	2,000
Other	1,978	
Advance payments	27	2,490
Other receivables	4	4
	<b>3,710</b>	<b>20,360</b>
Provision for bad debts		(1,153)
<b>Total</b>	<b>3,710</b>	<b>19,207</b>

The decrease in this item of € 15,497 thousand is essentially due to the reduction in trade receivables as at 31 December 2020 from Autostrade per l'Italia for € 13,269 thousand, as they are now classified under the item Receivables from parents, and from Aeroporti di Roma S.p.A. (€ 5,388 thousand), as they were transferred to ADR Infrastrutture S.p.A. in the transaction described previously, to which reference should be made.

The other receivables as at 31 December 2021 are entirely from ADR Infrastrutture S.p.A. and are due to advance payments made on behalf the same in favour of the suppliers included in the business unit subject to transfer.

(€ thousand)	31/12/2020	Reclassifications	Allocation	Used/ Released	31/12/2021
Provision for bad debts - subsidiaries of parents	1,153	(1,153)			
<b>Total</b>	<b>1,153</b>	<b>(1,153)</b>			

The current provision for bad debts referring to the receivables from Autostrade per l'Italia S.p.A. has been reclassified from this item to the Receivables from subsidiaries of parents as a result of the ownership change.

#### f) Tax receivables

The composition of the aforementioned receivables is illustrated in the following table:



(€ thousand)	31/12/2021	31/12/2020
Tax receivables for: VAT		
	6,824	10,588
IRAP		238
Other	1,181	792
<b>Total</b>	<b>8,005</b>	<b>11,618</b>

The decrease of € 3,613 thousand in tax receivables essentially concerns the reduction in VAT receivables compared to 31 December 2020.

*g) Deferred tax assets*

The composition of deferred tax assets is illustrated in the following table:

(€ thousand)	31/12/2021		31/12/2020		Deferred tax assets
	Temporary differences	Rate applied	Deferred tax assets Temporary differences	Rate applied	
			12,689	24%	3,045
			2,377	24%	570
			225	24%	54
			58	24%	14

Tax losses	1,844	24%	443			
Accruals to provisions for risks and charges for:						
Pending disputes	2,083	24%	500			
Environmental recovery costs	225	24%	54			
Provisions for losses on long-term projects	1,000	24%	240			
Provision for long-term staff incentives	-	24%				
MBO 2021	694	24%	167			
Tax effects of derivative instruments - losses	8	24%	2	453	24%	109
Board of Directors' fees	437	24%	105	460	24%	110
Unrealised exchange rate losses	464	24%	111	484	24%	116
Provision for bad debts - customers	3,548	24%	851	3,537	24%	848
Amortisation and depreciation deductible in future years	13,284	24%	3,188	16,175	24%	3,882
IRAP deduction from IRES		24%		266	24%	64
<b>Total</b>	<b>23,588</b>		<b>5,661</b>	<b>36,725</b>		<b>8,812</b>

Deferred tax assets, recorded for the amount for which there is reasonable certainty of recoverability in the financial years when they will reverse, concern the temporary differences used for taxation (which will lead to deductions in future years), principally concerning amortisation and depreciation deductible in future years, the residual tax losses carried forward and not transferred under the national consolidated tax system and accruals to the provision for bad debts and provisions for pending disputes.

*h) From others*

*€ 8,715 thousand (€ 13,321 thousand)*

This item is composed of the following:

	31/12/2021	31/12/2020
<b>(€ thousand)</b>		
Receivables from social security institutions	843	351
Receivables from personnel	232	152
Advance payments to suppliers and subcontractors	6,963	12,061
Receivables from insurance companies	601	626
Receivables from disputes with suppliers	124	346
Other	334	296
	<b>9,097</b>	<b>13,832</b>
Provision for bad debts	<b>(382)</b>	<b>(511)</b>

It must be noted that the balance as at 31 December 2020 included € 3,379 thousand in advance payments to subcontractors that have been transferred to ADR Infrastrutture as part of the transfer described previously.

*Current financial assets - € thousand (€ 50 thousand)*

This item as at 31 December 2020 concerned the investment in ADR Infrastrutture, incorporated in 2020. As described previously, the transfer to the latter of the business unit regarding airport works was finalised on 1 January 2021, and involved an increase of € 15,100 thousand in the book value of the investment. The transfer led to a capital gain of € 20,212 thousand, recorded under the Other revenue and income in the 2021 income statement. After the negotiations between the Company and Aeroporti di Roma S.p.A., the contract for the sale of the 100% investment in ADR Infrastrutture S.p.A. to Aeroporti di Roma S.p.A. was signed on 29 December 2020, for a consideration of € 12,200 thousand. On 21 January 2021, given that the conditions precedent envisaged in the aforementioned contract had been met, the Company transferred the shares to Aeroporti di Roma S.p.A. and received the relative payment. The transfer led to a capital loss of € 2,950 thousand, recorded under the other financial charges in the income statement.



*Cash and cash equivalents* € 19,534 thousand (€ 4,895 thousand)

These are constituted by bank deposits amounting to € 19,337 thousand and cash and cash on hand amounting to € 206 thousand. There are no liquid funds or bank accounts in Italy or abroad that are bound or subject to restrictions and duration limits.

For information on the financial trends of the Company during the 2021 financial year, see the comments below on the Statement of Cash Flows.

#### 3.4.5 Prepayments and accrued income - € 2,225 thousand (€ 3,036 thousand )

These include exclusively prepayments, the details of which are in the table below:

(€ thousand)	31/12/2021	31/12/2020
Rent due in subsequent years already paid	26	37
Insurance premiums for policies taken out during the year valid for the next and subsequent years	1,762	2,611
Other costs related to the following financial year for rents CED, road taxes, state concessions etc.	437	388
<b>Total</b>	<b>2,225</b>	<b>3,036</b>

#### Other information on asset items

There are no prepayments and accrued income with a duration in excess of five years.

The tables below describe the receivables on the basis of due date and nature, and also in foreign currency or with exchange rate risk, with amounts expressed in Euros.



RECEIVABLES CLASSIFIED BY DUE DATE AND TYPE

Description	31/12/2021 Amounts due				31/12/2020 Matured amounts			
	Within	Within 2 to 5 years	Beyond 5 years	Total	Within	From 2 to 5 years	Beyond 5 years	Total
	one year				one year			
<b>Financial receivables</b>								
From subsidiaries		1,416,110		1,416,110		1,390,343		1,390,343
From associates		2,461,875		2,461,875		2,461,875		2,461,875
From subsidiaries of parents		3,792		3,792		3,792		3,792
From others		2,653,375		2,653,375		2,419,441		2,419,441
		6,535,152		6,535,152		6,275,450		6,275,450
<b>Financial receivables:</b>								
From subsidiaries								
From associates								
From parents								
From subsidiaries of parents								
<b>Trade Receivables</b>								
From customers	10,675,669			10,675,669	26,423,269			26,423,269
From subsidiaries	3,452,362			3,452,362	3,569,386			3,569,386
From associates	269,114			269,114	269,114			269,114
From parents	33,482,823			33,482,823	630			630
From subsidiaries of parents	3,709,953			3,709,953	19,207,237			19,207,237
	51,589,922			51,589,922	49,469,635			49,469,635
<b>Other receivables</b>								
Tax receivables	8,004,744			8,004,744	11,618,047			11,618,047
Deferred tax assets	511,575	5,149,461		5,661,036	2,716,635	6,095,076		8,811,710
From parents				951,212	1,307,272			1,307,272
From others:								
Insurance companies	601,194			601,194	625,694			625,694
Suppliers	6,963,220			6,963,220	12,061,338			12,061,338
Other	1,150,971			1,150,971	634,065			634,065
	17,231,705	5,149,461		23,332,378	28,963,050	6,095,076		35,058,126
<b>Total</b>	<b>68,821,627</b>	<b>11,684,613</b>		<b>81,457,451</b>	<b>78,432,685</b>	<b>12,370,526</b>		<b>90,803,211</b>

RECEIVABLES AND CASH IN FOREIGN CURRENCY OR WITH EXCHANGE RATE RISK

Description	31/12/2021			31/12/2020		
	In foreign currency or with exchangeraterisk	In Euros	Total	In foreign currency or with exchange rate risk	In Euros	Total
<b>Financial receivables</b>	366,110	6,169,042	6,535,152	340,343	5,935,107	6,275,450
	366,110	6,169,042	6,535,152	340,343	5,935,107	6,275,450
<b>Receivables</b>						
Trade receivables		10,675,669	10,675,669	441	26,422,828	26,423,269
From subsidiaries	37,030	3,415,332	3,452,362	229,700	3,339,686	3,569,386
From associates		269,114	269,114		269,114	269,114
From parents		33,482,823	34,434,036		1,307,902	1,307,902
From subsidiaries of parents	676,950	3,033,003	3,709,953	742,461	18,464,775	19,207,237
Tax receivables		8,004,744	8,004,744	81	11,617,966	11,618,047
Deferred tax assets		6,553,993	5,661,036		8,811,710	8,811,710
From others		8,715,386	8,715,386		13,321,097	13,321,097
	713,980	74,150,064	74,922,299	972,683	83,555,078	84,527,761
<b>Cash and cash equivalents</b>						
Bank and postal deposits	218,235	19,108,951	19,327,186	1,124,890	3,555,845	4,680,735
Cash and cash equivalents		6,142	6,142		5,020	5,020
Prepaid cards		200,189	200,189		209,987	209,987
	218,235	19,315,282	19,533,517	1,124,890	3,770,853	4,895,743
<b>Total</b>	<b>1,298,325</b>	<b>99,634,388</b>	<b>100,990,968</b>	<b>2,437,916</b>	<b>93,261,038</b>	<b>95,698,954</b>

**3.4.6 Net Equity - € 53,727 thousand (€ 10,065 thousand)**

Net equity is constituted by the items illustrated below. The movements in the single items of net equity during the 2021 financial year are also shown.

**Share Capital**

**€ 10,116 thousand (€ 10,116 thousand)**

The fully subscribed and paid-up share capital is represented by 77,818,865 ordinary shares with a nominal value of 0.13 Euros each.

The following are the details of the composition of the shareholding structure as at 31 December 2021:



Shares	Number of shares	Amount	% held
Autos trade per l'Italia S.p.A.	77,350,836	10,055,609	99.40%
As ta l di S.p.A.	468,029	60,844	0.60%
<b>As at 31.12.2021</b>	<b>77,818,865</b>	<b>10,116,452</b>	<b>100%</b>

There are no categories of shares other than the ordinary ones listed above.

*Share premium reserve* € 4,622 thousand (€ 4,622 thousand)

There were no movements in this item in 2021.

*Legal Reserve* € 1,915 thousand (€ 1,915 thousand)

There were no movements in this item in 2021.

*Other Reserves* € 19,962 thousand (€ -181 thousand)

As regards the individual reserves included in this item, the relative details are provided below.

*a) Reserve from unrealised exchange rate gains* € 30 thousand (€ 30 thousand)

There were no movements in this item in 2021.

*b) Translation reserve* € 68 thousand (€ -211 thousand)

This amount reflects the exchange rate differences resulting from the elimination of items between Pavimental and the permanent establishment of the company in Poland.

*c) Reserve for payments for future capital increases*  
€ 20,000 thousand (-)

On 21 December 2021, Autostrade per l'Italia S.p.A. made a payment on account for the future capital increase for € 20,000 thousand, allocated for the subscription of a share capital increase to be resolved and carried out by 31 December 2022 at the latest.

*Hedging reserve* € -136 thousand (€ -278 thousand)

This item includes the negative fair value of the Interest Rate Swap (IRS) subscribed to hedge the interest rate risk of the loan granted by Credit Agricole Corporate Investment Bank Deutschland for the purchase



of the TBM for the portion considered effective, net of the relevant tax effect. The change is entirely due to the difference between the fair values of this hedge at the reporting date.

*Losses carried forward*

€ -6,129 thousand (€ -1,200 thousand)

During the course of 2021, this item registered the allocation of the net loss for 2020, as resolved by the Shareholders on 29 March 2021.

*Net profit (loss) for the year*

€ 23,376 thousand (€ -4,928 thousand)

The following is the list of movements of the items comprising Net Equity and the table of reserves, stating their origin, possibility of use and distribution, and also their usage in the previous three financial years:

NET EQUITY MOVEMENTS

€ thousand	31/12/2019	Difference in the financial year				31/12/2020	Difference in the financial year				31/12/2021
		Shareholders' resolution of 11/05/2020	Other NE movements	Translation reserve	Net profit (loss) for the year		Shareholders' resolution of 29/03/2021	Other NE movements	Translation reserve	Profit (loss) for the period	
Share capital	10,116					10,116					10,116
Share premium reserve	4,622					4,622					4,622
Legal Reserve	1,913	2				1,915					1,915
Other reserves:											
Payments for share capital increases								20,000			20,000
Translation reserve	(172)			(39)		(211)		143			(68)
Reserve for unrealised exchange rate gains		30				30					30
Hedging reserve	(329)		51			(278)		142			(136)
Losses carried forward	(1,200)					(1,200)	(4,928)				(6,129)
Net profit (loss) for the year	31	(31)			(4,928)	(4,928)	4,928			23,376	23,376
	14,982		51	(39)	(4,928)	10,065		20,142	143	23,376	53,727



#### COMPOSITION OF NET EQUITY

€ thousand	Balance 31/12/2020	Possibility of use	Amount available	Summary of uses in the three preceding financial years	
				To cover losses	For other reasons
Share capital	10,116	B			
Equity-related reserves	4,622	A,B,C	4,622		
Legal reserve	1,915	B			
Other reserves:					
- Translation reserve	(214)	A,B,C			
- Reserve for unrealised exchange rate gains	30	A,B	30		
- Hedging reserve	(185)				
Losses carried forward	(6,129)	A,B,C			
<b>Total</b>	<b>10,155</b>		<b>4,652</b>		
Non-distributable amount			30		
Remaining distributable amount			4,622		

Key:

A: for capital increase

B: to cover losses

C: for distribution to shareholders

D: to cover deferred costs not yet amortised (as per art. 2426, no. 5 of the Italian Civil Code)

#### 3.4.7 Provisions for Risks and Charges - € 6,076 thousand (€ 6,820 thousand)

The following are the details of movements in the provisions for risks and charges:

(€ thousand)	31/12/2020	Accrual	Used / Released	31/12/2021
Tax provision, including deferred tax liabilities	95			95
Provision for derivative financial instruments	725		(391)	334
Provision for pending disputes	2,377	114	(408)	2,083
Provision for environmental recovery costs	225			225
Provision for long-term staff incentives	58		(58)	-
Provision for write-downs of investments	3,340			3,340
<b>Other provisions for risks and charges</b>	<b>6,000</b>	<b>114</b>	<b>(466)</b>	<b>5,647</b>
<b>Total</b>	<b>6,820</b>	<b>114</b>	<b>(857)</b>	<b>6,076</b>



*Tax provision, including deferred tax liabilities* € 95 thousand (€ 95 thousand)

This provision includes the deferred tax liabilities, accrued to cover exchange rate gains that are expected to be realised in coming financial years, as illustrated in the following table:

(€ thousand)	31/12/2021		31/12/2020		Deferred	
	Temporary tax liability	Rate	Deferred tax liability	Temporary		Rate
Exchange rate gains	402	24%	96	402	24%	96
Effect of amortised cost of financial assets and liabilities	(6)	24%	(1)	(6)	24%	(1)
<b>Total</b>	<b>395</b>		<b>95</b>	<b>395</b>		<b>95</b>

*Derivative financial instruments* € 334 thousand (€ 725 thousand)

This item shows the negative fair value of the derivative contracts in place as at 31 December 2021 and includes:

- the negative fair value (€ 196 thousand) of the Interest Rate Swap (IRS) subscribed to hedge the interest rate risk of the loan granted by Credit Agricole Corporate Investment Bank Deutschland for the purchase of the TBM;
- the negative fair value (€ 138 thousand) of a floor type derivative embedded in the above loan.

It should be noted that the first of the two derivative financial instruments has the characteristics to be qualified as hedging and consequently, the changes in its fair value are recognised as a balancing entry to the specific net equity reserve, as mentioned previously.

*Other provisions* € 5,647 thousand (€ 6,000 thousand)

*a) Fund for pending disputes* € 2,083 thousand (€ 2,377 thousand)

This item is an estimate of the probable costs deriving from pending disputes as at the reporting date. The amount accrued represents the best possible estimate on the basis of the available elements, taking into account the opinions of the external legal advisers.

The decrease is attributable to the combined effect of:

- the direct use for settling litigation for € 317 thousand;
- the release to the income statement due to excess write-downs made in previous years for € 91 thousand;
- the accrual for litigation during the year for € 114 thousand.



b) *Provision for environmental recovery costs* € 225 thousand (€ 225 thousand)

This provision includes an estimate of the costs that the Company will incur for the restoration of sites and environmental recovery.

c) *Provision for long-term staff Incentives* € - thousand (€ 58 thousand )

This provision includes the liabilities for services rendered by directors and employees and remunerated through cash-settled share-based payments measured at fair value.

The provision had been completely used as at 31 December 2021.

d) *Provision for write-downs of investments* € 3,340 thousand (€ 3,340 thousand)

This provision has been accrued to cover the equity deficits emerging from the assessment of the probable costs to be incurred in relation to Pavimental Est in liquidation (€ 343 thousand) and Consorzio R.F.C.C. in liquidation (€ 2,997 thousand).

#### 3.4.8 Employees' leaving entitlement - € 2,771 thousand (€ 2,944 thousand)

The following table summarises the movements that occurred during the financial year:

(€ thousand)	31/12/2020	Accruals	Transfer	Uses	31/12/2021
Employees' leaving entitlement	5,674	324	(31)	(656)	5,311
Advance payments	(2,542)	(56)		280	(2,318)
Tax on employees' leaving entitlement revaluation	(188)	(58)	3	21	(222)
<b>Total</b>	<b>2,944</b>	<b>211</b>	<b>(29)</b>	<b>(355)</b>	<b>2,771</b>

The accruals of the portion of employees' leaving entitlement destined for supplementary social security funds do not pass through the employees' leaving entitlement but are recorded directly as social security charges payable and paid on a month-by-month basis.



### 3.4.9 Payables - € 477,880 thousand (€ 438,971 thousand)

#### a) Bank loans and borrowings

€ 63,796 thousand (€ 56,552 thousand)

This item is composed of the following:

(€ thousand)	31/12/2021	31/12/2020
Short-term bank loans and borrowings	48,946	30,503
Bank loans		
CA-CIB	14,849	18,541
UBI Banca		7,508
<b>Total</b>	<b>63,796</b>	<b>56,552</b>

The balance includes short-term bank loans and borrowings

as at 31 December 2021,

amounting to € 48,946 thousand.

The loan granted by Credit Agricole Corporate Investment Bank Deutschland on 2 October 2015 and measured at amortised cost amounted to € 14,849 thousand. This loan is for the purchase of the TBM machine, relevant accessories and any other working machine required for the completion of the works concerning Santa Lucia Tunnel Lot 2; the loan also covers the cost of the insurance policy granted by Euler Hermes in favour of the exporter of the TBM and accessory costs. The nominal interest rate on the loan as at 31 December 2021 was 0.6% and the deadline for paying back the loan is September 2025. The loan contract provides that Pavimental maintain works and service orders from the Group Companies for an amount of at least treble the residual amount of the loan and provides that in the event that the Atlantia Group ceases to exercise control over the Company (Change of Control clause), a trigger event would occur that could lead to the compulsory repayment of the loan in advance. In view of the share-based transactions which, as described in this document, have involved Pavimental, Autostrade per l'Italia and Atlantia, discussions were started during the course of 2021 with all of those involved in the loan. In this regard, a request was submitted to the lending bank Credit Agricole and to BNP Paribas, with which a derivative contract had been subscribed to hedge the interest rate risk of the loan, for the modification of the Change of Control clause.

In December 2021, both Credit Agricole and BNP Paribas confirmed their go-ahead for the contractual modifications regarding the "Change of Control" in relation to the contracts in place, notwithstanding that the above modifications shall be effective on completion of the transfer of the holding of Atlantia S.p.A. to Autostrade per l'Italia S.p.A..



*b) Loans and borrowings from other financial backers* *€ 17,788 thousand (-)*

In 2021, the Company carried out a financial transaction with Unicredit Factoring concerning the availability of a credit line for advance contract payments on the Framework Agreements signed with Autostrade per l'Italia S.p.A. for the maintenance and network modernisation works. The transaction provides for a maximum amount payable of € 40 million, with an advance loan percentage of 20% of the factored receivables. A flat commission on the factored receivables of 0.1% is applied to these advance payments, and the interest on the sum paid out is regulated by a spread of 1.9% in addition to the reference rate, which was zero on the date of signature of the contract.

This led to the receipt in July of € 32,022 thousand and a corresponding financial debt. As at 31 December, as a result of the repayments made, the residual financial debt amounted to € 17,788 thousand.

*c) Payments on account* *€ 28,729 thousand (€ 51,037 thousand)*

This item is composed of the following:

<i>(€ thousand)</i>	<i>31/12/2021</i>	<i>31/12/2020</i>
Autostrade per l'Italia S.p.A.	24,869	23,355
Aeroporti di Roma S.p.A.		21,609
Third party contractors	3,860	6,072
<b>Total</b>	<b>28,729</b>	<b>51,037</b>

The payments on account received from Aeroporti di Roma S.p.A. were zeroed during 2021, as a result of the transfer of the business unit to ADR Infrastrutture finalised on 1 January 2021, as already described. Advance payment from third party contractors for € 1,164 thousand were also transferred in this transfer.

*d) Trade payables* *€ 222,878 thousand (€ 178,051 thousand)*

The net increase of € 44,827 thousand in 2021 (net of the payables for € 23,171 thousand in the transfer of the business unit to ADR Infrastrutture, finalised on 1 January 2021) is correlated to the increase in activities carried out in 2021, and in particular later in the year, and the supply of equipment and installations, with specific regard to the implementing contracts of the framework agreements with Autostrade per l'Italia, as mentioned in the Management Report.



e) Payables to subsidiaries

€ 4,028 thousand (€ 3,945 thousand)

The details of this item are as follows:

(€ thousand)	31/12/2021	31/12/2020
Trade Payables to:		
Consorzio Co.Im.A. (in liquidation)	1,871	1,903
Pavimental Polska	573	599
Consorzio Elmas (in liquidation)	1,584	1,443
<b>Total</b>	<b>4,028</b>	<b>3,945</b>

f) Payables to associates

€ 209 thousand (-)

This item includes the payables to Consorzio Ramonti in liquidation.

g) Payables to parents

€ 117,198 thousand (€ 45 thousand)

These include the payables to Autostrade per l'Italia S.p.A. which as at 31 December 2020 were included in the Payables to subsidiaries of parents on the basis of the shareholding structure on said date. The also include that payable to Atlantia S.p.A. for trade transactions, for being part of the group consolidated tax system and financial transactions.

The composition of this item is as follows:

(€ thousand)	31/12/2021	31/12/2020
Payables to Atlantia S.p.A.		
Trade	585	24
Tax-related	27	
Other		21
	<b>612</b>	<b>45</b>
Payables to Autostrade per l'Italia S.p.A.		
Trade	1,152	
Other	313	
Financial	115,121	
	<b>116,585</b>	<b>-</b>
<b>Total</b>	<b>117,198</b>	<b>45</b>



*h) Payables to subsidiaries of parents*

€ 373 thousand (€ 132,633 thousand)

This item is composed of the following:

	31/12/2021	31/12/2020
<b>(€ thousand)</b>		
Trade Payables	373	1,399
Other Payables		451
Financial Payables		130,784
<b>Total</b>	<b>373</b>	<b>132,633</b>

As mentioned previously, the payables to Autostrade per l'Italia S.p.A. were recorded in the item Payables to parents as at 31 December 2021 because of the new shareholding structure.

*i) Tax payables*

€ 7,818 thousand (€ 1,582 thousand)

This item amounted to € 7,818 thousand and increased by € 6,205 thousand as at 31 December 2021 mainly because of more VAT to be paid.

*j) Social security charges payable*

€ 1,957 thousand (€ 2,207 thousand)

These are represented by contributions due from the Company accrued as at 31 December 2021 and payable in the following months. The payments are made according to the terms of the law. The increase is correlated to the increase in average paid workforce compared to last year.

*k) Other Payables*

€ 13,107 thousand (€ 12,919 thousand)

The breakdown of the item in question is as follows:

	31/12/2021	31/12/2020
<b>(€ thousand)</b>		
Payables to personnel	7,765	6,531
Payables to temporary associations	55	55
Payables to insurance companies	5,007	4,938
Payables to others	279	1,395
<b>Total</b>	<b>13,107</b>	<b>12,919</b>



### 3.4.10 Accrued expenses and deferred income - € 617 thousand (€ 1,126 thousand)

(€ thousand)	31/12/2021	31/12/2020
Accrued expenses for interest due on bank loans and borrowings	73	88
Other accrued expenses	22	1
Deferred income	522	1,037
<b>Total</b>	<b>617</b>	<b>1,126</b>

Attached are the details of the payables, broken down by expiry date and nature, and also in foreign currency or with exchange rate risk. The values in the tables are in Euros.

There was a special lien on the TBM to guarantee the loan contract with CACIB at the reporting date; there are no other payables backed by collateral on company assets.

PAYABLES CLASSIFIED BY DUE DATE AND TYPE

Description	31/12/2021 Amounts due			31/12/2020 Amounts due		
	Within one year	Within 2 to 5 years After 5 years	Total	Within one year	Within 2 to 5 years After 5 years	Total
<b>Bank loans and borrowings</b>						
Short-term bank loans and borrowings	48,946,234		48,946,234	30,503,183		30,503,183
Bank loans	3,667,259	11,182,072	14,849,330	11,138,230	14,910,088	26,048,318
<b>Loan and borrowings from other financial backers</b>	17,788,424		17,788,424			
<b>Financial payables</b>						
Payables to parents	115,120,640		115,120,640			
Payables to subsidiaries of parents				130,783,511		130,783,511
	185,522,557	11,182,072	196,704,629	172,424,924	14,910,088	187,335,012
<b>Trade payables</b>						
Payments on account	28,728,716		28,728,716	51,036,969		51,036,969
Payables to suppliers	222,877,980		222,877,980	178,050,845		178,050,845
Payables to subsidiaries	4,024,475		4,024,475	3,941,509		3,941,509
Payables to associates	209,000		209,000			
Payables to parents	1,737,458		1,737,458	24,000		24,000
Payables to subsidiaries of parents	372,561		372,561	1,398,565		1,398,565
	257,950,191		257,950,191	234,451,888		234,451,888
<b>Other payables</b>						
Payables to subsidiaries	3,500		3,500	3,500		3,500
Payables to associates						
Payables to parents	291,266		339,530	21,393		21,393
Payables to subsidiaries of parents				450,953		450,953
Tax payables	7,818,203		7,818,203	1,582,189		1,582,189
Social security charges payable	1,956,882		1,956,882	2,206,914		2,206,914
To others	13,106,697		13,106,697	12,919,165		12,919,165
	23,176,548		23,224,812	17,184,114		17,184,114
<b>Total Payables</b>	466,649,295	11,182,072	477,879,631	424,060,925	14,910,088	438,971,013
<b>Accrued expenses and deferred income</b>	616,697		616,697	1,126,449		1,126,449
<b>Total</b>	467,265,992	11,182,072	478,496,328	425,187,375	14,910,088	440,097,462

IN FOREIGN CURRENCY OR WITH EXCHANGE RATE RISK

Description	31/12/2021			31/12/2021		
	In foreign			In foreign		
	currency or with exchange rate risk	In Euros	Total	currency or with exchange rate risk	In Euros	Total
<b>Financial Payables</b>						
To banks		63,795,564	63,795,564		56,551,501	56,551,501
To other financial backers		17,788,424	17,788,424			
To parents		115,120,640	115,120,640			
To subsidiaries of parents					130,783,511	130,783,511
		196,704,629	196,704,629		187,335,012	187,335,012
<b>Trade payables</b>						
Payments on account		28,728,716	28,728,716		51,036,969	51,036,969
To suppliers	78,277	222,799,704	222,877,980	91,653	177,959,193	178,050,845
To subsidiaries	572,946	3,451,529	4,024,475	598,584	3,342,925	3,941,509
To associates		209,000	209,000			
To parents		1,737,458	1,737,458		24,000	24,000
To subsidiaries of parents		372,561	372,561		1,398,565	1,398,565
	651,222	257,298,968	257,950,191	690,236	233,761,651	234,451,888
<b>Other Payables</b>						
Payables to subsidiaries		3,500	3,500		3,500	3,500
Payables to associates						
Payables to parents		339,530	339,530		21,393	21,393
Payables to subsidiaries of parents					450,953	450,953
Tax payables		7,818,203	7,818,203		1,582,189	1,582,189
Social security charges payable		1,956,882	1,956,882		2,206,914	2,206,914
To others		13,106,697	13,106,697		12,919,165	12,919,165
		23,224,812	23,224,812		17,184,114	17,184,114
<b>Total Payables</b>	<b>651,222</b>	<b>477,228,409</b>	<b>477,879,631</b>	<b>690,236</b>	<b>438,280,777</b>	<b>438,971,013</b>

### 3.5. Information on the Income Statement items

#### 3.5.1 Production revenues - € 603,732 thousand (€ 498,120 thousand)

The following is the analysis of the main balances in the income statement for 2021.

a) Revenue from Sales € 1,165 thousand (€ 24 thousand)

b) Revenue from Services € 477,066 thousand (€ 428,489 thousand)

The analysis of the Revenue from sales and from services is represented in the following table:

**REVENUE FROM SALES AND SERVICES**

(€ thousand)	2021	2020	Difference
<b>Revenue from sales</b>			
Sales to others of conglomerates and inert materials	1,165	24	1,141
Sales to parents			
	<b>1,165</b>	<b>24</b>	<b>1,141</b>
<b>Revenue from services</b>			
<b>Autostrade per l'Italia:</b>			
Maintenance of road surfacing Infrastructures	43,206	60,512	(17,305)
Network modernisation and other works	153,703	161,282	(7,579)
	227,519	66,060	161,459
	<b>424,428</b>	<b>287,853</b>	<b>136,575</b>
<b>Road / highway works:</b>			
Nardo' Technical Center Srl		493	(493)
Co.Im.A. Scarl	62		62
Stalexport		1,191	(1,191)
Tangenziale di Napoli SpA	72	143	(70)
Co.Co.TEEM Scarl	6		6
Other contractors		912	
<b>Railway works:</b>			
COCIV	44,503	43,580	922
	<b>44,643</b>	<b>46,318</b>	<b>(763)</b>
<b>Airport works:</b>			
Aeroporti di Roma	7,000	68,657	(61,657)
Aeroporto di Olbia		22,231	(22,231)
Aeroporto di Napoli		3,093	(3,093)
	<b>7,000</b>	<b>93,980</b>	<b>(86,980)</b>
<b>Other services:</b>			
Services to others		11	(11)
Services to subsidiaries	173	312	(139)
Services to associates			
Intercompany services	822	15	807
Services to other investees			
	<b>995</b>	<b>337</b>	<b>657</b>
<b>Total revenue from services</b>	<b>477,066</b>	<b>428,489</b>	<b>49,489</b>
<b>Total revenue from sales and services</b>	<b>478,231</b>	<b>428,512</b>	<b>50,630</b>



c) *Changes in contract work in progress*

€ 94,916 thousand (€ 57,123 thousand)

This item includes the difference between the closing inventories for the previous year (€ 277,583 thousand) and the closing inventories for 2021 (€ 349,625 thousand) net of that transferred (€ 22,874 thousand) to ADR Infrastrutture S.p.A. as a result of the transfer of the business unit finalised on 1 January 2021, as described previously.

The increase in the item is due to the increase in activities for the contractor Autostrade per l'Italia S.p.A.. The change in the pre-operating costs and the provision for long-term contract losses, for the part concerning work in progress, is included in the item in question.

d) *Other revenue and income*

This item is composed of the following:

<b>(€ thousand)</b>	<b>2021</b>	<b>2020</b>	<b>Difference</b>
Capital gains from disposal of assets	535	50	486
Personnel expenses recovery	188	854	(666)
Recovery of cost of materials, supply of services and other charges	4,022	2,423	1,599
Definition of costs and revenue from previous financial years	1,799	870	929
Rounding off and discounts on supplies	96	388	(291)
Sale of scrap	601	290	311
Absorption of provisions for risks and charges	98	2,460	(2,362)
Third party compensation	1,252	3,201	(1,949)
Other income	21,956	1,873	20,083
Lease income	38	75	(38)
<b>Total</b>	<b>30,585</b>	<b>12,485</b>	<b>18,100</b>

The item other income includes the capital gain from the transfer of the airport business unit (€ 20,212 thousand) as described previously.

Below is the breakdown of revenues by geographical area:

<b>(€ thousand)</b>	<b>Italy</b>	<b>Europe</b>	<b>Total</b>
Revenue from sales	1,165		1,165
Revenue from services	477,066		477,066
Change in contract work in progress	94,916		94,916
Other revenue and income	30,568	18	30,585
<b>Total</b>	<b>603,715</b>	<b>18</b>	<b>603,732</b>



### 3.5.2 Production Costs - € 569,834 thousand (€ 502,154 thousand)

This item includes:

(€ thousand)	2021	2020	Difference
Raw materials, consumables and supplies	170,237	171,660	(1,423)
Services	295,106	223,902	71,204
Use of third party assets	1,552	1,244	308
Personnel expenses	106,864	95,712	11,151
Amortisation, depreciation and write-downs	8,155	16,590	(8,435)
Changes in inventories of raw materials, consumables, supplies and goods	(14,333)	(9,231)	(5,102)
Provisions for risks and charges	114	833	(719)
Other operating costs	2,140	1,444	696
<b>Total</b>	<b>569,834</b>	<b>502,154</b>	<b>67,680</b>

The overall increase in the production costs, amounting to € 67,680 thousand, is correlated to the increased requirement for goods and services due to more production being completed.

a) *Purchase of raw materials, consumables and supplies* € 170,237 thousand (€ 171,660 thousand)

The cost of materials purchased in the financial year is broken down as follows:

(€ thousand)	2021	2020	Difference
Inert materials and cement	8,075	8,804	(729)
Bitumens, fuel, lubricants and packaged conglomerates	17,512	20,996	(3,484)
Steel, laminates, profiles and grids	37,339	25,771	11,568
Spare parts, plant and machinery	1,379	1,139	240
Works materials	61,354	79,851	(18,497)
Other materials	44,578	35,098	9,480
<b>Total</b>	<b>170,237</b>	<b>171,660</b>	<b>(1,423)</b>

b) *Cost of Services* € 295,106 thousand (€ 223,902 thousand)

The cost of services procured in the financial year is broken down as follows:

(€ thousand)	2021	2020	Difference
Outsourcing	162,266	102,997	59,269
Surveillance	15,372	8,481	6,891
Canteen, mission reimbursements and staff-related costs	13,105	10,274	2,830
Utilities and postal costs	5,089	7,476	(2,387)
Transport and shipping	17,920	23,991	(6,071)
Insurance	7,201	7,262	(61)
Maintenance of fixed assets	6,712	5,994	718
Leases	32,369	26,051	6,319
CED maintenance fees	419	414	5
Consultancy and auditing of the financial statements	7,110	6,495	615
Legal and notary services	683	891	(208)
Highway toll fa res	938	621	317
Cleaning	1,034	999	34
Laboratory tests and analys is	1,185	2,548	(1,363)
Temporary employment/fixe d project employment	61	108	(47)
Safety and security	3,088	2,376	712
Technical assistance	46	88	(42)
Services from parents / Intercompany	137	57	80
Waste disposal	13,291	11,529	1,762
Services for issue of certification	113	38	75
Personnel services	3,786	906	2,880
Common consortium costs	391	48	344
Directors' fees	416	439	(23)
Statutory auditors' fees	22	22	
Other services	2,350	3,797	(1,447)
<b>Total</b>	<b>295,106</b>	<b>223,902</b>	<b>71,204</b>

As highlighted, the increase is correlated to the increased requirements for services due to more production being completed. The directors' fees amounted to a total of € 416 thousand, a reduction of € 23 thousand compared to last year.

The statutory auditors' fees for the financial year amounted to a total of € 22 thousand, the same as last year.

*c) Use of third party assets*

*€ 1,552 thousand (€ 1,244 thousand)*

This item is represented by:



	2021	2020	Difference
<b>(€ thousand)</b>			
Rents	1,350	1,009	341
Software	126	153	(27)
State concessions	51	66	(15)
Leases	25	16	9
<b>Total</b>	<b>1,552</b>	<b>1,244</b>	<b>308</b>

d) *Personnel expenses* € 106,864 thousand (€ 95,712 thousand)

The breakdown of personnel expenses is as follows, compared to the corresponding figures for the 2020 financial year:

	2021	2020	Difference
<b>(€ thousand)</b>			
Salaries and wages	70,345	61,648	8,696
Social security costs	29,827	25,303	4,524
Employees' leaving entitlement	4,222	3,758	464
Pension and similar costs	551	563	(12)
Other costs	1,919	4,440	(2,521)
<b>Total</b>	<b>106,864</b>	<b>95,712</b>	<b>11,151</b>

In compliance with OIC 31, the financial component of the INPS Treasury Fund and the Fund for supplementary social security and welfare has been included in the employees' leaving entitlement (B.9.c.).

The average paid workforce increased from 1,204 units in 2020 to 1,316 units in 2021. This increase was made necessary due to the simultaneous start of activities linked to certain implementing contracts for the Framework Agreement with Autostrade per l'Italia S.p.A., with a high concentration of works mainly in the Genoa area.

	2021			2020			Difference
	CONT.	FT	TOTAL	CONT.	FT	TOTAL	
Executives	9		9	9		9	(1)
Managers	21		21	23		23	(2)
Office workers	292	29	321	274	24	298	23
Blus collars	737	229	966	644	229	873	93
	<b>1,059</b>	<b>258</b>	<b>1,316</b>	<b>951</b>	<b>253</b>	<b>1,204</b>	<b>113</b>



e) *Amortisation, depreciation and write-downs* € 8,155 thousand (€ 16,590 thousand)

*Amortisation of intangible fixed assets* € 53 thousand (€ 68 thousand)

This represents the amortisation of deferred costs, calculated using the method described in accounting policies section.

*Depreciation of tangible fixed assets* € 7,870 thousand (€16,522 thousand)

The depreciation of tangible fixed assets is broken down in the following table:

<b>(€ thousand)</b>	<b>2021</b>	<b>2020</b>	<b>Difference</b>
Works and improvements on land	32	57	(25)
Light buildings	437	905	(467)
Generic plant	550	572	(22)
Special systems and equipment		7,509	(7,509)
Specific plant and machinery	4,586	5,321	(735)
Miscellaneous tools	167	108	58
Motor cars and other vehicles	369	317	52
Vehicles, lorries, excavators and mechanical digger	1,420	1,395	25
Electromechanical and electronic machinery	274	285	(11)
Furniture and fittings	35	54	(19)
<b>Total</b>	<b>7,870</b>	<b>16,522</b>	<b>(8,652)</b>

The reduction is essentially attributable to the depreciation of the TBM and the other fixed assets concerning excavations, which decreased by € 7,509 thousand, as the excavation of the Santa Lucia Tunnel was completed in June 2020.

*Write-downs of current receivables and liquid funds* € 233 thousand (-)

The Company wrote off bad debts for trade receivables in 2021 amounting to a total of € 233 thousand.

f) *Changes in inventories of raw materials, consumables, supplies and goods* € -14,333 thousand (€ -9,231 thousand)

This item is represented by the difference between the closing inventories for the previous year (€ 22,081 thousand) and those existing at the end of 2021 (€ 29,851 thousand) net of that transferred (€ 6,564 thousand) to ADR Infrastrutture S.p.A. as a result of the transfer of the business unit finalised on 1 January 2021, as described previously.



*g) Provisions for risks*

€ 114 thousand (€ 833 thousand)

Amounts for probable risks due to disputes for € 114 thousand were accrued during the current financial year.

*h) Other operating costs*

€ 2,140 thousand (€ 1,444 thousand)

This amount is illustrated in the following table:

<b>(€ thousand)</b>	<b>2021</b>	<b>2020</b>	<b>Difference</b>
Losses from disposal of fixed assets	42	21	20
Entertainment costs	7	14	(7)
Subscription fees and purchase of publications	41	38	3
Stamp and registration fees, government concessions	59	59	
Vehicle tax	86	92	(6)
Property tax	116	117	(1)
Waste disposal tax	103	75	27
Fines	308	414	(106)
Definition of costs and revenue of previous financial years	169	176	(7)
Third party damages	195	92	104
Other	1,013	345	668
<b>Total</b>	<b>2,140</b>	<b>1,444</b>	<b>696</b>

**3.5.3 Net financial charges - € -5,250 thousand (€ -1,778 thousand)**

This amount is illustrated in the following table:



(€ thousand)	2021	2020	Difference
<b>Financial income</b>			
Income from receivables classified as fixed assets	139	139	
Income from subsidiaries of parentsOther income	2		2
	141	139	
<b>Financial charges</b>			
Financial charges to Autostrade per l'Italia	616	478	138
Financial charges for sale of investment	2,950		2,950
Financial charges to Atlantia		3	(3)
Short-term financial charges to banks	651	468	184
Interest on loans	384	518	(134)
Interest on derivative financial instruments	173	196	(23)
Other financial charges	246		246
Bank commissions and charges	112	76	36
Factoring company fees	71		71
Interest for late payment to suppliers	27	21	6
	5,230	1,760	3,470
<b>Exchange rate gains and losses</b>			
<b>Realised exchange rate gains</b>			
Unrealised exchange rate gains	26		26
<b>Realised exchange rate losses</b>			
Unrealised exchange rate losses	(187)	(74)	(113)
		(82)	82
	(161)	(156)	(5)
<b>Net exchange rate losses</b>			
	(5,250)	(1,778)	(3,475)

As mentioned previously, the contract for the transfer to Aeroporti di Roma S.p.A. of 100% of ADR Infrastrutture S.p.A. was signed on 29 December 2020, for a payment of € 12,200 thousand, compared to the book value of the investment of € 15,150 thousand. On 21 January 2021, given that the conditions precedent envisaged in the aforementioned contract had been met, the Company transferred the shares to Aeroporti di Roma S.p.A. and received the relative payment. This transaction led to the recording of a capital loss from the sale of investments amounting to € 2,950 thousand, described above.

#### 3.5.4 Adjustments of financial assets € - 157 thousand (€ -72 thousand)

This item includes the effects of recording the ongoing derivative financial instruments, specifically:



- the write-back of the Interest Rate Swap (IRS) agreed to hedge the interest rate risk of the loan granted by Credit Agricole Corporate Investment Bank Deutschland for the purchase of the TBM, for € 53 thousand;
- The write-back of the fair value of the floor-type derivative embedded in the above loan for € 134 thousand.

During the course of 2021, the cost for the forgivable financial support of the subsidiary Pavimental Est (in liquidation) was recorded for € 30 thousand.

### 3.5.5 Income Taxes - € -5,429 thousand (€ 955 thousand)

This item includes the income tax for the 2021 financial year, represented by current IRES and IRAP tax, the change in deferred tax assets and liabilities and the taxes deriving from participation in the national consolidated tax system prepared by the indirect parent Atlantia.

The IRES tax loss in 2020, allocated for € 3,045 thousand among deferred tax assets as a tax loss carried forward to subsequent financial years, has been reclassified as Income from tax consolidation for € 2,603 thousand as a result of the communication by the parent and by reason of the tax consolidation system, which provides that remuneration be recognised in the financial year in which the losses are used.

Deferred tax assets of € 534 thousand were allocated in the 2021 financial year, and deferred tax assets of € 3,623 thousand were released, as shown in the following table.

(€ thousand)	2021	2020	Difference
IRES	(2,906)		(2,906)
IRAP	(2,037)	(751)	(1,286)
Current income tax	(4,943)	(751)	(4,192)
Differences in income tax from previous years and other taxes		(24)	24
Accruals	534	3,455	(2,921)
Releases	(3,623)	(1,999)	(1,624)
Deferred tax assets	(3,089)	1,456	4,546
Accruals Releases			
Deferred tax liabilities	-	-	-
Changes in deferred taxes	(3,089)	1,456	(4,546)
Income from tax consolidation	2,603	274	2,329
<b>Total</b>	<b>(5,429)</b>	<b>955</b>	<b>(6,384)</b>



The following table represents the summary overview of the links between tax charge in the financial statements and theoretical tax charge.

RECONCILIATION BETWEEN EFFECTIVE TAX CHARGE AND THEORETICAL TAX CHARGE

IRES			
Description	Total differences	Tax effect	
		Amounts	Incidence
Pre-tax income	28,805		
<i>Theoretical tax Charge/income</i>		6,913	24.0%
<b>Temporary taxable differences in future years:</b>			
Other temporary differences			
<b>Total</b>			
<b>Temporary deductible differences in future years:</b>			
Accruals to provision for risks and charges	1,114		
Other temporary differences	1,285		
<b>Total</b>	2,399		
<b>Reversal of temporary differences from previous years</b>			
Uses of provision for pending disputes	(466)		
Amortisation and depreciation	(3,072)		
Other recovery of temporary differences	(918)		
<b>Total</b>	(4,456)		
<b>Permanent differences</b>			
Deduction for cars			
Ace	(768)		
Super amortisation and Hyper amortisation	(1,050)		
Balance other permanent differences	(12,821)		
<b>Total</b>	(14,640)		
<b>IRES taxable base</b>	12,108		
<i>Effective tax Charge/benefit</i>		2,906	10.09%
<b>Reimbursement by the parent for tax consolidation</b>			



IRAP			
Description	Total differences	Tax effect	
		Amounts	Incidence
Operating profit	33,898		
Amounts not relevant for IRAP purposes	19,049		
<b>Total</b>	<b>52,947</b>		
<i>Theoretical tax charge</i>		2,552	4.82%
Temporary taxable differences in future years:			
-			
<b>Total</b>			
Temporary deductible differences in future years:			
<b>Total</b>			
Temporary deductible differences in future years:			
<b>Total</b>			
Reversal of temporary differences from previous years			
<b>Total</b>			
Permanent differences			
Balance of permanent differences	(10,691)		
<b>Total</b>	<b>(10,691)</b>		
IRAP taxable base (average rate 4.3%)	42,256		
<i>Effective tax charge</i>		2,037	3.85%

### 3.6. Other Financial Information

#### 3.6.1 Information on the Statement of Cash Flows

In accordance with OIC 10, the Statement of cash flows represents all the cash inflows and outflows during the financial year.

In the Statement of cash flows, illustrated and commented on in the tables hereafter, the individual cash flows are separated into one of the following categories:

- operating activities;
- investing activities;



- financing activities.

The cash flows from operating activities are determined using the indirect method.

The algebraic sum of the cash flows in each of the categories listed above represents the net variation (increase/decrease) in liquid funds during the course of the financial year.

The net increase in liquid funds amounts to € 14,368 thousand.

The cash flow used in operating activities amounts to € 19,469 thousand. It represents the cash flow generated by the operating activities taking into account the monetary and non-monetary adjustments (amortisation, depreciation and provisions), and the changes in current assets.

The cash flow from investing activities in 2021 is € 4,737 thousand, essentially due to the cash flow of € 12,200 thousand from the transfer of the airport business unit to ADR Infrastrutture S.p.A. and the subsequent transfer of the investment to Aeroporti di Roma S.p.A.; partially offset by the net investments in tangible, intangible and financial fixed assets (totalling € 7,463 thousand).

The cash flow from financing activities in 2021 is € 29,370 thousand, in relation to the payment for future capital increases, amounting to € 20,000 thousand made in 2021 by the parent Autostrade per l'Italia, and the net overall variation in loans and borrowings from banks and other financial backers (for € 9,370 thousand).

### 3.7. Other Information

#### 3.7 Related party transactions

In relation to that provided for by art. 2427, paragraph 22 bis of the Italian Civil Code on information on related party transactions, it should be noted that the following trade and/or financial transactions are in place with the Companies listed below. These transactions are carried out under normal market conditions or on the basis of the portion of the joint costs incurred, in the interest of expanding the Company's activities.

#### Parents

- **Atlantia S.p.A.:** indirect parent. The Company has renewed the consolidated tax system option, in which Atlantia is the consolidating company. There is a lease between the parent and Company for the facility in Villa Fassini in Rome. The following tables summarise the income statement items in 2021 and the balance sheet items as at 31 December 2021:

---

	2021	2020
--	------	------

---

(€ thousand)

---

<b>Costs</b>			
Services	13	26	(14)
Use of third party assets	482	480	2
Financial charges		3	(3)
	494	510	(15)

	31/12/2021	31/12/2020	Difference
<b>(€ thousand)</b>			
<b>Receivables</b>			
Payments on account		1	(1)
Tax Receivables	951	1,307	(356)
	951	1,308	(357)
<b>Payables</b>			
Trade payables	585	24	561
Other payables		21	(21)
	585	45	540

- **Autostrade per l'Italia S.p.A.:** direct parent as a result of the corporate transactions in the financial year, owning 77,350,836 shares, amounting to 99.4% of the share capital of the Company, as at 31 December 2021 and exercising management and coordination activities. There are significant ongoing trade and financial transactions with Autostrade per l'Italia S.p.A., which, from a receivables viewpoint, involve both the ordinary and extraordinary maintenance of the highways granted under concession to Autostrade per l'Italia S.p.A. and the construction of infrastructures. The performance of the works awarded by Autostrade per l'Italia S.p.A. represented approximately 87% of the entire production of the Company. The payables concern the recharging of highway toll fares, directors' fees, outsourcing, staff on secondment, work-related fines and sundry costs.

The financial transactions are constituted by a credit line (regulated at market rates) generating interest income and expense within the Group, through which only financing transactions to cover the overdrawn bank accounts are managed in under the cash pooling arrangement. It can be seen from the above that the transactions are of an ordinary nature.

There are sales commitments with Autostrade per l'Italia S.p.A. representing works still to be carried out for assignments received amounting to € 161,197 thousand and sureties regarding insurance and bank guarantees for the proper execution of works amounting to € 70,700 thousand.



The following tables summarise the income statement items in 2021 and the balance sheet items as at 31 December 2021:

	2021	2020	Difference
<b>(€ thousand)</b>			
<b>Revenue</b>			
Works	498,161	339,274	158,887
Services-Sales		15	(15)
Other income	5	486	(481)
	498,166	339,775	158,391
<b>Costs</b>			
Services	1,803	1,192	610
Use of third party assets	56	56	
Personnel expenses		18	(18)
Other costs	355	496	(142)
Financial charges	616	478	138
	2,829	2,240	589
<b>(€ thousand)</b>			
	<b>31/12/2021</b>	<b>31/12/2020</b>	<b>Difference</b>
<b>Financial fixed assets</b>			
	4	4	
<b>Receivables</b>			
Work in progress	276,943	205,043	71,900
Trade receivables	33,765	10,779	22,986
Provision for bad debts	(1,153)	(1,153)	
Advance payments to suppliers	870	2,490	(1,620)
	310,425	217,159	93,266
<b>Payables</b>			
Trade payables	1,152	1,074	78
Payments on account	24,869	23,355	1,513
Other payables	291	442	(150)
Financial payables	115,121	130,784	(15,663)
	141,433	155,655	(14,222)



#### Atlantia Group companies

- **Aeroporti di Roma Group:** associate; as already mentioned numerous times in this document, a project was started with the Shareholders in the framework of a wider-ranging reorganisation of the Atlantia Group, aimed at separating the business unit of the Company regarding airport activities and then transferring it to the control of Aeroporti di Roma S.p.A. The transaction led to the incorporation of ADR Infrastrutture S.p.A. transferred to Aeroporti di Roma S.p.A. on 21 January 2021; the transfer led to the recording of a capital loss from the sale of investments amounting to € 2,950 thousand reflected under financial charges in the 2021 income statement. In 2021, the Company also provided ADR Infrastrutture with an administrative accounting service as a result of a contract between the parties. As at 31 December, the accounts also included receivables for advance payments made on behalf of ADR Infrastrutture in favour of suppliers included in the business unit transferred. There were also sureties for the proper execution of works and advance contractual payments to Aeroporti di Roma S.p.A. for € 42,362 thousand as at 31 December 2021.

The following tables summarise the income statement items in 2021 and the balance sheet items as at 31 December 2021:

	2021	2020	Difference
<b>(€ thousand)</b>			
<b>Revenue</b>			
Works		50,312	(50,312)
Services-Sales	822		822
Other income	78	181	(103)
	900	50,493	(49,593)
<b>Costs</b>			
Services	549	155	394
Personnel expenses	25		25
Other costs	8	41	(33)
Financial charges	2,952		2,952
	3,535	196	3,338



	31/12/2021	31/12/2020	Difference
<b>(€ thousand)</b>			
<b>Receivables</b>			
Works in progress		24,693	(24,693)
Trade receivables	2,373	5,530	(3,157)
	2,373	30,222	(27,849)
<b>Payables</b>			
Trade payables	364	318	46
Payments on account		21,609	(21,609)
Other payables		9	(9)
	364	21,936	(21,573)

- **Telepass S.p.A.:** an associate; there are trade transactions in place with the company concerning highway usage by Company vehicles;
- **Società Autostrade Meridionali S.p.A.:** an associate; the Company has receivables for invoices issued and work in progress for activities carried out in previous years;
- **Tangenziale di Napoli S.p.A.:** an associate; the Company has receivables for invoices issued and work in progress for activities carried out in previous years;
- **Spea S.p.A.:** an associate;
- **Stalexport Autostrada Malopolska S.A.:** an associate, the Company has receivables for invoices issued and work in progress for activities carried out in Poland by the Pavimental Branch in TA with the subsidiary Pavimental Polska in previous years;
- **Autostrade Tech S.p.A.:** an associate, there are transactions in place with the company concerning the recharging of the cost of seconded staff. .

The following tables summarise the income statement items in 2021 and the balance sheet items as at 31 December 2021:



	2021	2020	Difference
<b>(€ thousand)</b>			
<b>Contract work</b>			
Stalexport Autostrada Malopolska S.A.		1,091	(1,091)
Tangenziale di Napoli S.p.A.		177	(177)
		1,268	(1,268)
<b>Other income</b>			
Autostrade Tech S.p.A.	19		19
Spea S.p.A.	1	180	(179)
	20	180	(161)
<b>Services and use of third party assets Spea S.p.A.</b>			
Telepass S.p.A.	15	85	(85)
	15	12	3
		97	(82)

	31/12/2021	31/12/2020	Difference
<b>(€ thousand)</b>			
<b>Trade receivables and work in progress</b>			
Società Autostrade Meridionali S.p.A.	215	215	
Stalexport Autostrada Malopolska S.A.	677	742	(66)
Tangenziale di Napoli S.p.A.	639	623	16
Autos tra de Tech S.p.A.	19		19
Spea S.p.A.		293	(293)
	1,550	1,874	(293)
<b>Payables</b>			
Telepass S.p.A.	3	1	2
Spea S.p.A.	6	6	
	9	7	2

### 3.7.2 Other Information

#### Repurchase agreements

The Company has no payables and/or receivables under repurchase agreements.

#### Finance Leases

As at 31 December 2021, the Company holds some assets under finance leases detailed in the following table (amounts in € thousand), which illustrates, as required by art. 2427 of the Italian Civil Code, the effects that may result in the event that the company had recorded them pursuant to IAS 17 (recording at the purchase cost of the assets and subsequent depreciation, recording of the financial liability and



relative financial charges):

Contract no.	Description of asset	Book value of the asset	Accumulated depreciation	Present value of the lease instalments not yet due	2021 depreciation	Implicit interest expense
7407130155	DS 7 vehicle	28	17	9	6	
7407128365	DS 7 vehicle	28	17	9	6	
7408398861	Peugeot vehicle	31	9	20	8	1

### Guarantees

Pursuant to art. 2427, paragraph 22 ter of the Italian Civil Code, there are no off-balance sheet agreements the risks and/or benefits of which are significant in terms of the Company's financial position, results of operations and cash flows. It must be noted that, regarding the guarantees, as at 31 December 2021, there were no events that could imply the right for the third party beneficiaries of the guarantees to claim them.

#### Collateral given

€ 6,013 thousand (€ 6,013 thousand)

Includes the sureties granted to third parties in the interest of the consortium company R.F.C.C. in liquidation (€ 1,364 thousand) and the pledge on the shares of Tangeziale Esterna granted by the Company to guarantee a loan contract (€ 4,649 thousand).

(€ thousand)	31/12/2021	31/12/2020
Performance bond	81	81
Guarantee withholdings	490	490
Financial liabilities	793	793
Pledge on purchase of TE shares	4,649	4,649
<b>Total</b>	<b>6,013</b>	<b>6,013</b>

#### Other guarantees

€ 231,521 thousand (€ 312,471 thousand)

The breakdown of the other guarantees is illustrated in the following table:



(€ thousand)	31/12/2021	31/12/2020
Collateral and Personal Guarantees received	53,915	56,519
Third party Guarantees given on behalf of the company:		
Performance bond	107,056	183,612
Contractual advances	44,540	49,213
Other	26,009	23,126
<b>Total</b>	<b>231,521</b>	<b>312,471</b>



***4. KEY FIGURES FROM THE  
FINANCIAL STATEMENTS  
OF THE COMPANY THAT MANAGES AND  
COORDINATES THE COMPANY***



#### 4.1 Management and Coordination

The Company is subject to the management and coordination of Autostrade per l'Italia S.p.A., a company with headquarters in Via A. Bergamini 50, Rome. The key figures of Autostrade per l'Italia S.p.A. contained in the summary table below, required by article 2497-bis of the Italian Civil Code, have been taken from the latest approved financial statements of the company, in other words those as at and for the year ended 31 December 2020, expressed in € thousand.

SUMMARY OF KEY FIGURES FROM THE LATEST FINANCIAL STATEMENTS OF THE COMPANY THAT MANAGES AND COORDINATES THE COMPANY PURSUANT TO ART. 2497 BIS CC	
AUTOSTRADA PER L'ITALIA S.p.A. KEY FIGURES FROM 2020 FINANCIAL STATEMENTS	
(€ thousand)	
<b>BALANCE SHEET</b>	
Non-current assets	17,457,052
Current assets	2,327,994
<b>Total Assets</b>	<b>19,785,046</b>
Net Equity	1,095,296
<i>of which share capital</i>	622,027
Non-current liabilities	10,608,446
Current liabilities	8,081,304
<b>Total Net Equity and Liabilities</b>	<b>19,785,046</b>
<b>INCOME STATEMENT</b>	
Revenue	2,906,114
Costs	-2,957,737
<b>Operating loss</b>	<b>-51,623</b>
<b>Net loss for the year</b>	<b>-398,131</b>