Atlantia

Integrated
Annual Report
2020

Moving forward

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Indications for consultation of the notes in the document.

The notes found in the text are numbered progressively for each section. The notes in the charts, text boxes and tables are numbered separately.

Snapshot

This section provides a snapshot of the Group, its performance highlights and the most significant events that took place in 2020

Letter to stakeholders

2020 was marked by the highly exceptional situation caused by the health and economic crises linked to the Covid-19 pandemic, which is continuing to have major economic and social repercussions throughout the world. The pandemic has had a significant impact across the transport infrastructure sector. Atlantia Group companies were among the first to feel the effects, partly reflecting the fact that the first outbreaks of the virus to appear in Europe were located in northern Italy in February 2020.

The Group saw sharp falls in traffic, with reductions of up to 80% recorded by the principal motorway networks operated under concession, and nothing short of a collapse in air traffic using the Group's airports. Despite this, the entire Group showed an ongoing financial and organisational commitment to combatting the pandemic and guaranteeing efficient mobility services to passengers and road users, in addition to ensuring that our personnel were able to work safely. Working alongside the various governments, the Group made a tangible contribution to the provision of emergency logistics, guaranteeing the transport of goods and people even at the height of the health emergency and during travel bans. We were involved in efforts to contain the spread of the pandemic – above all at our airports – by both adopting extensive testing regimes for passengers, introduced for the first time in Europe by Aeroporti di Roma, and by making premises available to communities for testing and vaccination.

The crisis caused by the pandemic has demonstrated even more clearly how transport infrastructure plays a vital role in connecting people, goods, communities and territories, making it essential for multiple stakeholders to come together to agree on objectives and priorities.

2020 not only tested the financial strength of the various Group companies, but also represented a period of major upheaval as the global community's social and economic priorities changed.

With the aim of creating sustainable value for all our stakeholders, the Board of Directors has undertaken a thorough strategic rethink, drawing up new medium-term guidelines designed to accelerate and multiply Atlantia's impact on the community.

Atlantia's primary goal is now to drive the development of increasingly sustainable, integrated, safe, innovative and efficient mobility, accessible to the greatest number of people. Innovation, sustainability and the simplification of daily life will be the driving forces behind the Group's future growth and value creation. Environmental, social and governance (ESG) factors have thus taken on an even more central and essential role in achieving the Company's mission.

Atlantia has identified specific priority ESG topics and aims to progressively incorporate them into our businesses and into the entire infrastructure development and management cycle and mobility models and systems. These priorities are consistent and aligned with the UN's 2030 sustainable development agenda and the Global Compact principles adopted by Atlantia. They take the form of goals and action plans that aim to combat climate change, drive the circular economy, protect the environment, build trust with all our internal and external stakeholders, develop human capital and value diversity and inclusion. Finally, innovation and digitalisation have a crucial role to play in enabling us to achieve all our priorities and, more generally, to sustainably grow our business.

In keeping with these guiding principles, with the aim of reporting transparently on the Group's performance across all our areas of operation, Atlantia's annual report is for the first time being presented in integrated form, covering our financial and non-financial results in one single document.

In terms of our financial results, 2020 was inevitably marked by the sharp decline in traffic. The Group saw its revenue fall €3.3 billion (29% down on 2019), whilst EBITDA was down €2.0 billion (35%) and the year closed with a significant net loss. Despite this, the financial markets, certain that there will be a recovery as soon as the pandemic is over, continued to have confidence in Group companies, who were able to raise over €9 billion in fresh liquidity via the successful issue of financial instruments. This meant that, in spite of the changed economic situation, our businesses did not have to sacrifice their commitment to safety and investment. In particular, in its Financial Plan submitted to the Grantor – approval of which is long overdue - Autostrade per l'Italia has targeted capital expenditure of up to €14.5 billion and up to €7 billion in expenditure on maintenance through to 2038. A further €3.4 billion is to be spent on additional measures related to the Morandi bridge tragedy in Genoa in 2018, with the extra funds to be spent on the city's people, on toll reductions and additional works. In this connection, Atlantia has also expressed a willingness to consider proposals resulting in the transfer of control of Autostrade per l'Italia, but only on fair market terms and conditions. To this end, a transparent, dual-track process, with a view to a market sale, has thus been launched and is still ongoing.

In the meantime, overseas, Abertis completed a number of important acquisitions: Red de Carreteras de Occidente (RCO), which manages 876 km of motorway network in Mexico, and Elizabeth River Crossings (ERC), which operates 6 km of tunnels in Virginia in the USA. At the same time, Atlantia has selected a new partner to help drive the pan-European expansion of Telepass's payment solutions for transport users, agreeing to sell a 49% stake in the company to the global investment fund manager, Partners Group.

The management teams at Atlantia and its subsidiaries have undergone significant changes with, among other things, the creation of new roles at the principal companies to take responsibility for managing aspects that will play an increasingly crucial role in implementing the Group's strategy, including the earlier mentioned sustainability and innovation. At the same time, subsidiaries are to be given greater autonomy and independence, with the Parent Company tasked with providing strategic leadership and managing our investment portfolio. The reorganisation has, as a consequence, resulted in stronger governance arrangements at our subsidiaries, with a greater number of independent directors on the various boards, the establishment of board committees (audit, investment and remuneration committees, for example), and the creation of independent internal audit and risk management teams.

Our solid foundations, the value of our people and the strategic changes we are implementing enable us to look to the future with confidence, despite the highly unstable and unpredictable nature of the current global scenario. We are committed to repaying the faith shown in the Group by our stakeholders.

Fabio Cerchiai
Chairman

Carlo Bertazzo
Chief Executive Officer

Corporate bodies

Board of Directors - in office for the period 2019-2021

POSITION	INDEPENDENT	NAME
Chairman		Fabio Cerchiai
Chief Executive Officer		Carlo Bertazzo [1]
Director		Sabrina Benetton [2]
Director	■	Andrea Boitani
Director	■	Riccardo Bruno
Director	■	Cristina De Benetti
Director	■	Dario Frigerio
Director	■	Gioia Ghezzi
Director	■	Giuseppe Guizzi
Director	■	Anna Chiara Invernizzi
Director	■	Carlo Malacarne
Director		Valentina Martinelli [2]
Director	■	Lucia Morselli [3]
Director	■	Ferdinando Nelli Feroci
Director	■	Licia Soncini
Secretary		Claudia Ricchetti

■ Independent ■ External

1 Carlo Bertazzo, was appointed the Company's Chief Executive Officer by the Board of Directors on 13 January 2020. With effect from 1 March 2020, Carlo Bertazzo also assumed the role of General manager of Atlantia S.p.A.. On 26 May 2020, Carlo Bertazzo informed the Company that he was resigning from the Nominations Committee.

2 On 29 May 2020, the Annual General Meeting approved the appointments of Sabrina Benetton and Valentina Martinelli as Directors of the Company to serve until approval of the financial statements as at and for the year ended 31 December 2021. Both Directors had previously been co-opted by the Board of Directors at the meetings of 31 October 2019 and 6 March 2020, respectively.

Audit, Risk and Corporate Governance Committee

POSITION	NOME
Chairwoman	Cristina De Benetti
Member	Andrea Boitani
Member	Dario Frigerio
Member	Lucia Morselli

Nominations, Remuneration and Human Capital Committee [4]

POSITION	NAME
Chairman	Riccardo Bruno
Member	Giuseppe Guizzi
Member	Anna Chiara Invernizzi
Member	Andrea Boitani
Member	Carlo Malacarne

Sustainability Committee

POSITION	NAME
Chairwoman	Gioia Ghezzi
Member	Ferdinando Nelli Feroci
Member	Lucia Morselli
Member	Licia Soncini

3 The General Meeting of shareholders held on 30 October 2020 approved the appointment of Lucia Morselli as a Director of the Company to serve until approval of the financial statements as at and for the year ended 31 December 2021. Ms Morselli had previously been co-opted by the Board of Directors on 24 September 2020 to replace the Director, Mara Anna Rita Caverni, who resigned with effect from 31 July 2020. Lucia Morselli was appointed a member of the Audit, Risk and Corporate Governance Committee on 13 November 2020.

4 On 18 February 2021, Atlantia's Board of Directors established a Sustainability Committee and revised the terms of reference of the existing Board Committees, opting to combine the roles of the Nominations Committee and the Human Resources and Remuneration Committee, creating a single committee now named the Nominations, Remuneration and Human Capital Committee).

Committee of Independent Directors with responsibility for Related Party Transactions

POSITION	INDEPENDENT	NAME
Chairman	■	**Dario Frigerio**
Member	■	**Riccardo Bruno**
Member	■	**Carlo Malacarne**

Board of Statutory Auditors - in office for the period 2018-2020

POSITION	NAME
Chairman	**Corrado Gatti**
Auditors	**Alberto De Nigro**
Auditors	**Sonia Ferrero**
Auditors	**Lelio Fornabaio**
Auditors	**Livia Salvini**
Alternate Auditors	**Laura Castaldi**
Alternate Auditors	**Michela Zema**

Supervisory Board

POSITION	EXTERNAL	NAME
Coordinator	■	**Attilio Befera**
Member	■	**Giuseppe Troccoli**
Member		**Lorenzo Alzati** *(Head of Internal Audit)*

Independent Auditor - for the period 2012-2020

Deloitte & Touche

■ Independent ■ External

The new Integrated Annual Report

With the aim of increasing and improving the disclosures provided to stakeholders, in 2020 Atlantia embarked on the process of integrating our financial and non-financial reporting. This has resulted in the presentation of the Group's first Integrated Annual Report.

The document also includes key information taken from the Report on Corporate Governance and the Remuneration Report.

The document is divided into two parts: the "Report on operations" and "Financial statements". The first part consists of three sections entitled "Snapshot", "Business Model" and "Performance", which have been designed to provide progressively greater detail and guide the reader towards the most important information. The second part contains Atlantia's consolidated and separate financial statements.

Following the information principle of connectivity, the Integrated Annual Report aims to provide a transparent, detailed presentation of the financial and non-financial performances of the Atlantia Group as a whole, of the environment in which the Group operates, our strategies, the principal risks to which the Group is exposed and our corporate governance system and remuneration policies.

Atlantia's Integrated Annual Report also meets the requirements of Legislative Decree 254/2016, which has transposed Directive 2014/95/EU on non-financial reporting into Italian law. The Report thus includes a specific section called the Non-financial Statement ("NFS") and a framework of reconciliation which enables the ready identification of non-financial disclosures within the document.

01. The year 2020

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1.1 Group highlights

Atlantia is a strategic investment holding company, managing motorway and airport infrastructure under concession and providing mobility services.

Key highlights

56
concessions in 11 countries

~13,000 km
of toll motorway

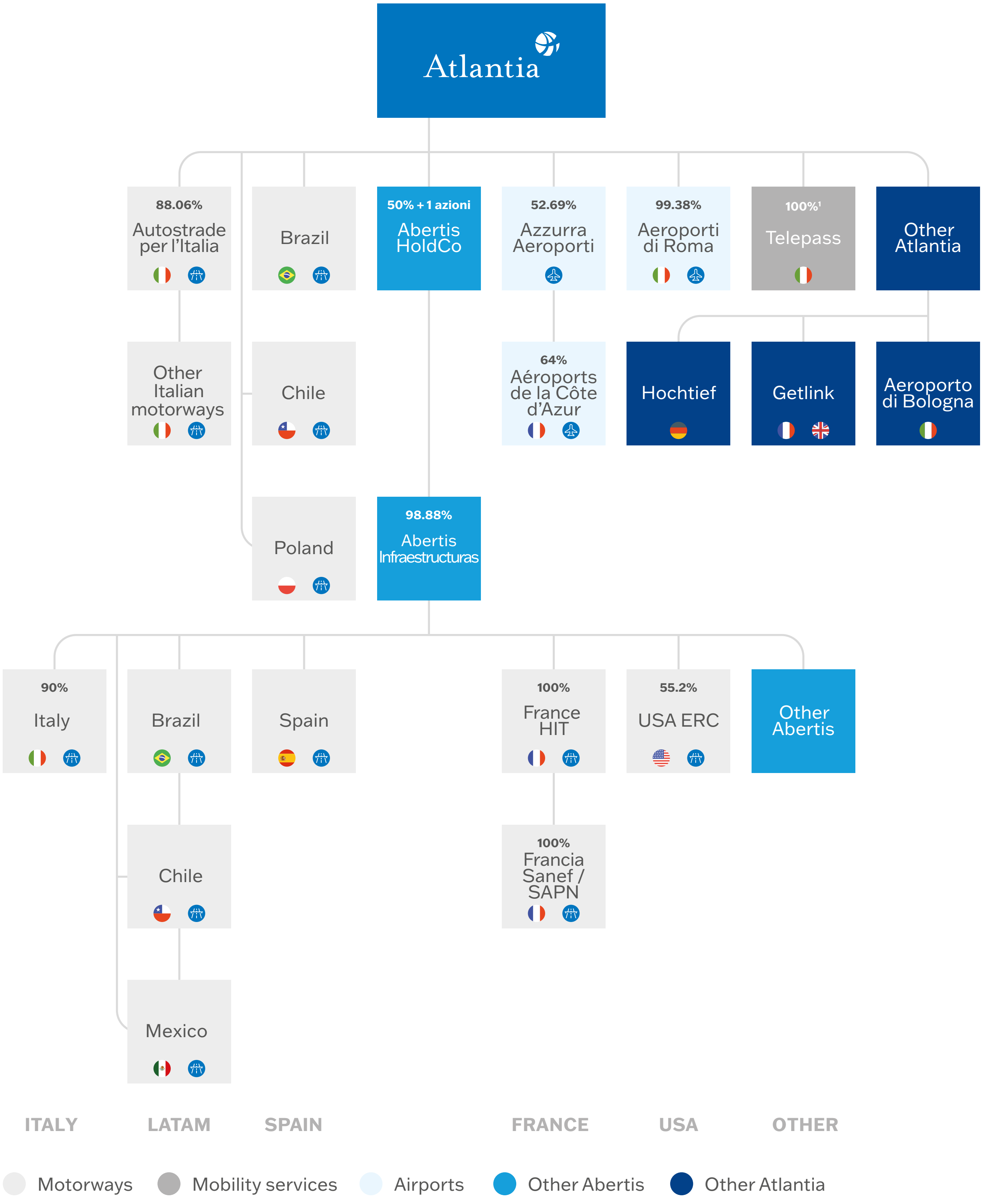
5 airports
managed

24 countries
with tolling services

~31,000
employees

Simplified structure of the Atlantia Group

The Group is organised into 6 operating segments (Autostrade per l'Italia Group; Abertis Group; other overseas motorways, Aeroporti di Roma Group, Aéroports de la Côte d'Azur Group; Telepass Group) and operates through 168 companies located throughout the world.

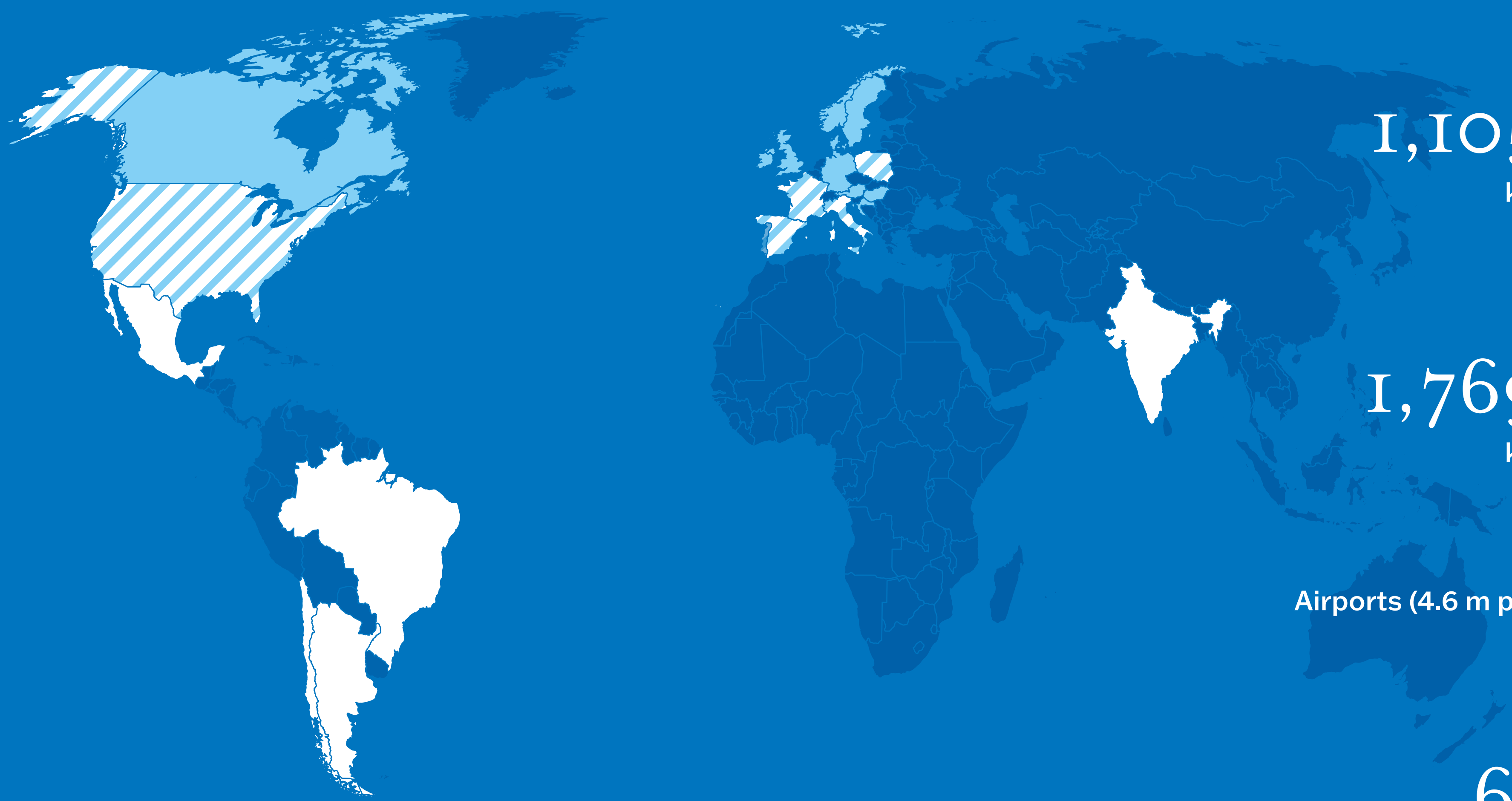


1 – In October 2020, Atlantia agreed to sell a 49% interest in Telepass to Partners Group. The transaction is expected to complete in the first half of 2021.

Atlantia in the world

- Motorway/airport concessions
- Tolling services
- Motorway/airport concessions and Tolling services

USA	6 km
Puerto Rico	90 km
Mexico	876 km
Brazil	4,321 km
Chile	1,100 km
Argentina	175 km



Italy	3,255 km	2 Airports (11.5 m pax)
Spain	1,105 km	
France	1,769 km	3 Airports (4.6 m pax)
Poland	61 km	
India	152 km	

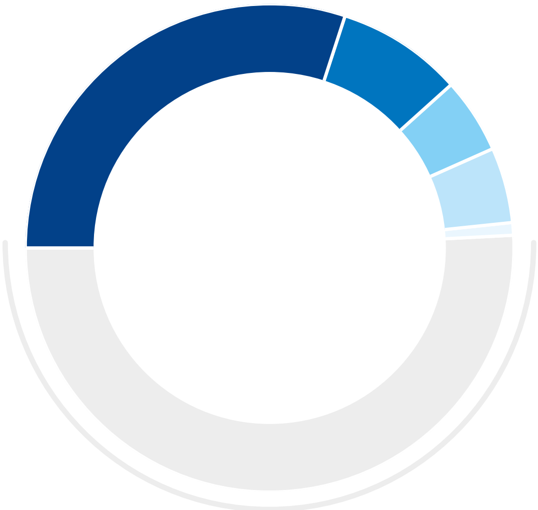
Ownership structure and share price performance

Atlantia S.p.A., listed on the screen-based trading system (*Mercato Telematico Azionario*) organised and managed by Borsa Italiana S.p.A., is one of the leading constituents of the FTSE MIB index, with approximately 40,000 retail and institutional shareholders. Atlantia's owners include around 11,000 employees who participated in the free share scheme offered in November 2020.

The Company's free float, accounting for 50.7% of its shares, is held by leading international investment funds, insurance companies, pension funds and ethical funds. After excluding retail (and therefore unidentified) investors, the free float is 5.3% held by Italian institutions and 69.5% held by international institutions at the end of 2020.

The impact of the pandemic weighed heavily on the share price performances of all transport infrastructure businesses, with Atlantia being one of the first to be hit in February 2020 as the initial outbreaks of Covid-19 began to take hold in northern Italy.

Atlantia's ownership structure [1]



30.25% Sintonia (Edizione)

8.29% GIC Pte.

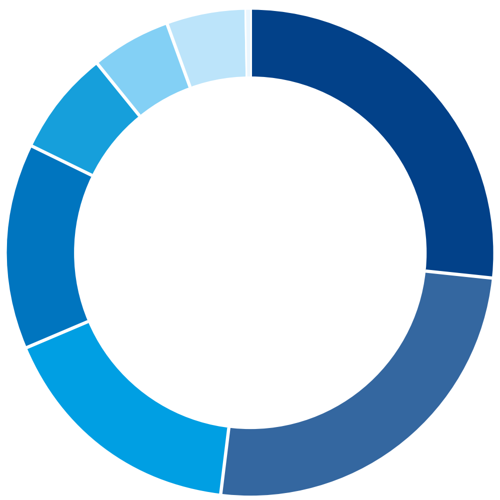
5.01% HSBC Holdings

4.85% Fondazione Cassa di Risparmio di Torino

0.84% Treasury shares Atlantia

50.76% Free float [1]

Geographical breakdown of the free float [2]



0.2% France

5.1% Rest of the world

5.3% Italy

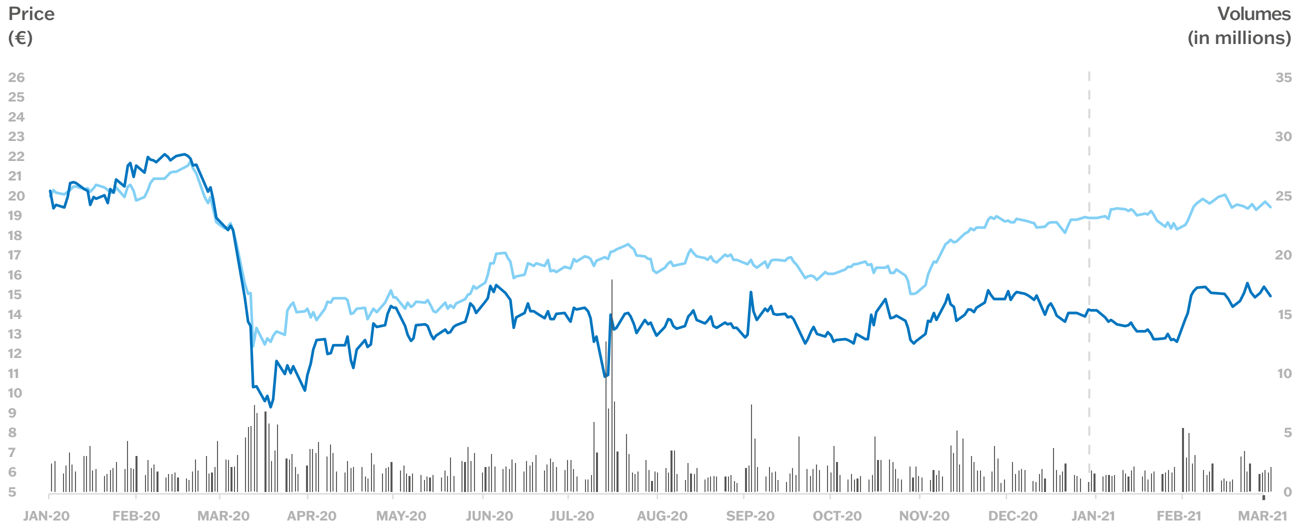
7.1% Australia

26.9% USA

25.2% Retail/unidentified investors

16.7% UK

13.5% Rest of Europe



Volume of Atlantia shares traded | Atlantia share price | FTSE/MIB rebased

PERFORMANCE OF ATLANTIA'S SHARES	YTD [3]	2020
Closing price (€)	15.81	14.72 [2]
High (€)	16.07	23.03
Low (€)	15.78	9.82
Stock market capitalisation (€m) [5]	13,100	12,151

Source: Thomson Reuters.

1 Source: CONSOB, figures at 31 December 2020
2 Source: Nasdaq, figures at 31 December 2020
3 Period from 1 January to 8 March 2021
4 Closing price in 2020
5 For 2020, based on the closing price on 30 December 2020; for the YTD, based on the closing price on 8 March 2021

Rating

Financial ratings

In response to the uncertain situation created following the adoption of Law Decree 162/2019 (the "*Milleproroghe* Decree"), later converted into law at the end of February 2020, at the beginning of January 2020, the rating of the subsidiary, Autostrade per l'Italia and, as a consequence, Atlantia's rating were downgraded to sub-investment grade by the leading rating agencies (together with Aeroporti di Roma's rating) and placed on rating watch negative.

Following the announcement, in July 2020, of a proposed agreement settling the dispute between Autostrade per l'Italia and the Italian Government, whilst awaiting its final approval, the outlook for Atlantia's and Autostrade per l'Italia's ratings was upgraded from "Rating watch negative" to "Developing/Evolving".

The rating agencies current ratings of Atlantia are as follows:

	ISSUER RATING	RATING OF BONDS ISSUED BY ATLANTIA (HOLDING)
	Rating e outlook	**Rating and outlook**
Fitch Rating	BB+ [6]	BB Rating Watch Evolving
Moody's	Ba2 [7] Developing outlook	Ba3 Developing outlook
Standard & Poor's	BB- Developing outlook	BB- Developing outlook

Non-financial ratings

In terms of Atlantia's non-financial performance in 2020, the ratings published by the leading non-financial rating agencies are as follows:

	SCALE	ATLANTIA SCORE	VS. SECTOR AVERAGE
ISS ESG	D- / A+	C	^
MSCI ESG Rating	CCC - AAA	BB	=
FTSE RUSSEL	0-5	4.1	^
CDP (Climate)	D- / A	B	^
SUSTAINALYTICS	0-40+ (Negl- - severe risk)	19.8 (low risk)	=

6 "Consolidated rating" for the Atlantia Group

7 "Corporate family rating" for the Atlantia Group

Covid-19

The health emergency linked to the Covid-19 pandemic is having a significant impact on societies and economies across the globe. In part due to the restrictive measures progressively introduced by governments, the operational and financial impact on the mobility and transport system could well have repercussions for growth and development over both the medium and long term.

From the first quarter of 2020, demand for passenger transport fell sharply, having a prolonged impact on a number of geographies.

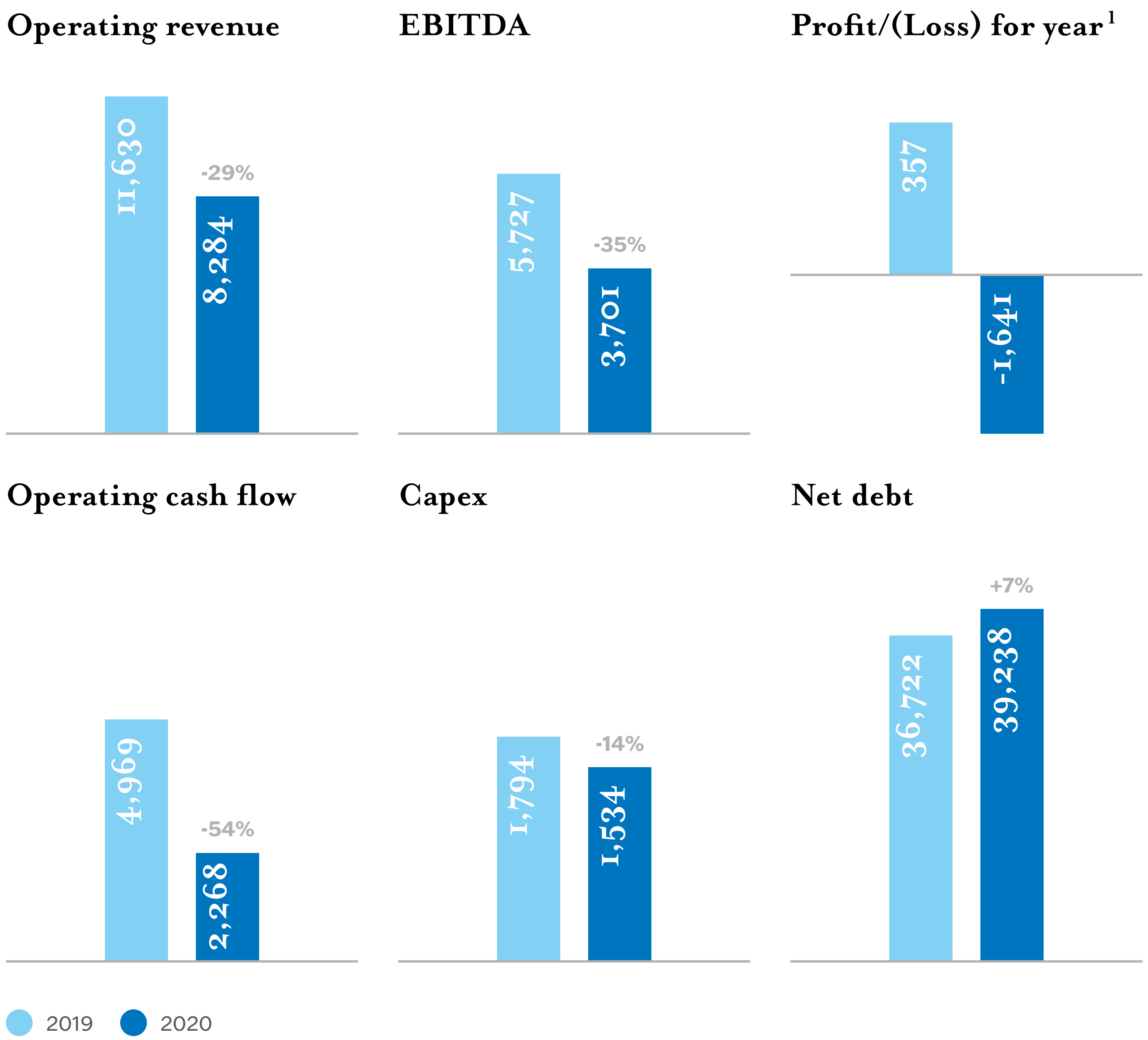
At global level, motorway traffic (light vehicles) was around 20% down on 2019. The most significant declines were registered by toll motorways as opposed to local and urban traffic.

Road freight traffic was down by around 5% on average over 2020, registering a smaller decline due to the need to guarantee essential logistics services and increased demand for online shopping.

The reduction in air passenger traffic was particularly significant in Europe, with an average decline of approximately 70% in 2020 compared with other geographies (falls of 65% in North America and 62% in Asia).

Financial highlights

Consolidated financial highlights for 2020



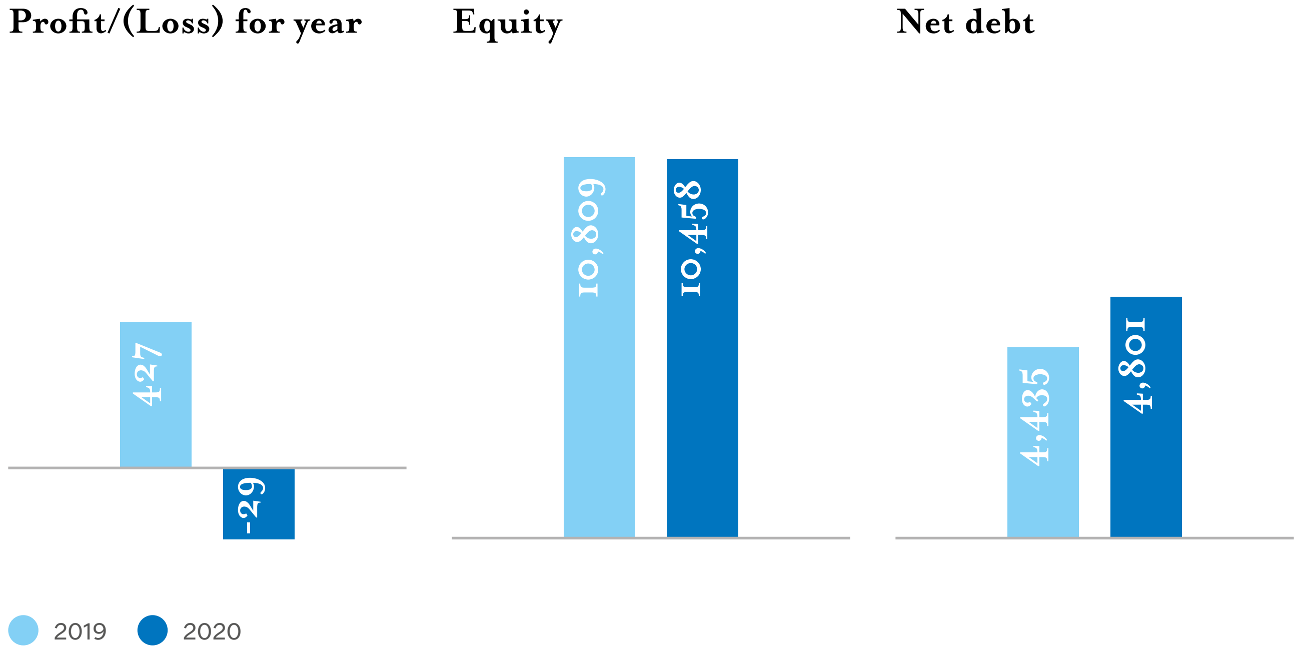
The Group's results for 2020 reflect the impact of the Covid-19 pandemic on motorway traffic (down 24% compared with 2019) and airport traffic (down 75% compared with 2019), the expiry of a number of the Abertis Group's motorway concessions in Spain (Aumar) and Brazil (Autovias) and falls in the value of the Brazilian real and the Chilean peso. The results also take into account Autostrade per l'Italia's proposed settlement, agreed with the Government and now awaiting formal approval by all the relevant authorities.

The effects of the pandemic were partially offset by the steps taken by Group companies to mitigate the impact, including operating cost savings and the rescheduling of capital expenditure (excluding investment in safety), as well as by the measures introduced by the various governments to support concession holders.

Net debt is up €2.5 billion, primarily due to the acquisitions carried out in Mexico and the United States at a total cost of €4.7 billion.

1 - The loss for the year includes the loss attributable to non-controlling interests of €464 million.

Atlantia S.p.A.'s financial highlights for 2020



Loss for the year:

€29 million due to dividends from investees (€502 million), offset by net financial expenses (€358 million) and impairment losses on investments (€219 million)

Equity:

€10,458 million, down €351 million primarily due to the reduction in the value of the investment in Hochtief (€407 million, after the impact of fair value hedges)

Net debt:

€4,435 million, down €366 million due to the increase in fair value gains on fair value hedges (€169 million) and the net cash inflow from dividends collected and operating costs and financial expenses incurred (€186 million).

Non-financial highlights

Consolidated non-financial results for 2020

Climate change

14.5 GWh
Energy produced from renewable sources in 2020

303 k/tons of CO_2
Carbon intensity down 12%* 2015-2020 (-30% 2014-2019)

21%
of electricity consumed is produced from renewable sources (15% in 2019)

Circular Economy

1.4 m/tons
Materials for reuse/ recycling in 2020

90%
Average recovery rate from 2015 to 2020

Shared Value

€ 9.2 bn
Direct economic value created

€ 16 m
Spent on support for communities during the year

* Scope 1 & 2 CO_2/Revenue

Safety

13.9
Injury frequency rate in 2020** (vs 15.6 nel 2019)

-28%
Reduction in injury frequency rate in last 5 years

People

25.6%
Women in key positions

10,840
Employee shareholders

Despite the major impact of the Covid-19 pandemic on our operating and financial performance, the Group has broadly maintained the size of our workforce. The Group employs approximately 31,000 people as at 31 December 2020, with 96% on permanent contracts, in line with 2019.

In terms of safety, there was a 13% reduction in injuries among direct employees, with a major, ongoing financial and organisational commitment to combatting the health emergency and guaranteeing the safety of our employees and safe mobility services for passengers and road users.

Our environmental performance in 2020 reflects the effect of the pandemic on traffic volumes, even if the impact was not as great as on our operating and financial results. CO_2 emissions (scopes 1 and 2) were down 11% compared with 2019, primarily due to reduced energy consumption as a result of the lower volume of passengers and goods, above all in the airports segment.

The reduction in emissions was not in proportion to the Group's operating performance, as the infrastructure we manage remained fully operational to ensure the safe transport of people and goods, even at the height of the health emergency and during the global travel bans imposed by various governments.

Atlantia S.p.A. provided support for communities in difficulty and for the health systems engaged in responding to the pandemic, making cash donations of over €5 million. A range of initiatives were put in place by Group companies to help external organisations fight the pandemic, including donations of equipment, protective devices, food parcels and help to ensure the continuity of educational programmes and digital learning.

** Injury frequency rate: the number of injuries per 1,000,000 employee-hours worked

Environmental, social and governance (ESG) factors have taken on an even more central role in achieving Atlantia's mission of driving the development of increasingly sustainable, safe, innovative and efficient mobility that responds to the needs of society as a whole.

For this reason, Atlantia developed a Sustainability Plan during 2020. Based around a series of specific targets, the Plan aims to drive the Group's creation of sustainable stakeholder value over the next three years. The Plan was approved by the Board of Directors on 18 February 2021. The following section, "*2.2 Strategic guidelines*", provides further details on the commitments and targets set out in the Plan.

MATERIAL TOPIC

Climate change

TARGET BY 2023

Carbon neutral by 2040

Target to be certified by science-based target initiative (scope 1 and 2 emissions)

Circular economy, responsible consumption and production

Circular economy

> 90% of waste produced to be reused or recycled

Resources

> 75% of revenue to be ISO 14001 certified

Share of electricity consumption met from renewable sources to be doubled

Land use, community and stakeholder engagement

Land use

Use of additional land to host expansion of existing infrastructure to be offset by rewilding of equivalent land

Dialogue and engagement

Positive assessment of Atlantia's reputation by our stakeholders (confirmed by results of an independent survey)

People-centricity

Equal opportunities

> 20% of women in management positions

> 20% of members of investees' management and oversight bodies appointed by Atlantia to be women

> 40% of newly created highly skilled roles to be filled by women

Basic rights

> 70% of consolidated revenue to be subject to a human rights audit

Sustainability culture

> 70% of management to receive certified sustainability training

> 30% of personnel involved in projects and initiatives with objectives or impacts relating to sustainable development goals

Safety

Injury frequency rate among direct employees < 14

Ethics and transparency

Transparency

All the Parent Company's operating companies publish their own sustainability reports

Responsibility

Audit procedures are extended to the supply chain, covering all critical suppliers over the three years

Remuneration

Management remuneration to be linked to ESG metrics

Cybersecurity

Adoption of information security and cybersecurity policies by all the Group's operating companies

Digitalisation and innovation

Digitalisation and innovation

are at the heart of everything we do, accelerating Atlantia's impact

1.2 Events during the year 1/2

Atlantia | Abertis | Autostrade per l'Italia | Aeroporti di Roma | Aéroports de la Côte d'Azur | Telepass | Covid-19

January

- Atlantia S.p.A.'s new Chief Executive Officer appointed
- Strategic Transformation Plan 2020-2023 with planned capex and opex in excess of €20bn

March

COVID 19

- Aeroporti di Roma's new Chief Executive Officer appointed
- €5m donated to help in the fight against Covid-19
- Covid-19: insurance policy to help Group's Italian employees in the event of hospitalization

April

- €600m bond issue

June

- Acquisition of Red de Carreteras de Occidente, S.A.B. de C.V. (RCO) in Mexico. 876 km of motorway linking Mexico City and Guadalajara
- €600m bond issue
- Boring of Santa Lucia tunnel completed (on the A1 in Tuscany) at a cost of €1bn
- New guidelines for Atlantia's Enterprise Risk Management model approved

July

- Aeroporti di Roma's concession term extended by two years
- Azzurra issues bonds worth €660m on Dublin's Euronext GEM
- Agreement between Autostrade per l'Italia and the Government

August

COVID 19

- Rating agencies upgrade Atlantia's outlook from negative to developing
- Covid-19: Fiumicino and Ciampino become first EU airports to receive health certification from Airports Council International

1.2 Events during the year 2/2

Atlantia | Abertis | Autostrade per l'Italia | Aeroporti di Roma | Aéroports de la Côte d'Azur | Telepass | Covid-19

September

- €600m bond issue
- Aéroports de la Cote d'Azur (ACA) appoints new Chief Executive Officer
- Covid-19: First safe route between Milan Linate and Rome Fiumicino for flights operated by Alitalia

October

- Agreement between Atlantia and Partners Group for sale of 49% of Telepass for approx. €1bn
- New infrastructure monitoring system (ARGO), based on AI and IoT launched in partnership with IBM and Fincantieri

November

- 10,840 of Group's employees take part in free share scheme
- Fiumicino's "Leonardo da Vinci" airport wins Airports Council International's "Best Airport Award 2020" for third year running
- First green bond worth €300m issued

December

- Acquisition of Elizabeth River Crossings in United States: 4 tunnels and a motorway in Virginia
- First issue of hybrid bonds totalling €1.25bn by Abertis Infraestructuras
- Proposed agreement on new regulatory framework for Autostrade per l'Italia submitted to the Italian Government
- Autostrade per l'Italia returns to Eurobond market with issue of bonds worth €1.25bn
- New company called TECNE established to take over responsibility for engineering design and project management

1.3 Events after 31 December 2020

New bond issue by Atlantia S.p.A.

On 12 February 2021, Atlantia S.p.A. issued new bonds worth €1.0 billion reserved for institutional investors. The bonds, which mature in 2028, have enabled the early refinancing of debt falling due in 2022 (€1 billion out of a total of €1.2 billion).

The new bonds are listed on the Irish Stock Exchange's Global Exchange Market (MTF) and pay fixed annual coupon interest of 1.875%.

Refinancing of key subsidiaries

On 15 January 2021, Autostrade per l'Italia return to the market with the placement of bonds worth €1 billion with institutional investors. The bonds mature in 2030.

The transaction follows the €1.25 billion issue of December 2020 and has bolstered the resources available to the company to fund the investment, maintenance and development plans included in its Business Plan and the repayment of debt. The new bonds are listed on the Irish Stock Exchange's Global Exchange Market (MTF) and pay fixed annual coupon interest of 2.0%.

Under Abertis's plan to issue perpetual medium-term hybrid bonds, after the first issue in November 2020, on 13 and 15 January 2021, the company, acting through Abertis Infraestructuras Finance BV, issued new hybrid bonds worth €750 million, paying coupon interest of 2.625%.

Corporate reorganisation relating to the investment in Pavimental

On 21 January 2021, Aeroporti di Roma completed the acquisition, from Pavimental, of the company to which airport construction and development activities had been transferred. On 22 January, the subsidiary then accepted Autostrade per l'Italia's offer to acquire its 20% stake in Pavimental, with the transaction due to completed by the end of March 2021.

On 29 January 2021, Atlantia transferred its controlling 59.4% interest in Pavimental to Autostrade per l'Italia. On completion of the transactions, Autostrade per l'Italia will thus own a 99.4% stake in Pavimental.

This transaction will enable Autostrade per l'Italia and ADR to implement their respective development using in-house contractors, thereby guaranteeing direct control over timing and the quality of the work carried out using sustainable materials and techniques.

Atlantia's Board of Directors examines offer for 88% of Autostrade per l'Italia S.p.A. - New General Meeting called to approve extension of demerger plan deadline

On 26 February 2021, Atlantia's Board of Directors took note of the binding offer to acquire Atlantia's entire 88% stake in Autostrade per l'Italia S.p.A. ("ASPI"), submitted on 24 February 2021 by the consortium consisting of CDP Equity S.p.A., The Blackstone Group International Partners LLP and Macquarie Infrastructure and Real Assets LTD (the "Consortium").

Following an initial assessment, the Board considered that the offer fell below expectations, as effectively confirmed by the matching valuation of independent advisors, and that the proposed financial and contractual terms were not consistent with the interests of Atlantia or its stakeholders as a whole.

Despite this, the Board has authorised the Chairman and the Chief Executive Officer, assisted by the Company's appointed advisors, to assess the potential for the necessary substantial improvements to the offer. The Board will, therefore, hold a further meeting in order to make it's own assessment, with the outcome promptly announced to the market.

In line with the dual-track process launched on 24 September 2020 and approved by the General Meeting of shareholders held on 15 January 2021 (almost unanimously, with shareholders representing 99.7% of the issued capital voting in favour), the Board of Directors also decided to call an Extraordinary General Meeting of shareholders for 3.00pm on 29 March 2021. This Meeting will be asked to deliberate on an extension of the deadline for the potential submission by third parties of binding offers for Atlantia's controlling interest (represented by a 62.8% stake) in Autostrade Concessioni e Costruzioni S.p.A. until 31 July 2021, compared with the original deadline of 31 March 2021. It should be noted that, on completion of the transaction described in the demerger plan (involving the demerger, transfer and concomitant listing of Autostrade Concessioni e Costruzioni S.p.A.), this latter company will hold an 88% interest in ASPI.

Investment in Volocopter

On 3 March 2021, Atlantia S.p.A. took part in a private placement by the German company, Volocopter, the world leader in the commercialisation of innovative and sustainable urban air mobility solutions, investing €15 million. The investment is in keeping with Atlantia's new growth strategy, focusing heavily on innovation and sustainability.

1.4 Outlook

As indicated in the “Risk management” section of this Integrated Annual Report, to which reference should be made, at the date of preparation of this release, there are certain uncertainties with the potential to have a material impact on Group companies.

Due to the effects of the prolongation of the Covid-19 pandemic and the impact of the resulting restrictions on movement and on the economies of the countries in which the Group operates, it is not currently possible to predict with any certainty how long it will take to return to pre-Covid levels of traffic.

Based on traffic figures through to 7 March 2021 (an 18% fall in motorway traffic and an 86% decline in airport traffic compared with 2019), and assuming a gradual relaxation of the restrictions on movement from the summer onwards, as the rollout of vaccination programmes progresses, we expect to see a potential improvement in the operating performance in 2021 compared with 2020. This improvement will be more significant in the motorway segment than in the airport segment, although not sufficient to return to the pre-crisis levels of 2019.

Under this scenario, we expect motorway and airport traffic to be down 10% and 70%, respectively, on 2019.

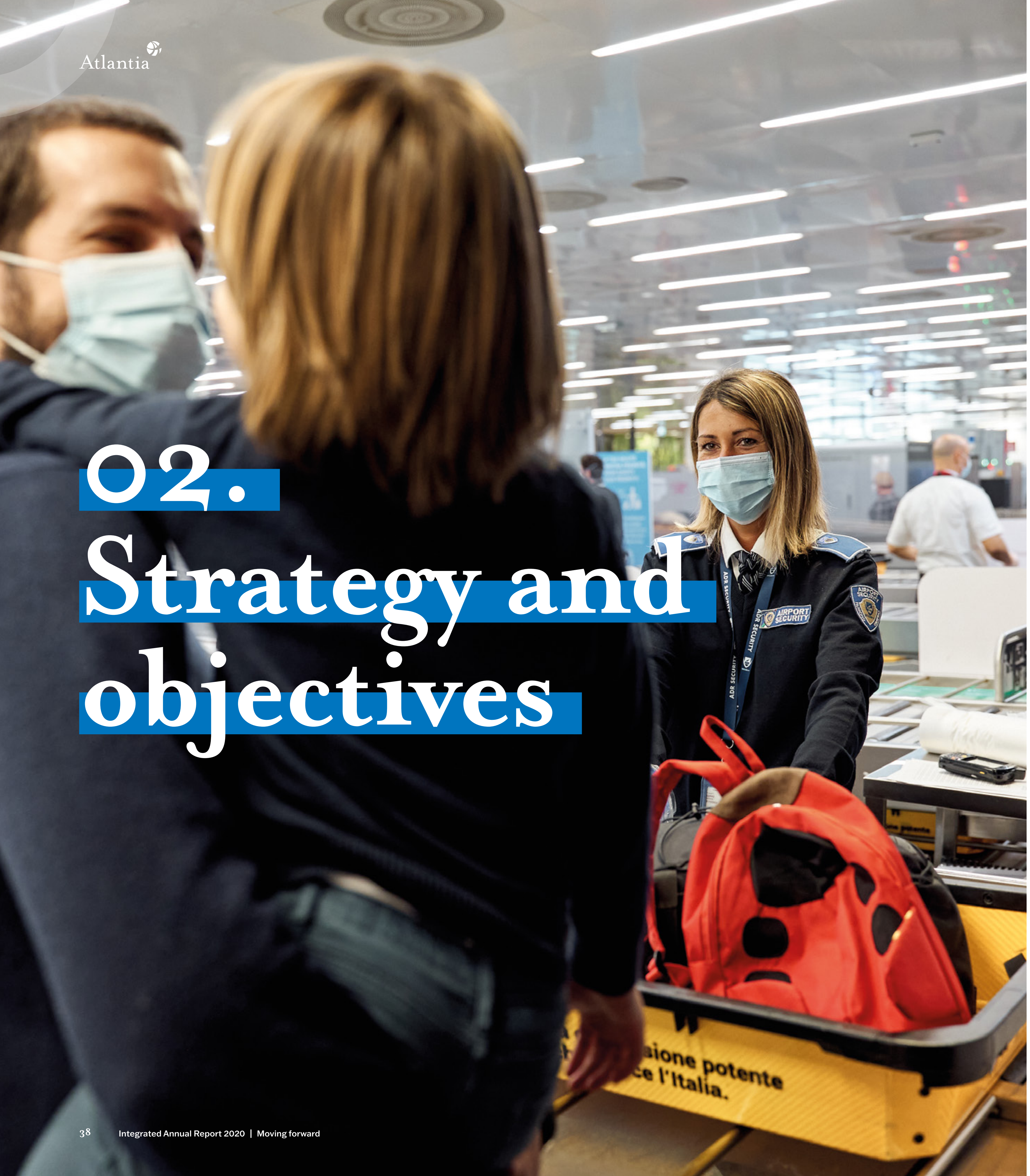
As a result, we expect the Group’s revenue for 2021 to be in the order of €9.4 billion, with operating cash flow of approximately €3 billion. In any event, operating cash flow is expected to exceed the cost of investment planned for 2021.

It should be noted, however, that the assumptions underlying such a sensitivity analysis are subject to change depending on events and on a number of risk factors and uncertainties (for example, movements in exchange and interest rates). As a result, the actual figures may differ, perhaps significantly, from the expected amounts. The above figures should, therefore, be considered as forecasts of a purely indicative nature and based on the above assumptions. They are subject to review based on future traffic projections as the situation evolves and, as such, do not constitute the outlook or future performance targets for the Group.

In any event, with the aim of mitigating the impact on our earnings and financial position, Group companies will continue to focus on delivering efficiencies and cost savings and on reviewing their investment plans, whilst at the same time guaranteeing works linked to the safety of infrastructure. We will also continue to assess all the various forms of aid being provided by governments and local regulators in the various countries.

Business model

This section contains a high-level overview of the organisation, our operating model, governance and control systems and the strategic guidelines followed by our core businesses



02. Strategy and objectives

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2.1 Mission and Vision

The management and development of infrastructure involves the assumption of responsibility for safeguarding and improving real connections between people, goods, communities and territories.

Aware of this responsibility and conscious of the Atlantia Group's daily commitment to its stakeholders, in keeping with their changing needs and the global socio-economic agenda, the Group has defined the priority values on which it intends to focus attention in the near future.

Mission, vision and values

Mission

WHAT WE DO

To drive the development of increasingly sustainable, safe, innovative and efficient mobility that responds to the needs of society as a whole.

Vision

OUR ASPIRATIONS

To create economic and social value for communities and territories through active investment in cutting-edge assets, capable of offering mobility services that provide a stand-out travel experience and simplify daily life.

Our values

THE QUALITIES THAT DEFINE US

Development and sustainability
Continuity and innovation
Value and progress
Diversity and inclusion
Individuality and community

Continuing our track record for growth in previous years, the Group's mission and vision form the basis for the values that will underpin are daily approach to managing the infrastructure we operate under concession and delivering the mobility services we offer. With **around 31,000 people** present in the **eleven countries** in which we operate infrastructure, primarily in Europe and the Americas, Atlantia plays the role of inhabitant and a key player in those countries, a role that we carry out responsibly by acting to promote:

- development and sustainability
- continuity and innovation
- value and progress
- diversity and inclusion
- individuality and community

In revisiting the Group's values, the "and" takes on the sense of a "unifying" force. A series of combinations that at Atlantia means translating words into deeds, as part of a harmonious process, in the interests of all our stakeholders.

In keeping with the above values, Atlantia has conducted a thoroughgoing review of the strategies through which the Group acts as a multiplier of shared value for its stakeholders.

2.2 Strategic guidelines

Operating environment analysis

2020 was marked by the Covid-19 pandemic, which led to a global health crisis without precedent in recent history, with major economic and social repercussions.

The effects of the emergency linked to the pandemic on the global economy have had a systemic impact, as reflected in the GDP figures for the various countries, and will continue to be felt over the medium to long term. This situation has resulted in – and will continue to require - extraordinary measures at both national and international level.

The mobility and transport sector was particularly hard hit in 2020, partly due to the restrictive measures imposed by national and international authorities and the resulting collapse in demand for both business travel and tourism. The sharp fall in traffic meant that the sector was one of most heavily affected at global level.

Alongside these economic consequences, the pandemic has also had a potentially structural impact on our societies, something that will continue to be seen over the near term. This has affected our habits and the way we consume and produce goods and services, making it necessary to speed up paradigm shifts and driving plans for a fresh start.

This section looks at key changes and emerging needs within the context of the Group's businesses.

Air traffic

- lower demand for business travel in response to the growth in remote working and the use of digital forms of communication;
- a reduced propensity to move around, due to an increased perception of the risks involved in travelling with other people or of encountering difficulties when returning home;
- the resulting drive to adopt new approaches to managing passenger flows, simplifying the travel experience (by, for example, speeding up the rollout of touchless and digital technologies making it easier to go through security and board a flight, or to purchase and use airport services);
- the search for innovative solutions capable of increasing the use of alternative fuels, boosting the sustainability of air transport.

Mobility

- a reduction in urban-suburban commuter journeys as a result of the restrictive measures introduced by the authorities, the growing use of remote working and the digitalization of business, education and trade (e.g., the spread of distance learning and the exponential growth of e-commerce);
- greater demand for individual forms of transport as opposed to collective forms (driven by a different perception of safety with respect to the crowding seen on collective means of transport), with the potential for increased congestion in urban areas;
- increased awareness among local authorities and service providers of the need to improve the sustainability of urban environments, introducing efficiencies and new technologies and revamping the associated infrastructure and services (e.g., smart cities);
- closer monitoring of infrastructure capacity and the intelligent demand management, so as to develop a mobility offering that responds to the new needs.

Logistics and manufacturing

- an increase in short-haul logistics, above all with regard to urban freight distribution, in keeping with the fast-growing popularity of online shopping in recent years, above all in the last twelve months;
- the reshoring of supplies (in reaction to the difficulties encountered by global supply chains during the pandemic in rapidly responding to the needs of manufacturers) and an increase in just-in-time chains, with an accompanying rise in road freight.

Alongside the impact of the Covid-19 pandemic, all sectors of the economy have seen a general acceleration of the effects of global mega-trends:

- **automation**, with continual developments in robotics and digital technologies involving interactions between things without the need for human intervention (e.g., 5G, the Internet of Things, connected and self-driving cars);
- **a data-driven world,** with the growing availability of data, increasingly in real time, and advanced techniques for processing it (e.g., big data analytics), using it (e.g., artificial intelligence) and protecting it (e.g., cybersecurity, blockchain), enabling new business models;
- **demographic change and urbanisation,** with progressively growing and aging populations, for now concentrated in metropolitan areas;
- **the green economy,** with a growing drive towards the energy transition and the electrification of consumption, switching from linear production patterns to more sustainable circular patterns capable of containing climate change and responding to the increased scarcity of natural resources;
- **mass customisation,** with a growing focus on the integrated offer of customised, "ready-to-go" products and services, in response to increasingly demanding customer needs.

Looking specifically at the infrastructure and mobility sectors, these mega-trends are having a series of impacts and will guide their future evolution, above all on four fronts:

- **infrastructure,** where the growing availability of sensor technology and 5G will enable the increasingly intelligent management of assets (both physical and digital) and connections between vehicles and infrastructure, increasing the need for its modernisation/upgrade;
- **the mobility of people,** where greater awareness of the issue of sustainability, combined with changes to travel habits, is driving the development of Mobility-as-a-Service platforms bringing together a range of intelligent services (e.g., intermodality via an app, shared mobility);
- **freight transport,** where the increase in the volume of parcels driven by online shopping will require us to revisit our approach to logistics and distribution in urban centres and boost the resilience of supply chains to repeated changes in scenario;
- **sustainable development,** where growing support will be provided by targeted economic policies (e.g., the recovery fund) and through regulatory interventions aimed at developing sustainable infrastructure capable of attracting the funding made available by financial markets increasingly keen to invest in green assets (e.g., green bonds).

Further aspects of this transformation driving the future development of the transport and mobility infrastructure sector include changes in the competitive environment resulting from the entry of new operators (e.g., infrastructure funds, pension funds and insurance companies), who are seeking to play a role in the ownership and management of assets (both physical and digital). This growing market competition is putting ever greater pressure on margins, encouraging operators in the sector to create a distinctive positioning built around their competencies and operational capabilities.

Strategic guidelines

In this context, Atlantia's primary goal is to drive the development of sustainable, integrated, safe, innovative and efficient mobility, accessible to the greatest number of people. To achieve this goal, in its role as a strategic investment holding company, Atlantia has drawn up strategic guidelines, centred around innovation, sustainability and the simplification of everyday life, that will drive the Group's future growth and the creation of value for all our stakeholders.

The growth path Atlantia intends to embark on will thus involve a series of strategic initiatives designed to provide support for the companies in our portfolio and investment in assets and new projects as part of a long-term approach, with the following strategic objectives:

- **Motorway business** – to consolidate our competitive position in the sector, putting the Group's operators at the forefront in terms of efficiency, innovation and motorway safety
- **Airport business** – to reinforce Aeroporti di Roma's leadership in the sector in terms of innovation, sustainability and quality of service, leveraging the subsidiary's competencies and experience
- **Mobility services business** – to support Telepass in its transformation from a primarily domestic operator to one of Europe's leading providers of technology-based services and payment solutions for transport users
- **Innovation** – to create a centre of excellence in the field of innovative services promoting safer and more efficient, sustainable and accessible mobility, at the same time enabling new opportunities for value creation and helping to re-affirm the Group's leadership
- **Resilience** – to boost the resilience of our investment portfolio by selectively expanding into new areas of business and looking at entry into adjacent and related sectors, within the context of the available financial resources, exploiting the Group's distinctive capabilities (e.g., the management of key mobility assets, the management of urban, interurban and airport traffic flows …)
- **Rationalisation of the portfolio** – to assess, where appropriate, potential sales of investments and assets that no longer fit with the new strategic vision.

The strategies of our subsidiaries

Consistent with these guidelines, and aware that the sustainability of the chosen strategy will take on growing significance, the principal Group companies are engaged in the delivery of specific development and growth objectives.

Motorway business

To strengthen the Group's competitive position in the development and management of motorway infrastructure, combining the search for new technological and digital solutions with traditional technical and engineering skills to create an offering increasingly focused around sustainability and capable of meeting the mobility needs of our customers.

Autostrade per l'Italia ("ASPI")

The company will continue to develop and improve its motorway infrastructure, taking an integrated approach that combines the ongoing upgrade of assets (based on research, engineering and the construction, operation and maintenance of infrastructure), with the aim of providing an increasingly comfortable and safe travel experience by leveraging sustainability and technological and digital innovation.

To achieve these objectives, ASPI will focus on the following areas:

- "safety at the centre", on the road, at construction sites and at workplaces, thanks to the adoption of increasingly innovative technologies for use in risk prevention and monitoring;
- maintaining and reinforcing its operational excellence in the management and development of infrastructure, with a particular focus on engineering;
- the desire to always put the customer first, at all stages along the customer journey;
- the development of sustainable mobility through applied research and new partnerships relating to expected growth in the use to electric vehicles;
- the digitalisation of assets and of the organisation, to improve and strengthen monitoring activities and the services offered.

In this regard, a key role will be played by the major modernisation and upgrade programme for the network managed under concession set out in the Financial Plan submitted to the grantor and for which the operator is awaiting formal approval. The Plan targets capital expenditure of €14.5 billion and €7 billion in expenditure on maintenance through to 2038 (the date ASPI's concession expires), in addition to a further €3.4 billion is to be spent on additional measures related to the Morandi bridge tragedy in Genoa in 2018, with the extra funds to be spent on the city's people, on toll reductions and additional works. These latest commitments follow on from the proposal put to the Italian Government on 15 July 2020 with a view to settling the dispute, dating back to 2018, over alleged serious breaches of the operator's concession arrangement. In spite of the proposal, ASPI continues to deny any responsibility for the event and to believe that its rights under the terms of the existing concession arrangement are unaffected.

In this connection, Atlantia has also expressed a willingness to consider proposals resulting in the transfer of control of ASPI on fair market terms and conditions. To this end, on 24 September 2020, Atlantia's Board of Directors initiated a transparent, dual-track process with a view to a market sale of the Parent Company's investment, in the interests of all Atlantia's and ASPI's stakeholders. To this end, on 15 December 2020, Atlantia's Board of Directors approved a plan for a partial, proportional demerger, approved by the General Meeting of Atlantia's shareholders held on 15 January 2021, in favour of a newly established beneficiary, Autostrade Concessioni e Costruzioni S.p.A.. At the same time, the Board also launched a competitive auction, managed by independent financial advisors, for the outright sale of Atlantia's stake of approximately 88% in ASPI.

Information on the state of talks with the Italian Government on the dispute over alleged serious breaches of ASPI's concession arrangement, and on the progress made with the dual-track process for the eventual sale of the subsidiary, is provided in the section, "Significant legal and regulatory aspects", in the notes to the financial statements.

Abertis

To strengthen the subsidiary's role as a leading international platform for the management and development of motorway infrastructure, leveraging the outstanding competencies and expertise acquired in a number of different countries.

The main guidelines governing Abertis's growth and development regard:

- renewal of the portfolio of concessions to add to and renew the concessions close to expiring (above all, those in Spain), extending the average life of the portfolio;
- the retention of financial flexibility, with the aim of putting its ability to access the capital markets to best use to guarantee a satisfactory balance between the need to expand the portfolio and the provision of returns to shareholders and credit providers;
- the creation of sustainable value, putting itself forward as a partner for governments and communities in the countries in which it operates;
- operational excellence, focusing on the quality of assets and the safety of road users, operational and organizational efficiency, and on the search for and development of talent;
- the integration of recently acquired assets, not only in terms of processes, systems and the sharing of best practices, but above all on promoting, at all levels of the organisations, a culture based on shared values;
- the retention of access to the capital markets at competitive costs, guaranteeing a strong financial position and an investment grade rating.

Airport business

Aeroporti di Roma

To consolidate the operator's leadership in the airport industry in terms of innovation, technology, operational excellence and customer experience, focusing in particular on the international leisure segment.

The company's current strategic priorities are as follows:

- operational excellence in the development of infrastructure and operations management;
- monitoring the impact of the Covid-19 pandemic on the business and the implementation of mitigating measures;
- a focus on innovation and digital to improve performance and the level of service offered;
- attention to sustainability as a driver for growth through stakeholder management initiatives.

Mobility services business

Telepass

To create the leading pan-European ecosystem in the field of mobility services, through the creation of a one-stop mobility platform for people and businesses that provides a broad range of value-added services (from smart payment systems to insurance solutions, to the aggregation of urban and extra-urban mobility services) that use technology and the observation of the needs of customers to make the travel experience easy and uninterrupted

The Group intends to focus its resources and investment on the following strategic areas:

- to consolidate our number one coverage of the European tolling systems market, thanks to innovative solutions for connecting cars and enabling customers to access mobility services;
- to continue to build on the Telepass-Pay platform, thanks to the continuous offer of mobility services and the extension of distribution channels (online and proximity channels) to improve the customer experience;
- to create a "Corporate Mobility Platform" to provide mobility services to the workforces of corporate customers, expanding the offering to include e-money, apps and fleet management;
- to develop the Telepass Broker offering to include policies capable of exploiting the customer data base in the parametric and instant policy segment.

As already noted in the highlights section, environmental, social and governance (ESG) factors have taken on an even more central role in achieving Atlantia's mission of driving the development of increasingly sustainable, safe, innovative and efficient mobility that responds to the needs of society as a whole.

Mobility infrastructure is and will increasingly be central to the economic and social development of communities, both in view of its impact on decision-making regarding the transport of goods and people and due to the repercussions for the environment and the quality of life in general. The transition to a low-carbon economy and a fairer, more accessible model of economic and social development are global priorities, which have played an interconnected role in the definition of the Group's strategies.

Atlantia believes it can and will play a major role in enabling the transition to more sustainable, efficient, integrated, digital and resilient mobility.

To reinforce the centrality of ESG matters and their strategic importance, Atlantia has identified specific priority ESG topics and aims to progressively incorporate them into our businesses and into the entire infrastructure development and management cycle and mobility models and systems.

This process is closely reflected in the sustainability goals described above, in an exceptional year, indelibly marked by the pandemic, that saw the Group undergo major change. This made it advisable to engage with our stakeholders in order to discuss the relationship between our operations and the sustainable development goals and the related opportunities, risks and impacts.

Following a structured internal consultation process, with the active participation of the Board of Directors, Atlantia's management and the principal subsidiaries, and involving the specialist analysts and investors, academics, companies from the sector, experts and policymakers, Atlantia decided to strengthen our sustainability agenda. The agenda is based on six pillars that will form the basis for our actions in the coming years, as we progress towards a business model focused on:

- creating value for the communities, institutions and territories in the countries in which the Group operates;
- valuing diversity, including and engaging with all stakeholders;
- reducing our environmental footprint;
- achieving carbon neutrality and consciously participating in the construction of a net-zero economy;
- involving and developing Atlantia's people;
- guaranteeing a transparent, ethical approach to doing business.

Our climate change strategy

The Atlantia Group is aware of the fact that the transport of people and goods is one of the activities having the greatest impact on the world's climate. For this reason, we are determined to help to mitigate this impact, setting ourselves the ambitious target of **ensuring that we are carbon neutral (scopes 1 and 2) by 2040, 10 years earlier than required under the Paris Climate Agreement**.

This will involve a major commitment, both **internally**, with continuous Group-wide efforts to identify technological innovations capable of changing the way we work, and **in the markets in which we operate**, with the adoption of green solutions to support the transition to sustainable forms of mobility (e.g., integrated mobility platforms, digital payment systems and smart mobility).

This commitment to carbon neutrality (for which we intend to apply for SBTi - Science Based Targets initiative certification in 2021) will take the form of specific targets that Atlantia's subsidiaries will be expected to meet through the following integrated steps:

- by increasing their use of renewable energy;
- by improving the energy efficiency of infrastructure;
- by offsetting greenhouse gas emissions through participation in reforestation and carbon capture initiatives;
- by boosting the circularity of processes through the reuse and recycling if materials.

At the same time, the Group plans to invest in innovative services and enter partnerships with third parties, following the examples set by Autostrade per l'Italia, in its efforts to boost the provision of charging stations for electric vehicles using the motorway network, or by Telepass, in developing fully digital integrated mobility services.

Atlantia

03. Business overview

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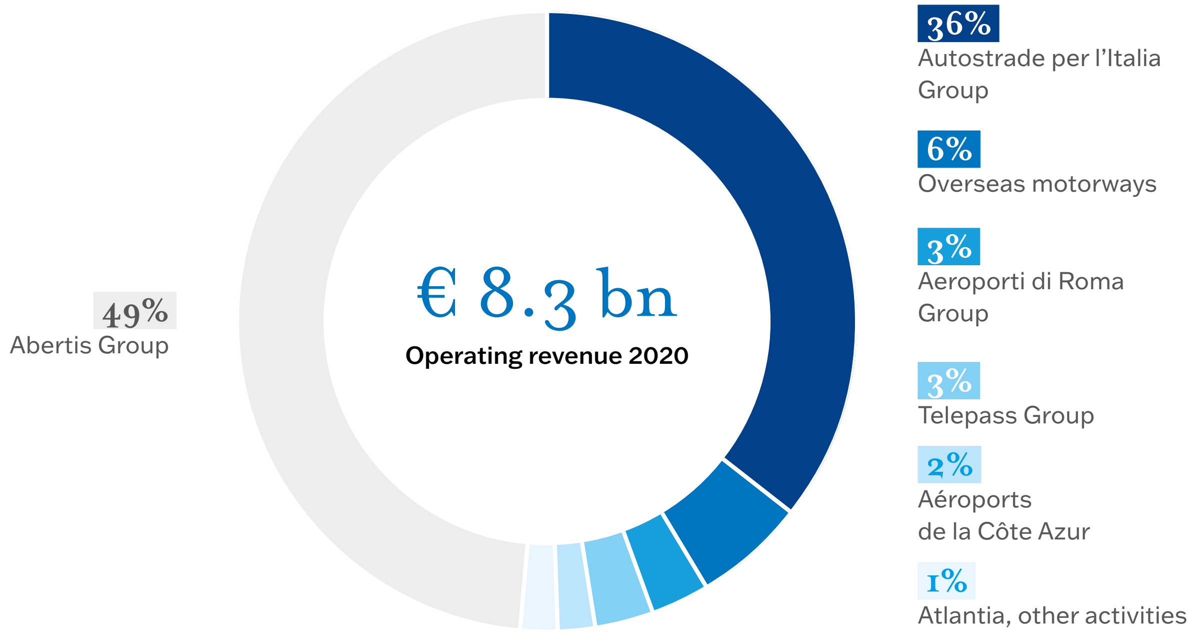
3.0 Results of the core businesses for 2020

Through our subsidiaries, the Atlantia Group is a global provider of motorway and airport infrastructure, mobility services and payment systems, with a presence in 29 countries.

With a global workforce of 31,000, the Group manages approximately 13,000 km of toll motorway throughout the world, Fiumicino and Ciampino airports in Italy, the airports of Nice, Cannes-Mandelieu and Saint Tropez in France and electronic tolling and payments systems.

The Group is currently organised into business segments focusing on the development, operation and maintenance of motorway and airport infrastructure and digital integrated mobility services.

Contribution of operating segments to revenue in 2020



The impact of each operating segment on the Group's key performance indicators in 2020 (€m)

OPERATING SEGMENT	OPERATING REVENUE	EBITDA	OPERATING CASH FLOW	CAPEX	NET DEBT
Autostrade per l'Italia Group	3,030	629	517	575	8,557
Abertis Group	4,054	2,627	1,608	537	23,805
Other overseas motorways	471	327	302	104	-636
Aeroporti di Roma Group	272	28	-4	154	1,426
Aéroports de la Cote d'Azur Group	134	20	-17	43	976
Telepass Group	234	118	100	88	557
Atlantia, other activities, consolidation adjustments	89	-48	-238	33	4,553
Group total	**8,284**	**3,701**	**2,268**	**1,534**	**39,238**

A detailed review of the performances of each operating segment is provided in section 8.2, "Financial review by operating segment".

Autostrade per l'Italia Group

1
Countries

6
Concessions

3,019 km
of motorway network operated

€ 3,030 m
in segment operating revenue

Abertis Group

10
Countries

36
Concessions

8,382 km
of motorway network operated (including 236 km in Italy)

€ 4,054 m
in segment operating revenue

Overseas motorways

3
Countries

12
Concessions

1,509 km
of motorway network operated

€ 471 m
in segment operating revenue

At Group level, the holding company, Atlantia, and other companies are also consolidated with an immaterial impact on operating revenue

Aeroporti di Roma Group

1
Countries

1
Concessions

2
airports

€ 272 m
in segment operating revenue

Aéroports de la Côte Azur

1
Countries

1
Concessions

3
airports

€ 134 m
in segment operating revenue

Telepass Group

12
Countries

9.1 m
Onboard units*

€ 234 m
in segment operating revenue

The figures marked (*) refer to the Telepass group in 2020

Business by segment

The Atlantia Group is one of the world's leading infrastructure operators, with 56 motorway concessions in 11 countries (Italy, France, Spain, Poland, Brazil, Chile, India, Puerto Rico, Argentina, Mexico and the United States), involving the direct management of approximately 13,000 km of toll motorways.

Italian and overseas motorways

Autostrade per l'Italia Group ("ASPI")

The Group consists of 6 companies that hold concessions assigning responsibility for the construction, operation and maintenance of toll motorways (including tunnels, bridges and viaducts) in Italy. As at 31 December 2020, the ASPI Group's network extends for around 3,000 km (accounting for about 50% of the Italian motorway network), including 218 services areas.

Approximately 59% of total Italian motorway traffic used ASPI's network in 2020. ASPI manages the largest toll motorway concession in Italy and Europe, with the highest average daily volume of traffic and the most extensive toll motorway concession in the related market.

The ASPI Group's concession expire between 2032 and 2050. ASPI, whose concession expires in 2038, submitted its Financial Plan and Addendum to the Concession Arrangement to the Ministry of Infrastructure and Transport (the "MIT") in December 2020. This was done with the aim of reaching a negotiated settlement of the dispute over alleged serious breaches of the terms of its concession arrangement, which arose following the collapse of a section of the Polcevera road bridge in Genoa in 2018. The process of approving ASPI's Financial Plan and Addendum has yet to be completed at the date of preparation of this Integrated Annual Report.

Abertis Group

The Abertis Group holds 36 concessions assigning responsibility for the development, maintenance and operation of toll motorways, operating approximately 8,400 km of motorway in Europe, America and India (Italy, France, Spain, Brazil, Chile, Puerto Rico, Argentina, Mexico, the United States and India).

In 2020, the Abertis Group acquired control of the Mexican company that wholly owns five motorway operators in Mexico and a toll tunnel located in the state of Virginia in the USA.

The Group's concessions expire between 2021 and 2070.

The concessions held by Acesa, Invicat (Spain) and Autopista del Sol (Chile) will expire in 2021.

In addition, the subsidiary, Abertis Mobility Services, provides electronic barrier and free-flow tolling solutions through its Emovis and Eurotoll businesses. As at 31 December 2020, the company has a network of 100 partners in Europe, serving a road network of 92,000 km with the supply of approximately 150,000 electronic tolling devices.

Overseas motorways

This segment includes 12 holders of concessions for the construction, operation and maintenance of toll motorways in Brazil, Chile and Poland.

As at 31 December 2020, the network operated by these companies covers 1,500 km.

The concessions expire between 2021 and 2048.

Unless agreement is reached with the Grantor on an extension to the concession term, the concession held by Triangulo do Sol Auto-Estradas (Brazil) is due to expire in 2021.

It should be noted that, following the receipt of a number of unsolicited expressions of interest from potential international investors, Atlantia is considering a range of strategic options for its Polish subsidiary, Stalexport Autostrady, including the potential for a partial or outright sale of its stake in the company.

Italian and overseas airports

Aeroporti di Roma Group

The "Italian airports" segment includes Aeroporti di Roma (ADR) and its subsidiaries. The Roman airport system consists of "Leonardo da Vinci" international airport located in Fiumicino, named Europe's best airport for the third time running in 2020, and "Giovan Battista Pastine" airport located in Ciampino.

ADR is the number one airport operator in Italy by number of passengers (the Roman airport system handled almost 50 million passengers in 2019) and the seventh biggest in Europe.

ADR manages the Roman airport system under a concession originally expiring on 30 June 2044, extended until 30 June 2046 by Law Decree 34/2020, as part of aid provided to Italy's airport operators to mitigate the major financial impact of the Covid-19 pandemic.

Aéroports de la Côte d'Azur Group

The overseas airports segment includes Aéroports de la Côte d'Azur (ACA) and its subsidiaries, whose main activity is the management of three airports in France: Nice Côte d'Azur airport (ANCA), Cannes - Mandelieu airport (ACM) and Saint-Tropez - La Môle airport (AGST). The ACA Group, which handled 14.5 million passengers in 2019, is France's second most important airport hub after the Paris airport system.

Nice and Cannes are operated under a concession awarded by the French government in 2008 and expiring on 31 December 2044 (the ANCA-ACM Concession).

Outside the scope of its concession, the ACA Group also owns the airport infrastructure at Saint-Tropez and provides ground handling services at 26 sites through Sky Valet.

Telepass Group

The Group provides sustainable, integrated mobility services through the company, Telepass. Specifically, Telepass is responsible for operating electronic tolling systems in Italy and 11 European countries and transport-related payment systems (car parks, restricted traffic zones, vehicle tracking systems, etc.), and provides digital mobility, insurance and breakdown services. The company has approximately 6.7 million customers and 9 million onboard units.

In October 2020, Atlantia signed an agreement for the sale of a 49% stake in Telepass to Partners Group. This transaction is expected to complete in the first half of 2021.

Atlantia and other activities

The Group's other activities consist of the following:

1) integrated engineering and new-build design services relating to the upgrade and maintenance of motorway and airport infrastructure (provided through SPEA Engineering);
2) infrastructure construction and maintenance services for motorway and airport assets (provided through Pavimental, which primarily operates in Italy).

The following transactions have taken place as part of a reorganisation of the above activities:

1) on 1 December 2020 and 1 March 2021, SPEA Engineering signed lease agreements for its motorway and airport business units with TECNE (established by Autostrade per l'Italia in 2020) and ADR Ingegneria (a subsidiary of Aeroporti di Roma), respectively;
2) on 29 January 2021, the transfer of Atlantia's entire interest in Pavimental to Autostrade per l'Italia was completed.

Concessions held by the Group

DESCRIPTION		ATLANTIA GROUP'S INTEREST	CONCESSION EXPIRY
Motorway network	**Network operated (km)**	**(%)**	**(year)**
Autostrade per l'Italia Group	3,019		
Autostrade per l'Italia	2,855	88.06%	2038
Autostrada Tirrenica [1]	55	88.06%	2046
Autostrade Meridionali [2]	51	51.94%	2012
Raccordo Autostradale Valle d'Aosta	32	21.54%	2032
Tangenziale di Napoli	20	88.06%	2037
Società Italiana per il Traforo del Monte Bianco	6	44.91%	2050
Abertis Group	8,382		
Italy	236		
Autostrade BS VR VI PD	236	44.51%	2026
France	1,768		
Société des Autoroutes du Nord-Est de la France, SA (Sanef)	1,396	49.44%	2031
Sociétés des Autoroutes Paris Normandie, SA (Sapn)Sociétés des Autoroutes Paris Normandie, SA (Sapn)	372	49.42%	2033
Spain	1,105		
Autopistas Concesionaria Española (Acesa)	479	49.44%	2021
Autopistas Vasco-Aragonesa (Avasa)	294	49.44%	2026
Iberbistas (Iberpistas-Castellana)	120	49.44%	2029
Infraestructuras Viàries de Catalunya (Invicat)Infraestructuras Viàries de Catalunya (Invicat)	66	49.44%	2021
Autopistes de Catalunya (Aucat)	47	49.44%	2039
Túnels de Barcelona I Cadí concesionaria de la generalitat de Catalunya (Túnels)	46	24.72%	2037
Autopistas de León (Aulesa)	38	49.44%	2055
Trados-45	15	25.21%	2029
Brazil	3,200		
ViaPaulista	721	20.75%	2047
Autopista Fernão Dias	570	20.75%	2033
Autopista Planalto Sul	413	20.75%	2033
Autopista Litoral Sul	406	20.75%	2033
Autopista Régis Bittencourt	390	20.75%	2033
Concesionaria de Rodovias do Interior Paulista (Intervias)	380	20.75%	2028
Autopista Fluminense	320	20.75%	2033

DESCRIPTION		ATLANTIA GROUP'S INTEREST	CONCESSION EXPIRY
Motorway network	**Network operated (km)**	**(%)**	**(year)**
Chile	773		
Sociedad Concesionaria del Elqui	229	39.55%	2022
Sociedad Concesionaria Rutas del Pacífico [3]	141	39.55%	2025
Sociedad Concesionaria Autopista del Sol	133	39.55%	2021
Sociedad Concesionaria Autopista los Libertadores	116	39.55%	2026
Sociedad Concesionaria Autpista de los Andes	92	39.55%	2036
Sociedad Concesionaria Autopista Central	62	39.55%	2032
India	152		
Trichy Tollway Private Limited (Jepl)	94	49.44%	2026
Jadcherla Espressways Private Limited (Jepl)	58	49.44%	2026
Puerto Rico	90		
Autopistas Metropolitanas de Puerto Rico (Metropistas)	88	25.21%	2061
Autopistas de Puerto Rico y Compania (APR)	2	49.44%	2044
Argentina	175		
Autopistas del Sol (Ausol)	119	15.62%	2030
Grupo Concesionario del Oeste (Gco)	56	21.19%	2030
Mexico	876		
Red de Carreteras de Occidente SAB de CV (RCO - FARAC I)	664	26.26%	2048
Concesionaria de Vías Irapuato Querétaro SA de CV (COVIQSA)Concesionaria de Vías Irapuato Querétaro SA de CV	93	26.26%	2026
Concesionaria Irapuato La Piedad SA de CV (CONIPSA)	74	26.26%	2025
Concesionaria Tepic San Blas S de R.L. de CV (COTESA)	31	26.26%	2046
Autovías de Michoacan SA de CV (AUTOVIM)	14	26.26%	2039
USA	6		
Elizabeth River Crossings	6	27.29%	2070
Other overseas motorways	1,509		
Brazil	1,121		
Triangulo do Sol Auto Estradas	442	50.00%	2021
Concessionária da Rodovia MG050	372	50.00%	2032
Rodovias das Colinas	307	50.00%	2028
Chile	327		
Sociedad Concesionaria Litoral Central	81	50.01%	2031
Sociedad Concesionaria Costanera Norte	43	50.01%	2033
Sociedad Concesionaria Vespucio Sur	24	50.01%	2032

DESCRIPTION		ATLANTIA GROUP'S INTEREST	CONCESSION EXPIRY
Motorway network	**Network operated (km)**	**(%)**	**(year)**
Sociedad Concesionaria Autopista Nororiente [3]	21	50.01%	2044
Sociedad Concesionaria AMB [3]	10	50.01%	2025
Sociedad Concesionaria Conexion Vial Ruta 78 - 68 [3]	9	50.01%	2042
Sociedad Concesionaria Americo Vespucio Oriente II [3]	5	50.01%	2048
Sociedad Concesionaria de Los Lagos	134	100%	2023
Poland	61		
Stalexport Autostrada Malopolska	61	61.20%	2027

Airports	No. of airports	(%)	(year)
Aeroporti di Roma Group	2		
Aeroporti di Roma	2	99.38%	2046
Aéroports de la Côte d'Azur Group	3		
Aéroports de la Côte d'Azur	3	38.66%	2044

(1) the concession term was limited to October 2028 by the *Milleproroghe* Decree of 2020.

(2) In accordance with the terms of the related concession arrangement, in December 2012, the Grantor requested Autostrade Meridionali to continue to operate the motorway from 1 January 2013 under the terms and conditions provided for in the earlier concession arrangement.

(3) Estimated figure: the concession will expire when the net present value of the revenue received from the beginning of the concession, discounted at a contractual rate, reaches the threshold agreed in the concession arrangement and, in any event, no later than the date established in the arrangement.

In 2020, the Atlantia Group continued to develop and optimise its investment portfolio. This involved the acquisition of the Red de Carreteras de Occidente (RCO) Group in Mexico. This transaction has enabled the Group to assume responsibility for five new concessions covering a total of 876 km of motorway connecting Mexico City with Guadalajara. 2020 also saw the Group complete the acquisition of the US company, Elizabeth River Crossings, which holds the concession for the Elizabeth River Crossings tunnels in Virginia, expiring in 2070.

In terms of the airports segment, in July, the Aeroporti di Roma Group was granted a two-year extension (through to 2046) to its existing concession for both Rome airports.

Tariff frameworks

A summary of the tariff frameworks for the concessions held is provided below.

COUNTRY	TARIFF REVIEW	KEY FACTORS
Motorway concessions		
Italy	Annual	Inflation + potential adjustments to RAB and other allowed costs + return on investment
France	Annual	Inflation
Spain	Annual	Inflation
Poland	Annual	Inflation + % of GDP
Brazil	Annual	Inflation + potential adjustments
Chile	Annual	Inflation + potential real increases /safety
India	Annual	Inflation
Puerto Rico	Annual	Inflation + real increases
Argentina	Half-yearly	Inflation + return on RAB
Mexico	Annual	Inflation
USA	Annual	Max 3.5% or Inflation

COUNTRY	TARIFF REVIEW	KEY FACTORS
Airport concessions		
Italy	Annual	Review of regulated revenue and allowed costs (including depreciation) + return on RAB at regulatory WACC
France	Annual	Review of regulated revenue and allowed costs (including depreciation) + return on RAB at regulatory WACC

The tariff revisions approved in 2020 for the concessions held by the Group are described below, together with those for 2021 already determined at the date of this Integrated Annual Report:

Autostrade per l'Italia Group

The tariff revisions applicable to the Autostrade per l'Italia Group's Italian operators are regulated by the respective concession arrangements and applied annually, following approval by the Grantor (the MIT).

In 2019, the Transport Regulator ("ART") published determination 16, followed by a series of determinations regarding each individual operator, setting out a new tariff framework based on the "price cap method with determination of the five-yearly productivity rate X". ASPI and its motorway subsidiaries have taken legal action to challenge the above determinations (see note 10.7).

With the aim of reaching agreement and settling the dispute with the Grantor (now the Ministry of Infrastructure and Sustainable Mobility, or "MIMS") over alleged serious breaches of its concession arrangement, in December 2020, ASPI submitted its revised Financial Plan, which reflects the application of a new tariff framework. This envisages an average annual increase of 1.64%, including the component designed to make up for the impact of the Covid-19 pandemic on traffic in the period between March and June 2020.

On 31 December 2020, the MIMS announced that was suspending the tariff increases for 2021 for all operators whose financial plans had not yet been approved, as provided for in art. 13, paragraph 5 of Law Decree 183 of 31 December 2020 (the so-called "*Milleproroghe* Decree").

		2020		2021	
Italy	Autostrade per l'Italia		-		
	Autostrada Tirrenica	09/11/2020 28/12/2020	+2.5% +11.3%		
	Autostrade Meridionali		-		
	Raccordo Autostradale Valle d'Aosta		-		
	Tangenziale di Napoli		-		
	Traforo del Monte Bianco	01/01/2020	+ 1.5%	01/01/2021	+ 0.6%

The increases applied by Autostrada Tirrenica were decided by the acting commissioner appointed by Lazio Regional Administrative Court and are intended to make up for the absence of increases for 2014 (+2.54%) and 2016, 2017 and 2018 (+11.3%)

Abertis Group

		2020		2021	
Italy	A4	01/01/2020	-	01/01/2021	-
France	Sanef	01/02/2020	+ 0.8%	01/02/2021	+ 0.3%
	Sapn	01/02/2020	+ 0.7%		
Spain	Acesa, Avasa, Aulesa	01/01/2020	+0.8%	01/01/2021	-0.1%
	Castellana			01/01/2021	+0.9%
	Aucat, Invicat, Tunels	01/01/2020	+0.1%	01/01/2021	-0.7%
	Trados	01/04/2020	-	-	-

The tariff revisions applicable to the Spanish operators are based on inflation, which was negative in the period used as the basis for determining the tariffs for 2021. In Castellana's case, the increase for 2021 includes a supplementary one-off rise.

		2020		2021	
Brazil	Régis Bittencourt	18/07/2020	+3.1%		-
	Planalto Sul	24/07/2020	- 5.7%		-
	Fernão Dias	25/07/2020	- 3.8%		-
	Litoral Sul	08/08/2020 12/12/2020	+10.7% +28.0%		-
	Via Paulista	23/11/2020	+3.1%		-
	Intervias	01/12/2020	+1.9%		-
	Fluminense	under negotiation			-

The tariff revision for Planalto Sul and Fernão Dias reflects changes to the method used to calculate tariff revisions in the past.

		2020		2021	
Chile	Autopista Central	01/01/2020	+2.8%	01/01/2021	+2.7%
	Rutas del Pacífico				
	Rutas del Elqui				
	Autopista de Los Andes	01/01/2020	+6.3%	01/01/2021	+6.2%
	Autopista del Sol	01/01/2020 01/07/2020	+1.4% +1.4%	01/01/2021	+1.3%
	Autopista de Los Libertadores	01/02/2020	- 1.9%	under negotiation	

Following the agreements reached with Chile's Ministry of Public Works at the end of 2019, Autopista Central did not apply the real increase of 3.5%, accounting for the lost revenue as an amount receivable from the Grantor.

Following the award of a safety bonus in 2019 (+5%), which was not confirmed in 2020, Autopista de Los Libertadores tariffs were actually reduced.

		2020		2021	
India	JEPL	01/09/2020	+0.4%	-	-
	TTPL				
Puerto Rico	Metropistas	01/01/2020	+3.4%	01/01/2021	+ 3.8%
	APR	01/01/2020	+1.4%	01/01/2021	+ 1.2%
Mexico	Farac	01/02/2020	+3.7%	01/02/2021	+4.1%
	Coviqsa, Conipsa	01/01/2020	+2.8%	01/01/2021	+3.2%
	Autovim	*concession operational from December 2020*			
	Cotesa	01/02/2020	+4.4%	01/02/2021	+5.9%
USA	ERC	01/01/2020	+3.5%	01/01/2021	-

In agreement with the Grantor, ERC's tolls have remained unchanged for the two-year period 2020-2021, whilst the theoretical increase due for 2021 will also be taken into account in January 2022.

		2020		2021	
Argentina	GCO	05/01/2020	-	05/01/2021	-
	Ausol				

Despite requests from Grupo Concesionario del Oeste (GCO) and Ausol relating to the tariff revisions provided for under existing agreements, the Grantor did not approve the increases for 2020 and 2021. The operators will continue to press for recognition of their rights under the existing agreements.

Other overseas motorways

		2020		2021	
Poland	Stalexport Autostrada Malopolska	01/10/2020	light vehicles +20%	-	-
Brazil	Nascentes das Gerais	11/09/2020	+2.4%	-	-
	Triangulo do Sol, Rodovias das Colinas	01/12/2020	+1.9%	-	-
Chile	Costanera Norte	01/01/2020	+2.8%	01/01/2021	+2.7%
	Vespucio Sur				
	Nororiente				
	AMB				
	Los Lagos	01/01/2020	+5.8%	01/01/2021	+ 2.7%
	Litoral Central	10/01/2020	+2.8%	10/01/2021	+ 2.7%

In common with the Abertis Group's operators, following the agreements reached with Chile's Ministry of Public Works at the end of 2019, Costanera Norte and Vespucio Sur also did not apply the real tariff increase of 3.5%, accounting for the lost revenue as an amount receivable from the Grantor.

Aeroporti di Roma Group

		2020		2021	
Italy	Fiumicino	01/03/2020	- 0.8%	01/03/2021	- 4.1%
	Ciampino		- 2.2%		

In application of the mechanism for determining RAB-based tariffs provided for in the Planning Agreement, in addition to the parameters defined for the five-year period 2017-2021 (inflation of -0.2%), the revised fees for Fiumicino and Ciampino reflect reduced investment in 2020 due to the limitations imposed by Covid-19 and postponement of the application the quality/environmental bonus linked to the health emergency. As a result, average fees have fallen by 4.1% compared with 2020 for both airports.

Aéroports de la Côte d'Azur Group

		2020		2021	
France	Aéroports de la Côte d'Azur	01/11/2020	+ 3.0%	-	-

Further information on the specific tariff framework for each of the Atlantia Group's operators and updates on the most significant negotiations with grantors is provided in note 4, "Concessions", and in note 10.7, "Significant legal and regulatory aspects", in Atlantia's consolidated financial as at and for the year ended 31 December 2020.

04. Our Group

4.1 The Group's history 72

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4.1 The Group's history

The name Atlantia, which is based on the myth of Atlas, who in Greek mythology was ordered by Zeus to bear the weight of the heavens, is intended to clearly demonstrate the universality, strength, solidity and responsibility that characterise the Company's operations.

1950

In **1950**, IRI (Institute for Industrial Reconstruction) established a company named Autostrade Concessioni e Costruzioni S.p.A.. In **1956** Autostrade entered into agreement with ANAS to co-finance, build and operate the Autostrada del Sole between Milan and Naples. The motorway was opened in 1964. Between **1962** and **1968**, the Company was granted the concession to build and operate further motorways.

1999

Autostrade was privatised in **1999** and IRI replaced by a stable Group of shareholders led by Edizione (controlled by the Benetton family).

2003

In **2003**, the infrastructure assets operated under concession were separated from the non-motorway businesses, resulting in the establishment of Autostrade per l'Italia, currently 88.06% owned by Atlantia (then Autostrade S.p.A.), a strategic investment holding company listed on the Milan Stock Exchange.

2005

In **2005**, Atlantia embarked on a process of geographical diversification, acquiring responsibility for managing approximately 2,000 km of toll motorway in Brazil, Chile, India and Poland.

2013

In **2013**, Atlantia merged with Gemina S.p.A. and entered the airport infrastructure sector, acquiring control of ADR, which operates Rome's two airports at Fiumicino and Ciampino. The Group then expanded its presence in the airports sector in **2016**, acquiring Aéroports de la Côte d'Azur, the company that controls the airports of Nice, Cannes-Mandelieu and Saint Tropez.

2018

With completion of the acquisition of 50% plus one share of Abertis in **October 2018**, Atlantia became the world leader in transport infrastructure and transport-related payment systems, with approximately 15,000 km of motorways operated under concession around the world.

In 2018. Atlantia acquired 15.5% of Getlink, the company that manages the Eurotunnel that runs under the channel between the UK and France.

2020

More recently, in 2020, through Abertis Infraestructuras the Group acquired 53.1% of Red de Carreteras de Occidente in Mexico and 55.2% of Elizabeth River Crossing in the United States.

4.2 Evolution

The Atlantia Group underwent a radical shakeup in 2020, resulting in a new identity for the Parent Company and changes to the way both the holding company, Atlantia S.p.A., and its subsidiaries do business.

The Parent Company's new identity and changes to its relationships with subsidiaries

The Parent Company's transformation, which has seen it increasingly take on responsibility for providing strategic guidance and for the management of extraordinary transactions, has involved a reorganisation of the holding company, which is now tasked with overseeing the following key areas:

- shared activities, such as:
  - structured stakeholder management, engaging with the various stakeholders with an interest in Atlantia's business;
  - communication, with the aim of engaging with stakeholders and asserting the leadership driven by the new strategy;
  - sustainability, identifying the most important ESG principles for investment policies and coordinating the sustainability agenda in consultation with the Group's operating companies;
  - finance and M&A, ensuring the Group's ability to raise funds on the capital markets, on the best possible terms, in order finance the development of its businesses and monitor the compatibility of its investments with a risk/return profile in line with its strategic objectives;
  - resources and human capital, enabling the Group to attract and retain the necessary talent;
- management of the businesses in its portfolio so as to:
  - identify new opportunities and manage its investment portfolio;
  - facilitate interaction, on specific issues, between its investees and the exchange of operational expertise, above all with regard to innovation.

This transformation of the Parent Company's role has resulted in subsidiaries being given greater autonomy and independence in managing their businesses, by:

- strengthening the role of subsidiaries' boards of directors, with among other things an increased presence of independent directors and the creation of board committees at all the principal Group companies, including, for example, risk management and investment committees;
- redefining and reinforcing subsidiaries' organisational and management structures so that they have fully independent decision-making processes, involving the establishment of autonomous "Administration and Finance", "Internal Audit" and "Risk Management" departments within subsidiaries;
- the clear separation of management responsibility between the holding company and its investees, eliminating all the positions entailing the assignment of responsibility to a single manager within the organisations of both the holding company and subsidiaries.

Towards a new operating model

During the year under review, priority was given to developing a new way of doing business, based on simplicity, efficiency, sustainability and transparency across all aspects of management. To this end, the following took place:

- •the review of all operational processes with the full adoption of digital opportunities;
- the organisation was simplified;
- the management hierarchy was flattened, increasing managerial responsibility and adopting a management approach typical of a "knowledge-intensive" organisation;
- a significant reduction of central departments and staff, rebalancing the technical expertise available to investees and strengthening the organisation's workforce, paying attention to achieving a balance in terms of gender and age.

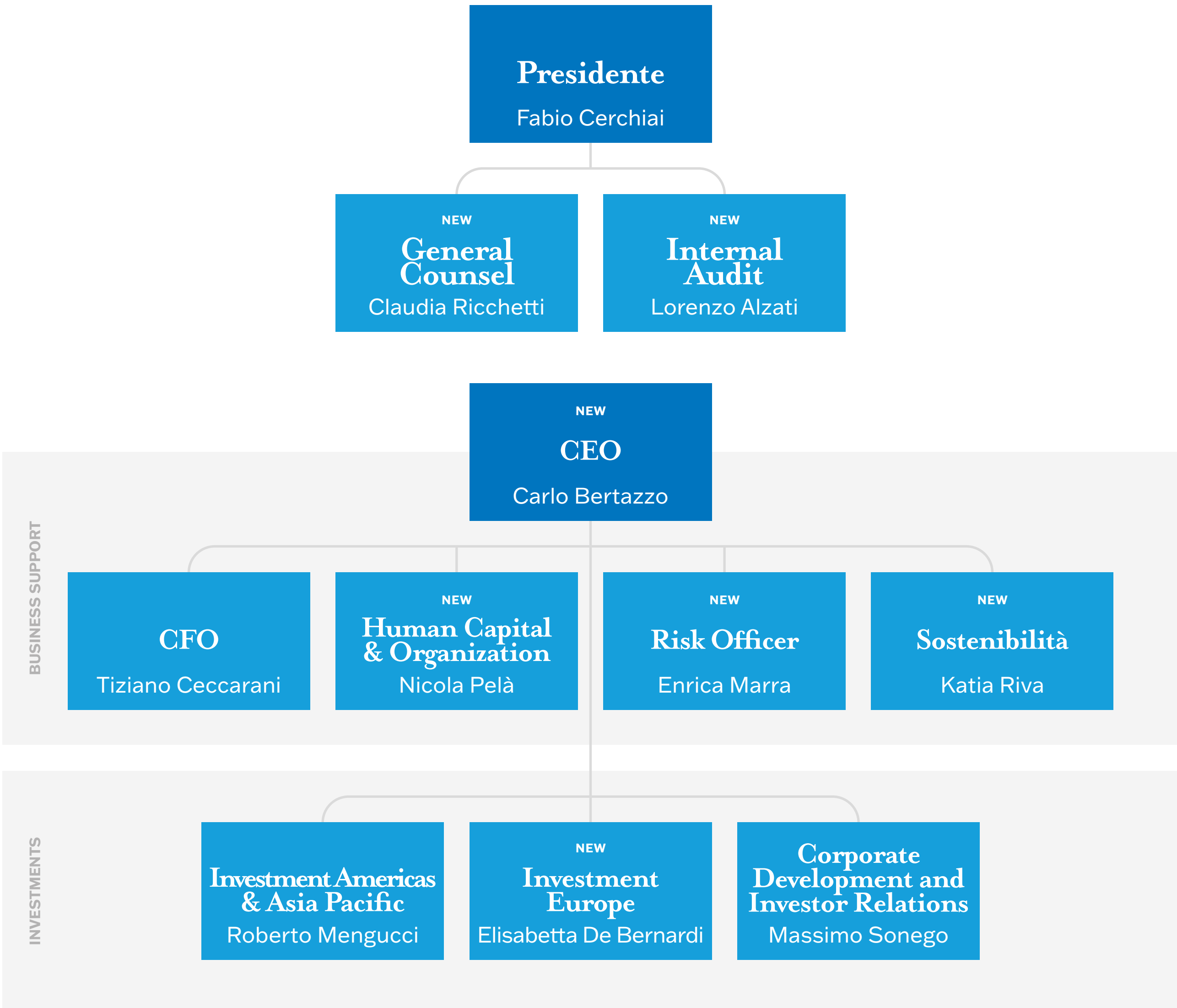
Atlantia has focused its attention on building a more streamlined organization, based on a make-or-buy approach to non-core services and the more flexible allocation of resources.

Management

The Group's transformation has been accompanied and supported by a shake-up of the management team, affecting 80% of the Parent Company's managers, 83% at ASPI, 38% at ADR, 60% at Telepass and 23.5% at Abertis. This involved:

- the appointment of new chief executive officers for Atlantia, Aeroporti di Roma, SPEA Engineering and Aéroports de la Cote d'Azur;
- new management teams at the Parent Company, ASPI, ACA, ADR and Telepass;
- a review of the mission, responsibilities and skills profiles for six of the Parent Company's departments and offices (Risk Office, Sustainability, CFO, Internal Audit, General Counsel and Human Capital & Organization) in keeping with the Company's new role as a strategic investment holding company;
- increasing the proportion of executive roles within the holding company occupied by women to 44%, compared with an average of 13% among companies listed on the FTSE MIB.

Atlantia's management



The senior management teams at subsidiaries consist of 64 managers from 10 countries, of which 12.5% are women.

The management shakeup in 2020 provided an equally important opportunity to review the kind of leadership skills required by the new strategy. The resulting leadership model underlines the need for management to lead by example on a daily basis, adopting the behaviours expected of the organisation as a whole. The approach to performance appraisal is based not only on a person's ability to produce results, but also on their ability to make Atlantia an organization that is open, simple, fast-moving, inclusive and that is by its nature continually learning.

The Parent Company's renewed identity, as a strategic investment holding company, has also led the organisation to re-evaluate the full range of critical capabilities needed both now and in the future. This has led to a reduction in technical roles closely involved in the management of infrastructure and a significant increase in the presence of vertical roles across key corporate departments (communication, human capital, sustainability, risk management, legal and corporate affairs, audit and finance) and in those involved in management of the asset portfolio (investments and business development).

05. Our stakeholders

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5.0 Our stakeholders

The Atlantia Group believes that stakeholder engagement has a key role to play in:

- achieving our sustainable growth targets;
- ensuring that the transport of people and goods is accessible, safe and compatible with the environment;
- mitigating negative impacts and increasing positive impacts on territories thanks to constant dialogue with institutions;
- generating value for local communities.

In the last 20 years, Atlantia has taken an increasingly organised and broad approach to stakeholder engagement, year after year widening and extending opportunities for dialogue in order arrive at a more responsible, agreed allocation of resources and to focus management's attention on aspects deemed significant by stakeholders.

The engagement and dialogue process depends on the careful **identification of stakeholders** and an assessment of their importance based on a number of criteria, such as:

- the opportunities and risks resulting from the relationship and matters of specific interest;
- openness to dialogue and ability to engage in constructive, ongoing dialogue;
- the counterparty's reputation;
- the potential for the stakeholder to influence our activities through their choices and decisions.

In most cases, **relations with key stakeholders are "codified"** in internal procedures and managed according to an approach based on transparency and fairness. Each Group company has put in place specific internal controls and activated a series of communication channels to strengthen and broaden the involvement of local stakeholders which often takes continuous form, above all with regard to certain specific matters.

Despite the difficulties and problems linked to the Covid-19 pandemic, and in view of the impact it has had on stakeholders, we decided to rethink the Group's positioning in 2020 through a process of **listening, dialogue and market reconnaissance and benchmarking**.

The engagement process involved external and internal stakeholders, with the aim of understanding if there were **emerging issues to bear in mind or if there had been changes in the scale of priorities with regard to material topics.**

The categories of stakeholder involved were investors, persons tasked with assessing ESG issues, academic experts in sustainability, companies in the infrastructure and other sectors, Atlantia's Board of Directors, Atlantia's senior management, the managements of investees, consulting firms who have international intelligence on material topics and policymakers. The results of this extensive engagement, reconnaissance and benchmarking activity have proved essential in more accurately defining **the priorities on which to base our long-term commitments.**

Stakeholder map

Employees

Human resources

Labour unions

Contact channels

1. Performance management systems
2. Intranet sites
3. Collective bargaining with the unions
4. Internal customer surveys
5. Social media
6. Thematic workshops
7. Counselling
8. Periodic meetings with senior management
9. Thematic portals (health, welfare, training and development)
10. House organ
11. Ethics Officer and digital Whistleblowing platform (www.atlantia.it/en/corporate-governance/whistleblowing)

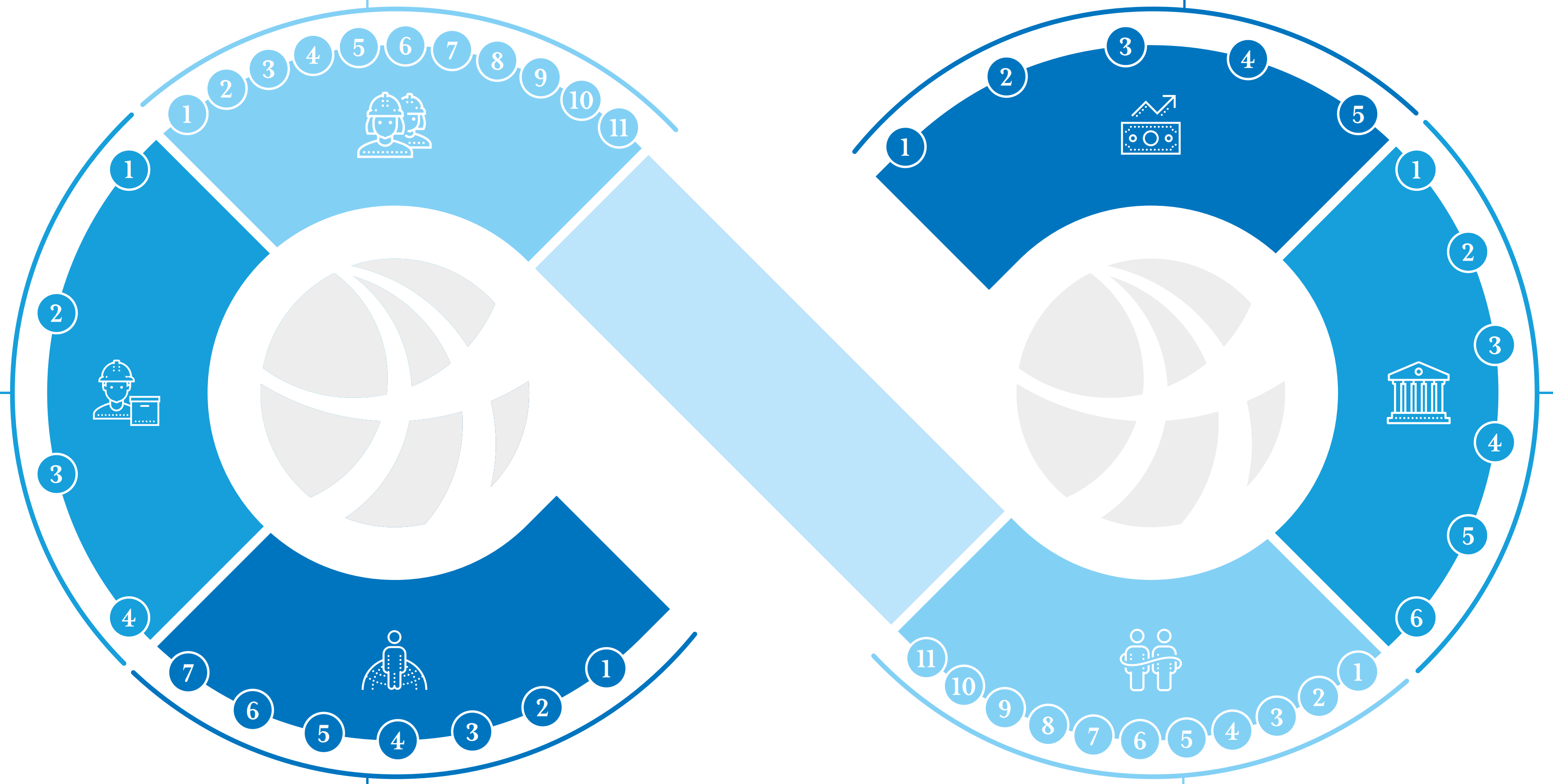
Suppliers

Suppliers of goods and services

Contractors and subcontractors

Contact channels

1. Ethics Officer and digital Whistleblowing platform (www.atlantia.it/en/corporate-governance/whistleblowing)
2. Audits, site visits and inspections
3. Capacity building initiatives (e.g., support for certification)
4. Coordination and cooperation meetings with suppliers and contractors



Communities and the environment

Local communities and institutions

Civil society

Media

Universities and research centres

Contact channels

1. Periodic meetings with local institutions
2. Press conferences and releases
3. Partnerships with universities and research centres (projects, university courses, master's courses, scholarships)
4. Websites and social media
5. Partnerships with non-profit organisations, foundations and local NGOs
6. Cultural and heritage initiatives
7. Partnerships and memoranda of understanding

Investors and the financial community

Shareholders

Financial analysts

Contact channels

1. Annual and half-year results announcements
2. Group meetings, conference calls and one-to-one meetings
3. Shareholder meetings
4. Infrastructure Channel (www.infrastructure-channel.com)
5. Sections of website providing financial and non-financial information

Institutions

The state

EU general directorates and Parliament

Trade bodies

Authorities

Grantors

Contact channels

1. Parliamentary questions and hearings
2. Working groups
3. Public consultations
4. Seminars, think tanks
5. Meetings with technical bodies from ministries
6. Partnerships and memoranda of understanding

Customers

Private customers

Airlines

Economic operators

Frequent travellers

Consumer associations

Contact channels

1. Periodic customer satisfaction surveys
2. TV and radio
3. Commercial call centres
4. Customer service call centres
5. Email contacts for customers to make suggestions, communicate and make complaints
6. Social media
7. Websites
8. Internal departments responsible for different aspects of customer relationship management
9. Periodic contacts and touchpoints with consumer associations
10. Service charters
11. Traffic information and accessibility apps

06. Corporate Governance

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6.1 Principles and values

Atlantia has adopted a traditional Management and Control System, based on rules aligned with the guidelines set by regulatory bodies and the highest standards recommended by the market. This system of rules is periodically updated to be always consistent and aligned both with developments in the business and, above all, with the guidance provided by the principles and criteria outlined in the Corporate Governance Code drawn up by the Corporate Governance Committee for listed companies.

The Group has a Corporate Governance system that is the essential tool to ensure effective and efficient management and reliable control over the activities carried out within the Company, with the aim of creating value for shareholders and other stakeholders.

The transformation process that the Group undertook during the year also led to a realignment of the founding principles and values of corporate governance with the changed context and with the new challenges that the Group intends to address. To that end, the values around which to structure Corporate Governance and, more generally, the Group's activities have been redefined, focusing on the principles of transparency, integrity, engagement, diversity, renewal and innovation.

The governance principles adopted and redefined by Atlantia comply with the laws and regulations in force in Italy, with international best practices and the recommendations of the Corporate Governance Code for Listed Companies drawn up by the Corporate Governance Committee.

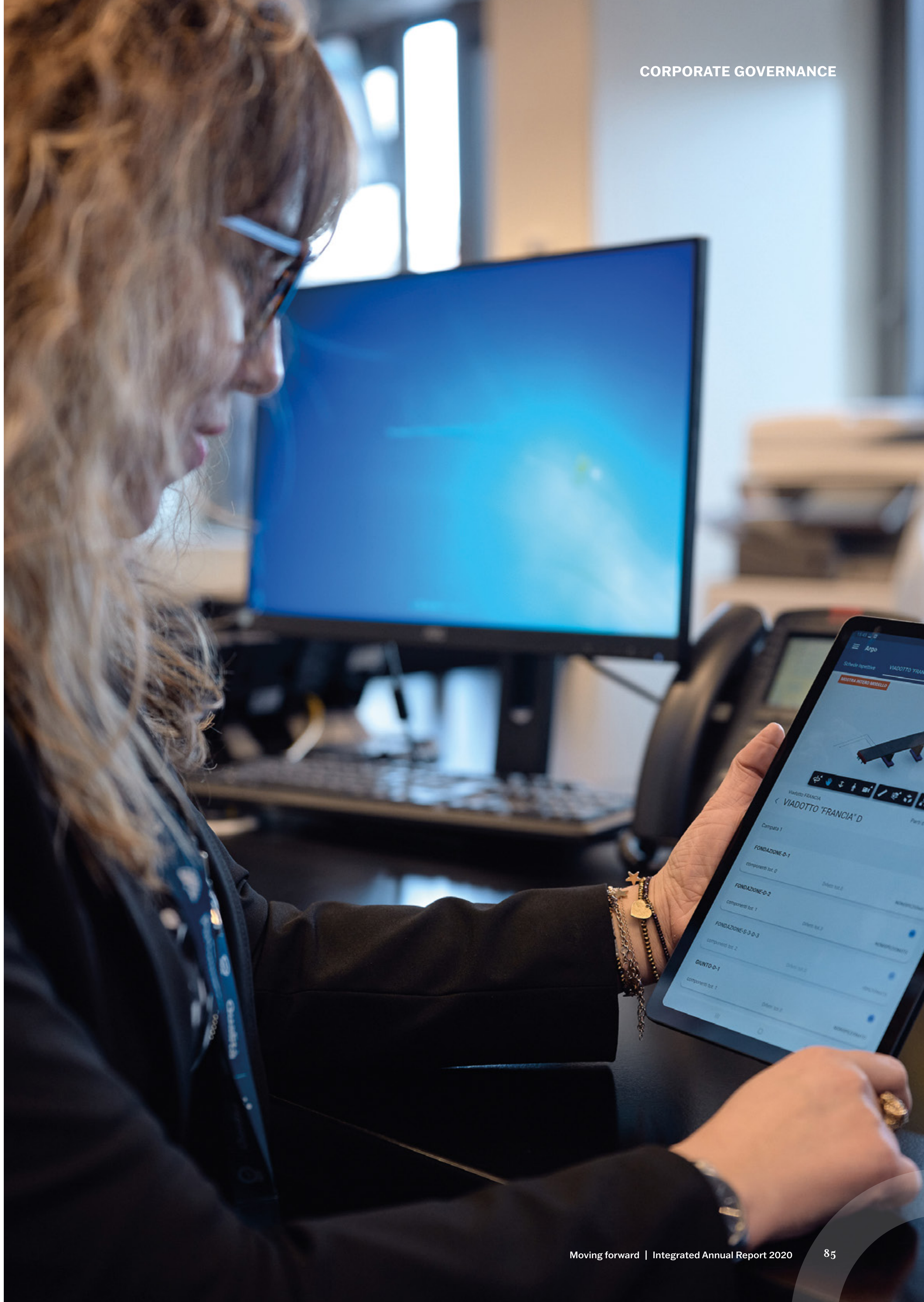
In December 2020, the Board of Directors resolved, with the consent of the Company's Audit, Risk and Corporate Governance Committee, to adhere to the New Corporate Governance Code (the "New Code"), in line with the practice followed by listed issuers included in the FTSE MIB index, thus abandoning the Company's own Corporate Governance Code (the "Atlantia Code") adopted for the first time in 2003.

The Company therefore applies the New Code as of 1 January 2021.

Also, as part of the evolutionary process embarked on, an action plan has been prepared to undertake all the adjustments and changes necessary to adapt the Company to the New Code. To that effect, the Company has for the first time adopted terms of reference for the Board of Directors (hereinafter the "Board Terms of Reference"), details of which are available on the Company's website in the governance/corporate bodies/Board of Directors section.

In adopting the Terms of Reference, the Company has also implemented the recommendations of the Corporate Governance Committee of December 2020, identifying: a) the upper limit on the total number of positions held by executive and non-executive directors, including also the role of statutory auditor; (b) the qualitative and quantitative criteria for defining independence requirements; c) the procedures and timing for the production of the documentation.

In connection with the preparation of Atlantia's strategic plan, two induction sessions and a strategic retreat were organised in January and February 2021, with the participation of the Company's entire Board of Directors and management. The guidelines in the new strategic plan were approved by the Board of Directors, together with the sustainability plan, on 18 February 2021.



6.2 Model and procedures

Under a traditional management and control system, the General Meeting of shareholders takes the most important decisions regarding the life of the Company, including the appointment of corporate bodies and approval of the financial statements.

The Company is managed by the Board of Directors, which carries out all the transactions necessary to pursue the corporate purpose. Four Board committees have been set up to advise and make recommendations to the Board of Directors.

Responsibility for controls is assigned to the Board of Statutory Auditors, which has the task of overseeing, among other things, compliance with the law, the memorandum of association and best practices, as well as the independent auditor to which the audit of the Company's accounts is entrusted.

The Board of Directors in office at 31 December 2020 was elected by the Annual General Meeting of 18 April 2019 for three financial years (i.e., until approval of the financial statements as at and for the year ended 31 December 2021) and consists of fifteen Directors. The infographics describe the main characteristics of the Board of Directors.

Governance model [8]

General Meeting of shareholders

Board of Statutory Auditors

Oversees the financial reporting process; the effectiveness of the internal control, internal audit and risk management system; the independent audit of the separate and consolidated financial statements; and the independence of the external auditors.

Board of Directors

Responsible for the management of the Company, being the only body with the authority and full powers to conduct the affairs of the Company.

Independent Auditor

Responsible for accounting controls and auditing the financial statements.

Audit, Risk and Corporate Governance Committee

Provides support, following due examination, for the Board's evaluation of and decisions relating to the Internal Control and Risk Management System, as well as those relating to the approval of financial reports.

Nominations, Remuneration and Human Capital Committee

Makes recommendations and provides advice to the Board of Directors on, among other things, matters relating to: the remuneration of the members of corporate bodies and senior management; the strategic development of human capital; the review of the activities of the Board of Directors and board committees; the preparation, update and implementation of any plans and/or procedures for the succession of the Chief Executive Officer and of any other executive directors; the proposal of candidates for the position of Director of the Company in the event of co-optation or the appointment of executive directors of Strategic Companies.

Sustainability Committee

Makes recommendations and provides advice to the Board of Directors on sustainability issues, in order to promote the gradual integration of environmental, social and governance factors into corporate activities, aimed at creating sustainable value for shareholders and other stakeholders over the medium to long term.

Committee of Independent Directors with responsibility for Related Party Transactions

The Committee examines related party transactions, carrying out the tasks provided for in the CONSOB Regulation adopted with Resolution 17221 of 12 March 2010, as amended, within the terms and according to the procedures set out in the procedure for related party transactions adopted by the Company and available on the Company's website.

8 The Committees' functions as at 18 February 2021. The Board of Directors' meeting held on that date decided to modify the roles assigned to the various Committees and to establish a Sustainability Committee, as recommended by Borsa Italiana's new Corporate Governance Code.

Atlantia

Board of Directors

NAME	AGE	IN OFFICE FROM	ATTENDANCE	ARCGC	NRHC	CIDRPT	SC
Fabio Cerchiai CHAIRMAN ●	76	18/04/2019	100%				
Carlo Bertazzo* CHIEF EXECUTIVE OFFICER ●	55	18/04/2019	100%				
Sabrina Benetton DIRECTOR ○	47	31/10/2019	100%				
Andrea Boitani DIRECTOR ○ ■	65	18/04/2019	94%	M	M		
Riccardo Bruno DIRECTOR ○ ■	61	18/04/2019	94%		P	M	
Cristina De Benetti DIRECTOR ○ ■	54	18/04/2019	97%	P			
Dario Frigerio DIRECTOR ○ ■	58	18/04/2019	100%	M		P	
Gioia Ghezzi DIRECTOR ○ ■	58	18/04/2019	79%				P
Giuseppe Guizzi DIRECTOR ○ ■	53	18/04/2019	97%		M		
Anna Chiara Invernizzi DIRECTOR ○ ■	51	18/04/2019	100%		M		
Carlo Malacarne DIRECTOR ○ ■	67	18/04/2019	100%		M	M	
Valentina Martinelli DIRECTOR ○	44	06/03/2020	100%				
Lucia Morselli DIRECTOR ○ ■	64	24/09/2020	89%	M			
Ferdinando Nelli Feroci DIRECTOR ○ ■	74	18/04/2019	94%				M
Licia Soncini DIRECTOR ○ ■	59	18/04/2019	100%				M

● Executive ○ Non-executive ■ Independent (CFA) **P** Chair **M** Member

* Carlo Bertazzo was appointed Atlantia's Chief Executive Officer by the Board of Directors on 13 January 2020, following the resignation of Giovanni Castellucci on 17 September 2019.

Mr Bertazzo was a member of the Nominations Committee until 26 May 2020 and a member of the Human Resources and Remuneration Committee until 13 January 2020.

59 anni
average age

47%
of Directors are women

73%
are independent

2
executive Directors

96%
attendance at meetings

34
meetings in 2020

CCR CG
16 meetings
of the Audit, Risk and Corporate Governance Committee

CR UR
15 meetings
of the Human Resources and Remuneration Committee

CAI OPC
7 meetings
of the Committee of Independent Directors with responsibility for Related Party Transactions

CN
7 meetings
meetings of the Nominations Committee

To enable Directors to carry out their role in an informed manner, a series of initiatives have been undertaken, to increase their knowledge of the Company and its dynamics, as well as to provide an update on developments in the legislative and regulatory framework, which in 2020 led to the organisation of 3 induction sessions concerning:

- the **Abertis Group,** with the participation of the CEO of Abertis Infraestructuras;
- the "**Positioning and Communication Strategy 2020-2022**" with the participation of the Company's Head of External Relations;
- "**Airports: and in-depth analysis of the current state and future prospects".** The CEO of Aeroporti di Roma S.p.A. was invited to attend the meeting.

In 2021, the induction process continued and concerned the Group's "Sustainability Plan".

Committees

The Board of Directors has established the following Committees in accordance with the Atlantia Code, which adopted the recommendations in the Corporate Governance Code for listed Companies:

- Nominations Committee;
- Human Resources and Remuneration Committee;
- Audit, Risk and Corporate Governance Committee;
- Committee of Independent Directors with responsibility for Related Party Transactions.

In performing their activities on behalf of the Board of Directors, the Committees may use external consultants, in accordance with the terms set by the Board of Directors.

At its meeting of 18 February 2021, the Board of Directors resolved to set up the Sustainability Committee and to assign the functions previously carried out by the Nominations Committee to the Human Resources and Remuneration Committee, which then took on the name of "Nominations, Remuneration and Human Capital Committee". Later, on 26 February 2021, the Board of Directors adopted terms of reference for all the Committees.

The Sustainability Committee consists of four independent directors and provides advice and makes recommendations to the Board on sustainability issues, to advance the progressive integration of environmental, social and governance factors into the Company's activities, to create sustainable value for shareholders and other stakeholders over the medium to long term.

Consideration of priority issues relating to environmental, social and governance matters and, in particular, climate change has been added to the agenda of the Board of Directors and the priorities of senior management, with the aforementioned induction sessions.

For further information, reference should be made to the full text of the "Annual Report on corporate governance and ownership structures", prepared taking into account the guidelines issued by Borsa Italiana for the corporate governance reports, available in the "Corporate Governance" section of the website at www.atlantia.com.

6.3 Compliance and Internal Control System

Atlantia's Internal Control and Risk Management System (ICRMS) is the set of tools, rules, procedures and organisational structures defined to ensure an effective identification, measurement, management and monitoring of the main risks for a sound and correct management of the Company, in keeping with objectives set by the Board of Directors.

The guidelines are defined and approved by Atlantia's Board of Directors, in line with the Company's strategies and with the corporate governance requirements set out for listed companies.

Legislative Decree 231/2001

The Organisation, Management and Control Model under Legislative Decree 231/01 (the 'Model') was updated during 2020 to incorporate regulatory changes within the General Part, and in particular:

- to introduce certain elements provided for by Law 179/2017 for the rules on whistleblowing in the private sector;
- to update the list of predicate 231 offences through the inclusion of the latest offences introduced into law.

Moreover, a change was made in the General Part, with the indication of the adoption, in 2017, of the Group Anti-Corruption Policy as an integral part of the Model and of the appointment of the Group Anti-Corruption Manager.

With regard to the Special Parts, the revision covered both (i) regulatory changes (ii) and modifications related to the integration and update of procedures and/or control processes.

The Supervisory Board forwarded the proposed changes to the Audit, Risk and Corporate Governance Committee for subsequent approval by the Board of Directors, which occurred on 23 March 2020.

It is noted that in November 2020 a project was started, with the collaboration of a consulting firm, to support Atlantia's Human Capital & Organization department, the Office of the General Counsel and the Anti-Corruption Manager in planning initiatives in the Organisational, Compliance and Internal Control field. In particular, the project concerns:

- the review of the process flowchart;
- the definition of the System of Powers (internal powers and powers of attorney);
- re-definition of the documentary hierarchy;
- the review of the 231 Risk Assessment;
- start of the process of adaptation and certification with respect to the ISO 37001:2016 standard, through the ISO Risk Assessment (anti-corruption);
- the consequent review of procedures;

- execution of the Privacy and Data Protection Assessment and related gap analysis;
- the update of the Processing Register;
- definition of the adaptation plan and design of the Privacy Management Model.

At the end of the project, the 231 Model will be revised, a process that will be completed in 2021.

Supervisory Board

Atlantia's current Supervisory Board was nominated by the Board of Directors on 8 June 2018, for the period 1 July 2018 – 30 June 2021, and is made up of two external members, one of whom acts as coordinator, and the Head of the Internal Audit department.

The Supervisory Board met on ten occasions in 2020 to deal with the issues related to revision of the Model, and carried out the Action Plan designed to monitor and evaluate its adequacy and effective implementation.

Moreover, Atlantia's Supervisory Board reported from time to time to the Company's Board of Directors and Board of Statutory Auditors on the Model's revision and monitoring activities.

Internal Audit activities

The year just ended was marked by a change and evolution to the Group's internal audit activities. In particular, the Group undertook the decentralisation of internal audit activities through a redefinition of the responsibilities and scope of activities of the Parent Company's Internal Audit department and the progressive set-up of specific departments at the main subsidiaries in Italy and abroad. In particular, in 2020, the Internal Audit departments of the main subsidiaries based in Italy (Autostrade per l'Italia S.p.A., Aeroporti di Roma S.p.A. and Telepass S.p.A.) were established and equipped with appropriate resources, in terms of number and expertise, to operate effectively in support of the management and oversight bodies of the respective companies. The main subsidiaries based abroad, with the exception of Abertis, which already had its own Internal Audit department, are completing the establishment of their departments and the organisation of the related activities in line with the decentralised model. Specifically, Internal Audit departments have been planned for Grupo Costanera, AB Concessões, Los Lagos, Aéroports de la Côte d'Azur and Stalexport Autostrady.

Within the Group, the Internal Audit department of Atlantia carries out support activities in order to allow the adoption of processes, methodologies and tools that are both consistent and in line with the "International Professional Practices Framework (IPPF)", though still in keeping with the principles of independence and autonomy of action and judgment of the individual departments.

In 2020, an External Quality Review was carried out which helped to identify areas for improvement that resulted in the adoption and update of the policies and rules on Internal Audit.

Whistleblowing – Management of disclosures

In line with changes in the Group's organisational and governance structure, during 2020 the update of the Whistleblowing Policy (the Disclosure Management Procedure) was approved. The procedure is applicable to Atlantia and has also been adopted by subsidiaries, each of which has appointed its own whistleblowing committee.

In 2020, the Group received 58 disclosures, of which 32 were pertinent and 26 were not (relating to complaints, deficiencies, etc.). Of the 32 pertinent, an investigation was undertaken in 27 cases, as the relevant disclosures were deemed to be sufficiently detailed (containing evidence sufficient to prompt further scrutiny). These refer mostly to issues of relations with suppliers and HR management. Of the 27 initiated, in 11 cases the investigations closed without confirming what had been reported, with the exception of one case relating to insults traded between employees, while in 16 cases the investigations are ongoing.

All non-pertinent disclosures have been passed on to the departments responsible for handling them. Finally, no cases of discrimination have been reported.

Foreign subsidiaries informed the Whistleblowing Committee that during 2020 they did not receive any disclosures.

Anti-Corruption policy

The Group is committed to preventing and combating the occurrence of wrongdoing in the performance of its activities. As a concrete demonstration of its commitment in this field, the Atlantia Group has adopted the Code of Ethics, which is closely integrated with the organisation, management and control models provided for by Legislative Decree 231/01 and with compliance programmes (implemented by foreign subsidiaries).

Atlantia has adopted a specific Anti-Corruption Policy as testament to its commitment to preventing and combating wrongdoing.

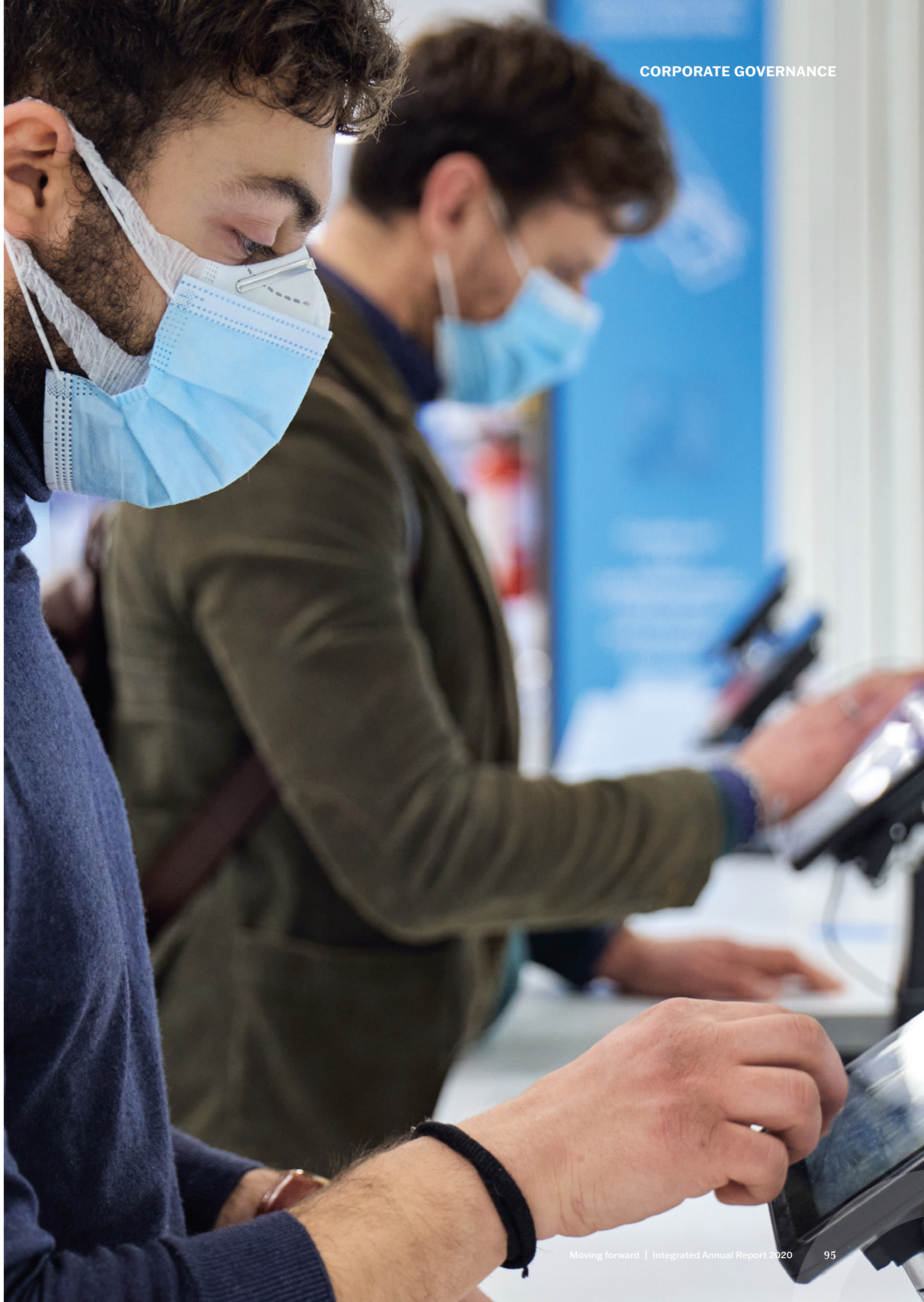
In view of the overall changes in the Group's organisational structures and the most recent legislative developments, 2020 saw work begin on a review of compliance procedures, including the 231 organisational model and the Anti-Corruption Policy.

Protection of human rights and code of conduct

The Atlantia Group operates on the belief that respect for and protection of human rights are inalienable principles for every area of activity.

Atlantia has signed up to the 10 principles of the Global Compact on human rights, working conditions, the environment and the fight against corruption. Atlantia, as provided for in the Group Code of Ethics, intends to maintain the best conditions of well-being at work, ensuring a working environment inspired by the principles of equality and protection of the freedom, dignity and inviolability of the person.

The Group - as a member of the Global Compact and recalling the constitutionally sanctioned principles of gender equality, EU legislation on the protection of the dignity of women and men in the workplace and national legislation on the matter - adopted its own Code of Conduct in 2018, with the aim of preventing discrimination and protecting the dignity of the Group's women and men.



6.4 Remuneration policies

The exceptional nature of 2020, with its significant impact on the mobility sector, and the uncertainty related to developments in the relationship between the grantor and the operator in connection with the Italian motorway business, created the conditions for a substantial discontinuity with the past in the Company's approach to remuneration.

Atlantia's remuneration policy for 2020 has been structured, in contrast to the past and with broad support from shareholders with over 90% of votes in favour, without any variable remuneration. Variable remuneration, a tool that the Company considers to be a key element in correctly aligning the interests of management, shareholders and other stakeholders, has been suspended in response to the extraordinarily unstable and unpredictable operating environment seen in 2020. In this context, the Chairman and the CEO also decided to cut their fixed compensation for the year by 25%, starting from May 2020.

For 2021, Atlantia will submit a renewed remuneration policy to the Annual General Meeting, scheduled for 29 April, with the aim of supporting delivery of the business strategy and in pursuit of the following goals:

- **Transparency** - *Providing a clear and transparent understanding of remuneration systems*

  Atlantia fosters dialogue with stakeholders, regularly monitors voting outcomes at shareholder meetings, proxy advisors' recommendations and market best practices, in order to constantly improve its Remuneration Policy and ensure a high level of transparency towards the market with regard to the remuneration systems adopted.

- **Sustainable value** - *Creating value in the long term*

  The variable remuneration plans are linked to short- and medium-term metrics that underpin sustainable and long-lasting value growth. The long-term component of variable remuneration plans has a greater weight than the short-term component, is equity-based, and requires that 50% of the shares deriving from incentive plans be held for a period of two years after they vest. Atlantia promotes the sharing of the results achieved with management and, more generally, with its employees favouring a long-term perspective. In this sense, the Company encourages employees to hold its shares.

- **ESG** - *Promoting a sustainable development model for shareholders and other stakeholders*

  Our vision of creating economic and social value for communities and territories takes shape in the Remuneration Policy through the anchoring of incentive plans to objectives consistent with our guidelines for the sustainable development of the business, with particular reference to the fight against climate change, the circular economy, relationships with territories, communities and stakeholders; the centrality of people, and ethical and transparent management.

Key changes with respect to the previous year

1	Reassessment of the purposes of the Company's remuneration policy
2	Revised framework for the annual incentive scheme ("MBO Plan"), based on targets relating to the creation of value for shareholders, strategic objectives and sustainability goals (ESG).
3	Definition of a long-term incentive scheme ("Stock Grant Plan 2021-2023"), based on the free award of shares in return for the achievement of value creation and sustainability targets over the three-year period. The Plan also envisages a 2-year lock-up period for 50% of the vested shares.
4	A stronger link between incentives and sustainability performance. A significant portion of management's annual variable remuneration (20 out of 100 points) and long-term variable remuneration (30 out of 100 points) is linked to the achievement of sustainability goals relating to ESG factors.

Moreover, in light of Atlantia's intent to strengthen its role as a strategic investment holding company, and the ensuing reassessment of its relationships with subsidiaries, the Company's Board of Directors has adopted a diversified approach to the holding company's remuneration policy and those of its subsidiaries.

Atlantia promotes remuneration principles inspired by international best practices also for subsidiaries, translating them into guidelines whose adoption is recommended to the management bodies of subsidiaries in a manner consistent with the market scenarios, strategic priorities and risk profiles specific to each business. These guidelines address key issues of remuneration governance through the work of dedicated Board Committees, the definition of pay levels in line with the relevant markets, the structuring of incentive schemes with regard to the type of objectives to which they are linked, limits on the maximum incentives payable, the overall weight of the variable component in the remuneration package and clawback provisions.

In addition, short- and long-term management incentive schemes will gradually incorporate, from 2021, objectives and metrics of a non-financial nature, in particular related to social and environmental performance.

For more information: www.atlantia.it/en/corporate-governance/remuneration

6.5 Ethics Policy for employees

In accordance with its Code of Ethics, Atlantia requires that all activities carried out within the Group meet certain standards relating to ethical and professional integrity and fair conduct and are in full compliance with the related laws and regulations in all the countries in which the Group operates, as well as respecting the principles of honesty, reliability, impartiality, loyalty, transparency, fairness and good faith.

The Code of Ethics is an integral part of the employment relationship and compliance with it is an essential part of the obligations of the Group's staff. Violating one of the provisions of the Code of Ethics may result, for employees and managers, in the consistent, impartial and uniform application of a disciplinary sanction proportionate to the seriousness of the violation, in keeping with current legislation on the subject.

Against this backdrop, in 2020, the Board of Directors approved a specific policy (called "Ethical rules of conduct and Policy on Disciplinary Actions, Suspension and Termination of Employment") relating to employees involved in criminal proceedings.

For more information: www.atlantia.it/en/corporate-governance/remuneration

6.6 Shareholder resolutions during the year

The functioning of General Meetings of shareholders, the related powers, the rights of those entitled to vote and the manner in which such rights are exercised are governed by the laws and regulations in force and there are no special quorums for meetings or voting sessions, multiple voting shares or enhanced voting rights.

Moreover, the Company has adopted General Meeting Regulations, shown at the end of the Articles of Association, which provide for orderly and functional proceedings at General Meetings.

The full text of the Articles of Association and the General Meeting Regulations is available at the following link: https://www.atlantia.it/en/corporate-governance/articles-codes-procedures.

During 2020, two General Meetings were held on 29 May 2020 and 30 October 2020. The Annual General Meeting held on 29 May 2020:

- approved the financial statements as at and for the year ended 31 December 2019, appropriating profit for the year, amounting to €426,613,505, to "Retained earnings";
- approved the Board of Statutory Auditors' proposal to appoint KPMG S.p.A. as the independent auditor for the financial years 2021-2029;
- confirmed the appointment of Ms Sabrina Benetton and Ms Valentina Martinelli as Directors of the Company, co-opted pursuant to art. 2386 of the Italian Civil Code at the Board meetings held on 31 October 2019 and 6 March 2020, respectively, until the term of office of the current Board expires;
- revoked the unimplemented portion of the previous resolution of 18 April 2019, insofar as it regards the authority to purchase treasury shares, without affecting the authority, pursuant to and for the purposes of art. 2357-*ter* of the Italian Code, to sell or otherwise assign and/or use, on one or more occasions and at any time, without any time limits, all or a part of the treasury shares held, in accordance with the terms, conditions and procedures set out in the AGM resolution authorising the use of treasury shares, dated 18 April 2019;
- approved, pursuant to and for the effects of art. 114-*bis* of Legislative Decree 58/1998, the Plan concerning the free share scheme allocating Atlantia's ordinary shares to employees of the Company and/or its Italian subsidiaries using in this regard the treasury shares already available to the Company;
- approved the first section of Atlantia S.p.A.'s "Report on remuneration policy for 2020 and on remuneration paid in 2019" and expressed a favourable opinion in relation to the second section of Atlantia S.p.A.'s "Report on the remuneration policy for 2020 and remuneration paid in 2019".

The General Meeting held in ordinary and extraordinary session on 30 October 2020:

- confirmed the appointment of Ms Lucia Morselli, co-opted pursuant to art. 2386 of the Italian Civil Code at the meeting of the Board of Directors of 24 September 2020, as a Director of the Company until the term of office of the current Board of Directors expires;
- revoked the resolution by which the Extraordinary General Meeting of 8 August 2013 approved the capital increase to service the contingent value rights. The resulting release in full of the statutory reserve named the "Non-distributable reserve for contingent value rights", established under the same shareholder resolution in order to cover payment for the shares to be issued to service the contingent value rights. Amendments to article 6 of the Articles of Association;
- approved proposed amendments to the following Articles of Association: (i) 6 to eliminate the reference to the par value of the shares; (ii) 20 and 32 to comply with the legislation on gender quotas; and (ii) 23 to amend the procedure for calling Board of Directors' meetings.

The results of the votes cast on the topics on the agenda of the two General Meetings, as well as all the documentation relating to them, is available on the Company's website on the pages dedicated to the two events.

Partial, proportional demerger of Atlantia

The Extraordinary General Meeting of 15 January 2021 approved the plan for the partial, proportional demerger of Atlantia S.p.A. in favour of Autostrade Concessioni e Costruzioni S.p.A. (the "Beneficiary"), a wholly-owned subsidiary.

The Beneficiary will receive assets consisting of a 33.06% interest in Autostrade per l'Italia S.p.A. ("ASPI"), with the allocation to Atlantia's shareholders of the full amount of the Beneficiary's capital increase servicing the demerger.

The transaction also involves Atlantia's transfer in kind to the Beneficiary of the remaining 55% interest in ASPI and the listing of the Beneficiary's shares on Borsa Italia's MTA market. The equity interest received by Atlantia in the Beneficiary as a result of the demerger will be sold to third parties on the basis of the terms and conditions outlined in the demerger plan.

The demerger and the overall transaction of which it is part is subject to the conditions precedent laid down in article 7 of the demerger plan[9].

9 For further information on the demerger, reference should be made to the documentation made available to the public on the Company's website https://www.atlantia.it/en/investors/general-meetings and the press releases issued by the Company.

07. Risk management

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7.1 The management system – main changes during the year

The risk culture is becoming increasingly central to the Group's organisational and decision-making processes.

During 2020, the risk management system and related internal controls underwent a radical shakeup in close step with the Group's transformation. This was done to ensure that the system can be an enabling factor with a key role in protecting the Group and in its sustainable success.

A number of measures to strengthen this system have been undertaken and partly completed, including:

- the revision and update of the Enterprise Risk Management (ERM) model in line with industry best practices;
- the organisational review in the Parent Company, with the decision to have the Chief Risk Officer report directly to the Chief Executive Officer;
- the appointment of Risk Officers in the Parent Company and in the main subsidiaries;
- the creation of special Risk Control Committees within Autostrade per l'Italia, Aeroporti di Roma and Telepass;
- the strengthening of the protections against IT risks, in support of an effective implementation of the digital transformation plan, with the appointment of Chief Information Officers in the Parent Company and in the main subsidiaries;
- greater integration of environmental, social and governance (ESG) factors into the ERM model, including through the inclusion of risks related to climate change, with the Parent Company's appointment of a Chief Sustainability Officer reporting directly to the Chief Executive Officer;
- the redefinition of ethical rules of conduct and internal policies to oversee any violations of laws, the code of ethics and other Company policies;
- the inclusion, in 2021, of risk management metrics in the Parent Company's variable remuneration systems, to further strengthen the risk culture within the organisation.

7.2 The ERM model

In June 2020, Atlantia's Board of Directors approved the new guidelines and the ERM Policy, which were then adopted by Group Companies. The model has many new elements: greater integration with the main business processes (strategic planning, budgeting, sustainability and internal auditing, so as to perform risk-based audits), the redefinition of the Risk Appetite Framework in a more measurable and integrated perspective, the update of the ERM methodology both for the identification of risks according to an enterprise approach, and for the related evaluation on the basis of qualitative and quantitative metrics.

The phases of the ERM management process

1	2	3	4
Atlantia's update and circulation among subsidiaries of the ERM methodological guidelines	Definition of the risk appetite for Atlantia and its subsidiaries and approval by the respective risk committees/boards of directors	Risk assessment of Atlantia and its subsidiaries and approval by the respective risk committees/boards of directors	Ongoing risk monitoring

Within each of the Group's main companies, the ERM model provides in particular for:

- the central role of the companies' boards of directors in ensuring that the main risks, to which each organisation is exposed in its business activity, are correctly identified, measured and constantly monitored, in order to verify their alignment with the risk appetite defined on the basis of the Risk Appetite Framework;
- a risk control committee, where present, to examine the results of the different phases of the risk management process before their approval by boards of directors;
- a Risk Officer to oversee the ERM process, according to the guidelines produced by the Parent Company, and to support the various Risk Owners in applying the methodology, facilitating the achievement of a risk control model as close as possible to the business sector in which each company operates.

The Risk Appetite Framework (or "RAF") represents the framework (processes, resources, methodologies and measurement criteria) through which the level of risk that the organisation is willing to accept in order to achieve its strategic and sustainability goals, in the pursuit of the company's mission, and in compliance with its value system (Code of Ethics, internal policies, 231 Model, etc.), taking into account the macroeconomic context and the competitive landscape. On the basis of the RAF, each company, in relation to its business and strategic priorities, defines its own Risk Appetite Statement, which reflects the nature of the different risks and the associated appetite levels.

Atlantia's Board of Directors has approved the Risk Appetite Statement for Atlantia S.p.A., as illustrated below.

Risk Appetite of the Parent Company

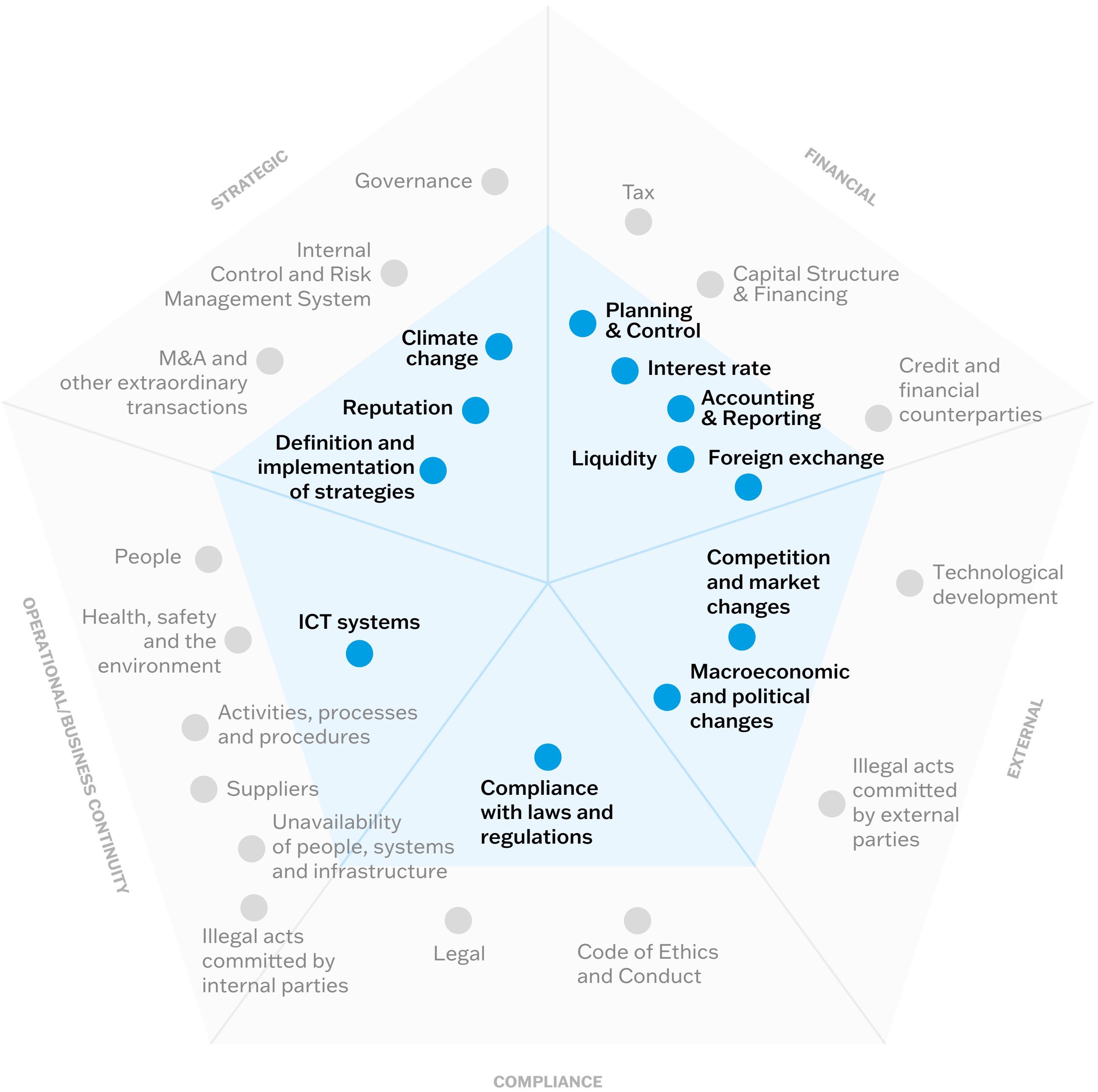
AREA OF RISK	DESCRIPTION	RISK APPETITE	CONSIDERATIONS
Strategic	Risks that can negatively affect the achievement of the mission, strategic objectives and perception of the reputation of the organisation	MEDIUM / LOW	LOW risk appetite regarding strategy definition, governance and medium/long-term reputational goals; MEDIUM appetite regarding business diversification risks, implementation of strategies affected by changes in the external environment and objectives relating to efforts to combat climate change in the long run
Operational	Internal risks endogenous to the organisation and arising from inadequacies in the definition and/or conduct of organisational processes	LOW / MINIMAL	LOW risk appetite regarding the organisation, human capital, definition and execution of processes, suppliers, with the utmost attention (MINIMAL appetite) to the mitigation of risks related to health, safety and environmental issues
Financial	Risks related to business and financial management	MEDIUM / LOW	LOW risk appetite in financial reporting, tax management, liquidity and financial counterparties, as well as in maintaining a balance between debt and equity; MEDIUM propensity in relation to financial risks arising from subsidiaries
Compliance	Risks related to legal aspects and compliance with internal and external rules and regulations	LOW / MINIMAL	Maximum attention (MINIMAL appetite) to compliance with laws, regulations and internal rules and LOW appetite for legal risks
Business Continuity	Risks arising from the impairment of the integrity and continuity of persons, infrastructure and/or technological assets	LOW	LOW risk appetite for business continuity risks impacting access to infrastructure and company information systems
External	Risks exogenous to the organisation, relating to the external environment or to the characteristics of the sector in which the organisation operates	MEDIUM / LOW	MEDIUM risk appetite in relation to the dynamics of external variables, which cannot always be controlled; LOW appetite for risks arising from external unlawful acts

7.3 The risk map and related control mechanisms

Atlantia

Risk map of the Parent Company

The blue area indicates the main risks to which the Company is potentially exposed in light of the nature of its business and the context in which it operates



Strategic risks

- **Strategy design and implementation -** Internal factors and market uncertainties[10] can expose the Parent Company to potential negative impacts with respect to pre-established strategic and market objectives and the ability to realise and protect the value for its assets. Against this background, 2020 was characterised by uncertainties attributable both to the ASPI's concession and regulatory framework (connected to the events of 14 August 2018), and to the spread of the Covid-19 pandemic, with the introduction of restrictions on mobility that led to declines in traffic and revenue at the main Group companies. These risks are monitored closely through a constant assessment of the performance of the different segments and a periodic review of business and sustainable development strategies.
- **Reputation -** Current or prospective risks arising from the negative perception of the organisation's reputation, including as a result of crisis situations, can compromise relations with stakeholders and generate direct (e.g., penalties / litigation costs) or indirect (e.g., reduction in investment opportunities, difficulty in accessing capital markets, higher financing costs) financial losses. Reputational risk is subject to a unified management approach, both in preventive terms, through a strategy of positioning, enhancement and protection of brands, and in response to any crisis situations for which escalation and communication management mechanisms are in place.
- **Climate change** - Ongoing climate change is a risk factor that may cause potential damage of various kinds (e.g., impacts on reputation, the value of assets, operating costs and costs to transition to a low-carbon economy). Atlantia has developed a strategy that follows several lines, including adherence to platforms and partnerships set up to combat climate change and the performance of carbon assessments for the activities of the Group's main operating companies.

Focus on Covid-19 risk

In March 2020, the World Health Organization declared the spread of the new coronavirus (called Covid-19) a global pandemic. Governments have introduced containment measures such as social distancing and border closures to limit the spread of the virus with a consequent impact on people's mobility and economic activity in general. The pandemic has had a negative impact on traffic volumes and passenger numbers: the reduction in traffic volumes at Atlantia's motorway businesses in 2020 (compared with 2019) was 27.1% in Italy, 30.6% in Spain, 24.1% in France, 8.5% in Brazil, 26.1% in Chile and 11.8% in Mexico. The number of passengers using the Group's airports decreased by 76.8% in Italy and 68.4% in France (compared with the corresponding figures for 2019). In order to cope with the impacts generated by the decrease in traffic, a plan to achieve efficiency improvements and cost savings and to review investment initiatives was promptly launched. This was done whilst at the same time guaranteeing works linked to the safety of infrastructure and continuing to assess all the various forms of aid being provided by governments and regulators in the various countries.

Atlantia's activity and results depend on the effects of the pandemic on macroeconomic conditions (which, among other things, have led to a progressive decrease in investment and purchasing power), on financial markets globally and on the duration and future development of containment measures.

Atlantia closely monitors the developments of the pandemic and has also immediately adopted control and preventive measures for all its employees.

10 This includes possible fluctuations in the market prices of shares held in portfolio based on market conditions.

Focus on ASPI

The following events characterise the concession and regulatory framework of Autostrade per l'Italia:

- a dispute initiated by the Italian Ministry of Infrastructure and Transport after the collapse of the Polcevera Bridge and the consequent talks between ASPI and the Grantor to reach an agreement on (i) the resolution of the proceeding for alleged serious breaches by ASPI of its Single Concession Arrangement in relation to the Ponte Polcevera collapse; (ii) certain amendments to ASPI's Single Concession Arrangement; and (iii) approval of ASPI's Financial Plan; and
- approval by the Italian Government of Law Decree 162 of 30 December 2019, converted into law by Law 8 of 28 February 2020 (the "Milleproroghe Decree"), and in particular by article 35 of the Milleproroghe Decree which, among other things, amends the legislation governing the revocation, expiration or termination of road or motorway concessions, including those for toll roads and motorways.

These aspects require careful assessment and continuous monitoring by Atlantia, also in light of the downgrade of Atlantia's and ASPI's ratings to sub-investment grade by Moody's, Fitch and Standard & Poor's in January 2020, affecting the Company's ability to access financial markets.

The downgrade to sub-investment grade could give rise to the risk that the European Investment Bank (EIB) and, for its part of the loan, Cassa Depositi e Prestiti (CDP), may require additional collateral, and, if this collateral is not considered reasonably satisfactory, either the EIB or the CDP may accelerate repayment of the related loans (€1.6 billion, of which €1.3 billion is guaranteed by Atlantia). Lack of compliance with the demands for repayment by either the EIB or CDP, provided that they are legitimate, could result in similar actions by ASPI's other creditors, including bondholders. It should be noted that at the date of preparation of this Annual Report, neither the EIB nor CDP have called for the application of any contractual rights and/or remedies.

Despite the above-mentioned context, ASPI and Atlantia demonstrated their ability to access credit through the placement of three bonds, with the former issuing bonds worth €1.25 billion in December 2020 and €1.0 billion in January 2021, and the latter issuing bonds worth €1.0 billion in February 2021. With these placements, ASPI has obtained the financial resources necessary to support its capital expenditure and maintenance plan - already defined in the new Financial Plan - as well as the other strategic and development activities in the new Business Plan, while Atlantia has reduced liquidity risk, extending the average duration of its debt and repaying early bank loans expiring in 2022, amounting to €1.0 billion.

Network monitoring

With a view to ensuring ever-increasing safety for the infrastructure under management, in 2020, ASPI further increased its monitoring activities with 19,000 inspections on bridges, viaducts, flyovers, tunnels and maintenance amounting to over €680 million, more than double the amount for the two-year period 2017-2019. The Business Plan provides for €7 billion to be spent on maintenance by 2038 (the expiry date for the concession).

Network surveillance and monitoring activities are permanently entrusted to a consortium of internationally recognised independent companies under a long-term contract awarded through public tenders. In addition, two external companies accredited, again following a tender procedure, were entrusted with the second-level audit of the processes for the surveillance of all the assets on the network in order to evaluate the functionality and effectiveness of the control, surveillance and monitoring system.

With regard to inspection activities for bridges, viaducts and flyovers, the "Surveillance Manual" and the related "Catalogue of Defects" have been updated. Similarly, the same documents are being prepared for tunnels.

In addition, in 2020, an extensive assessment plan for all tunnels was launched with the aim of defining a "point zero" in relation to the tunnels' state of repair and the need for planned maintenance.

Below are some significant indicators of service quality in 2020.

The Total Delay[11] on the network managed by Autostrade per l'Italia in 2020 was approximately 5.4 million hours, as against 7.1 million hours in 2019.

With reference instead to Total Delay Work, a sub-indicator of Total Delay that measures disruption caused by construction sites on the motorway, in 2020 there was an increase of 146% compared with 2013, the last year before the introduction of the new measures applied by Autostrade per l'Italia to improve traffic flow at the work sites, the main ones being:

- for each construction site, preventive analysis of the impacts on traffic to identify the best time of year in which to carry out the works and the configuration of the construction sites to reduce inconvenience;
- increases in the number of crews and equipment at work to reduce construction times;
- the suspension of work at times of peak traffic;
- enhancement of information to users with indications of the most critical routes and time slots, with suggestions on the organization of travel and alternative routes also through multimedia information channels (RTL, ISORADIO, www.autostrade.it/en/home, MyWay, etc.).

Also in 2020, Autostrade per l'Italia's commitment to the Genoese community continued. In particular, action was taken to expand toll exemptions to the area around the city of Genoa to cover the Ligurian routes managed by ASPI and affected by work on the upgrade and modernization of the Ligurian network which, from October 2020, is being carried out on the basis of quarterly plans, agreed with the Ministry, in order to minimise the impact on the roads. It should be noted that the reduction in toll revenue resulting from the exemption in the Genoa area in 2020 is estimated at about €44 million (a total of €26 million in 2018 and 2019).

In line with the guidelines for "Risk Classification and Management, Safety Assessment and Monitoring of Existing Bridges", with reference to bridges and viaducts, the assessment program will be launched in March 2021.

In addition, ASPI has developed, in collaboration with IBM, a new digital platform that will integrate processes and information on inspection, instrumental monitoring and routine and non-routine maintenance activities.

In addition, in compliance with the guidelines formalized by the Directorate General for the Supervision of Motorway Concessionaires (DGVCA), specific partnerships have been entered into with leading Italian universities to ensure a third-party and qualified control of the operational procedures adopted by the Company, to ascertain the state of the infrastructure and define the related maintenance programs.

For a more in-depth discussion, reference should be made to **ASPI's Annual Report for 2020**.

11 Total Delay: the sum of the difference between the average transit time for each section of the entire network in the period under review and the equivalent time at an average speed typical of the section in question, multiplied by the number of journeys. From 1 January 2017, a new algorithm for calculating the Total Delay was introduced. This results in a more accurate estimate of "delays" on Autostrade per l'Italia's network and a more precise breakdown into sub-indicators (Accident, Traffic and Works), above all in the case of concomitant events on the same section of motorway, introducing a basis for temporal as well as spatial comparison. The algorithm has been certified in accordance with the ISO 9001:2015 stand.

Financial risks

- **Liquidity –** To ensure the ability to meet financial needs (e.g., operational needs, new investment, debt refinancing) and to comply with covenants and other contractual commitments, Atlantia carries out continuous monitoring of its cash reserves, available credit facilities, financial covenants and risk situations:
  - policies aligned with best practices are adopted to maintain a balanced financial structure;
  - requirements are planned, financed and/or refinanced well in advance, through access to the credit and bond markets;
  - the Company and its subsidiaries have committed credit lines in place to address unforeseen financial requirements.
- **Interest rate –** To limit the uncertainty determined by changes in interest rates related to financial assets or liabilities (including derivatives) and to contain the financial charges related to debt and/or debt refinancing, the financial market is continuously monitored in order to limit the volatility of cash flows in the medium and long term by evaluating appropriate hedging transactions.
- **Currency -** An adverse trend in exchange rates could have operating and financial impacts, with potentially significant effects on the change in the value of assets and liabilities (including derivatives) held in portfolio. Specific financial management principles and rules are applied, to match funding and operating cash flows in the same currency or, alternatively, to consider appropriate hedging transactions.

  For a more in-depth discussion on financial risk, reference should be made to section 9.2 of the consolidated financial statements.
- **Planning & Control -** The untimely identification and response to the numerous internal and external (e.g., Covid-19) variables that may affect the Group's activities can have potential impacts on corporate sustainability and the operating performance, financial condition and cash flows. Specific principles and rules of planning, control and periodic review of the operating performance, financial condition and cash flows (also with reference to potential risks and upside) are defined and a constant monitoring of the evolution of key indicators is carried out, identifying suitable mitigation plans.
- **Accounting & Reporting -** The macroeconomic, financial and regulatory context of the countries in which Group companies operate, also in view of the evolution of the Covid-19 pandemic, strongly affects the estimates and assumptions underlying the value of the assets recognised in the financial statements (impairment testing). The Parent Company adopts policies and procedures aligned with international best practices in the field of accounting and reporting, to ensure the proper recognition and measurement of its results.

External risks

- **Macroeconomic and socio-political changes -** Atlantia constantly monitors the evolution of scenarios and risks (political, legislative and regulatory, economic, financial, etc.) related to the countries in which it operates, which could potentially lead, for example, to the revision of tariff frameworks and/or increased costs in order to adapt to the related changes.
- **Competition and market developments -** Trends/sectors of interest are constantly analysed in order to optimise the related risk/opportunity profiles and the diversification/concentration of the business, in line with the Company's strategies. Investments are evaluated according to diversified processes and controls, both during due diligence (also with the assessment of the compliance of counterparties and partners with ethical and anti-corruption standards), and during the implementation of post-acquisition integration projects.

Operational / business continuity risk

ICT systems - deficiencies in the security measures of a corporate information system (cyber security) and prolonged downtimes of information systems (business continuity) - also in light of the Covid-19 pandemic, which have required greater and more extensive use of remote working - can cause higher costs and additional capital expenditure to restore business continuity, with an impact on the achievement of the organisation's objectives, reputational damage and the potential loss of sensitive and/or confidential data. Atlantia is strengthening its cyber risk mitigants to support an effective implementation of the digital transformation plan, with the inclusion of Chief Information Officers both in the Parent Company and in the main subsidiaries.

Compliance risk

Compliance with laws and regulations - In performing its activities, Atlantia may be exposed to risks related to violations of rules and regulations, unfair professional conduct, non-compliant with the Company's ethics policy, that might result in sanctions, financial losses and negative impacts on its reputation. With the aim of disseminating a culture of compliance and ensuring conduct always inspired by integrity, fairness and collaboration, Atlantia has adopted, and periodically updates, the model of organisation, management and control (ex Legislative Decree 231/01), anti-corruption, privacy management and ethical rules of conduct that also serve as a basis for relationships with its partners. During 2020 it also adopted the Tax Control Framework which, representing an additional tool for the prevention of offences potentially giving rise to administrative and criminal liability, strengthens the organizational and management model required by Legislative Decree 231/01.

Sustainability /ESG Risks

The Group's commitment to sustainability also involves close monitoring of the related risks, which the Group has identified in several factors related to environmental protection, social protections, labour relations, the promotion of human rights and the fight against corruption. They are mainly attributable to other risk categories classified in the ERM model and only partly "primary/pure". For this reason, the Company plans to progressively integrate sustainability/ESG issues into the risk management framework in 2021.

For a more in-depth discussion of sustainability/ESG risks, reference should be made to section 9 in the Non-Financial Statement (NFS).

Subsidiaries

The main risks of the Company's largest subsidiaries are described below by operating segment (motorways, airports, mobility services). It should be noted that, also for the main subsidiaries, compliance and cyber security risks are continuously monitored.

Motorways segment

AREA OF RISK	RISK FACTORS
Strategic risks	Risks related to the reduction in traffic volumes due to the spread of the pandemic, with impacts on the ability to achieve the financial targets and operational objectives of infrastructure and road management and continuity and quality of service Reputational risks related to inadequate emergency management or the implementation of untimely strategies in crisis management, with significant impacts on continuity of service Risks arising from the reduced efficiencies and synergies generated in the context of the integration of acquired companies, with possible operating and financial impacts and in terms of reputation and compliance Risks related to climate change that expose assets and infrastructure to possible damage, resulting in the possibility of prolonged disruption or operational inefficiencies
External risks	Risks related to changes in the legislative and regulatory framework with impacts on the conditions of the concession arrangement that could have negative effects on the company's operations, results and business continuity Risks related to the socio-economic situation in certain countries, changes in mobility or competition due to the creation of alternative infrastructure that may result in a decrease in demand Risks arising from the occurrence of exogenous events of an accidental or natural nature, which expose assets and infrastructure to possible damage, with the consequent risk of prolonged disruption or operational inefficiencies
Operational / business continuity risks	Risks related to the proper maintenance and quality of infrastructures, exposed to exogenous and endogenous events that can affect the safety of the structures Risks related to road safety and traffic management that expose the company to potential impacts on the safety of people and vehicles in the context of ordinary motorway operations Risks related to poor management in the construction of new infrastructure and/or the upgrade/modernisation work that may result in significant delays compared to plan objectives and cost overruns Risks related to occupational health and safety and environmental protection Risks related to poor handling of management and middle management turnover, to the failure to align appropriate skills for key roles and to talent loss, which could undermine the company's ability to achieve its objectives
Financial risks	Liquidity risk and the breach of loan agreements, with potential for early repayment Risk arising from unexpected changes in interest rates with impacts on the value of assets and liabilities and/or on fee income and financial charges Risks arising from changes in exchange rates with effects on the value of equity interests and dividends, and on foreign-denominated trade/financial payables/receivables Risks related to changes in ratings and access to credit with possible increase in the cost of borrowings and debt refinancing Risks related to insurance cover for assets due to the difficulty in obtaining cover due to endogenous (accidents) or exogenous (insurance market capacity) factors

Airports sector

AREA OF RISK	RISK FACTORS
Strategic risks	Risks related to excessive dependence on key carriers and the evolution of the air transport market, also in view of the economic situation and/or health emergencies (e.g., Covid-19 pandemic) with short- and long-term negative effects on operating and financial performance and development policies Risks arising from the negative perception of the image of the organisation among key internal or external stakeholders with possible reputational damage
External risks	Risks arising from unfavourable changes in the regulatory framework at national and/or international level with repercussions on the activities and business model adopted and financial and asset losses potentially due, for example, to the revision of the tariff system and/or to the increased cost of adapting to changes in the market environment Risk linked to pressure from residents or NGOs to limit activity, to cut back on essential investment, to close airports at night Risks arising from extreme weather events and natural disasters with potential damage to infrastructure, people, equipment and potential disruption to services Capacity limitation (e.g., business growth risk linked to restricted market access - traffic rights, slots, etc. - and lack of investment capability, with potential negative impact on ability to achieve financial objectives)
Financial risks	Risks related to inadequate cash flow planning/management, to the ability to meet covenants and other contractual obligations and the difficulty/inability to borrow or to refinance debt with effects on the ability to meet financial requirements and/or obligations of early repayment of loans Risk arising from default or deterioration of the credit quality of counterparties, with impacts on financial results, operating performance and cash flows.
Operational / business continuity risks	Risks for the safety of persons and equipment in the context of airport (landside/airside) operations with possible damage to persons, equipment and infrastructure Risks related to occupational health and safety and environmental protection (HSE) with possible economic, criminal and administrative sanctions, as well as impacts on the company's reputation Risks related to the unavailability of people, infrastructure and/or systems (e.g., the malfunctioning of critical equipment or IT systems) with effects on the provision of services and business activities

Mobility services

AREA OF RISK	RISK FACTORS
Financial risks	Losses resulting from customer defaults with consequent impact on the Company's operating results, financial condition and cash flows
Operational / business continuity risks	Malfunctions or technical failure of a company system with possible disruptions or interruptions in business continuity and in the provision of services.

Performance

This section provides data and information useful in an integrated analysis of the Company's operations, action plans, investment and key performance indicators for the year, in both financial and non-financial terms. Moreover, this section contains more detailed and specialist information, including the separate and consolidated financial statements, the related notes and the mandatory financial and non-financial disclosures.

08. Performance 2020

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8. Performance in 2020

8.1 Financial review for the Atlantia Group

Introduction

The Annual Report for the year ended 31 December 2019 highlighted the presence of certain material uncertainties casting significant doubt on use of the going concern assumption. This was linked to the potential for an agreed settlement of the dispute over alleged serious breaches of the concession arrangement of the subsidiary, Autostrade per l'Italia (the latest developments are described in note 10.7, "Significant legal and regulatory aspects" in Atlantia's consolidated financial statements as at and for the year ended 31 December 2020), and this company's and Atlantia's exposure to liquidity and financial risk, in part as a result of the spread of the Covid-19 pandemic.

Based on developments regarding the above material uncertainties, Atlantia's Board of Directors considered the risk factors and uncertainties present at the date of preparation of the consolidated financial statements as at and for the year ended 31 December 2020 to be surmountable and concluded that the going concern assumption had been satisfied by the Parent Company. This took into account the actions taken and to be taken by Atlantia and its subsidiaries, including those aimed at mitigating the impact of the continuing Covid-19 pandemic.

Assessment of whether the going concern assumption is appropriate requires a judgement, at a certain time, of the future outcome of events or circumstances that are by nature uncertain. Whilst taking due account of all the available information at that time, this judgement is, therefore, susceptible to change as developments occur, should events that were reasonably foreseeable at the time of the assessment not occur, or should facts or circumstances arise that are incompatible with such events, and that are currently not known or, in any event, not reasonably estimable at the date of preparation of the Integrated Annual Report for the year ended 31 December 2020.

Further details on the going concern assessment carried out are provided in section 8.3 of the Integrated Annual Report for 2020, "Financial review for Atlantia S.p.A.".

The Atlantia Group's scope of consolidation as at 31 December 2020 has changed with respect to 31 December 2019, primarily as a result of the following transactions completed by Abertis Infraestructuras:

a) in the first half of 2020, in partnership with the Government of Singapore Investment Corporation (GIC), the acquisition of a 72.3% interest in Red de Carreteras de Occidente ("RCO") for a consideration of €1.5bn. RCO's five subsidiaries manage 876 km of motorway network serving Mexico City and Guadalajara, generating EBITDA of more than €230m in 2020 and having net debt of €1.9bn as at 31 December 2020;

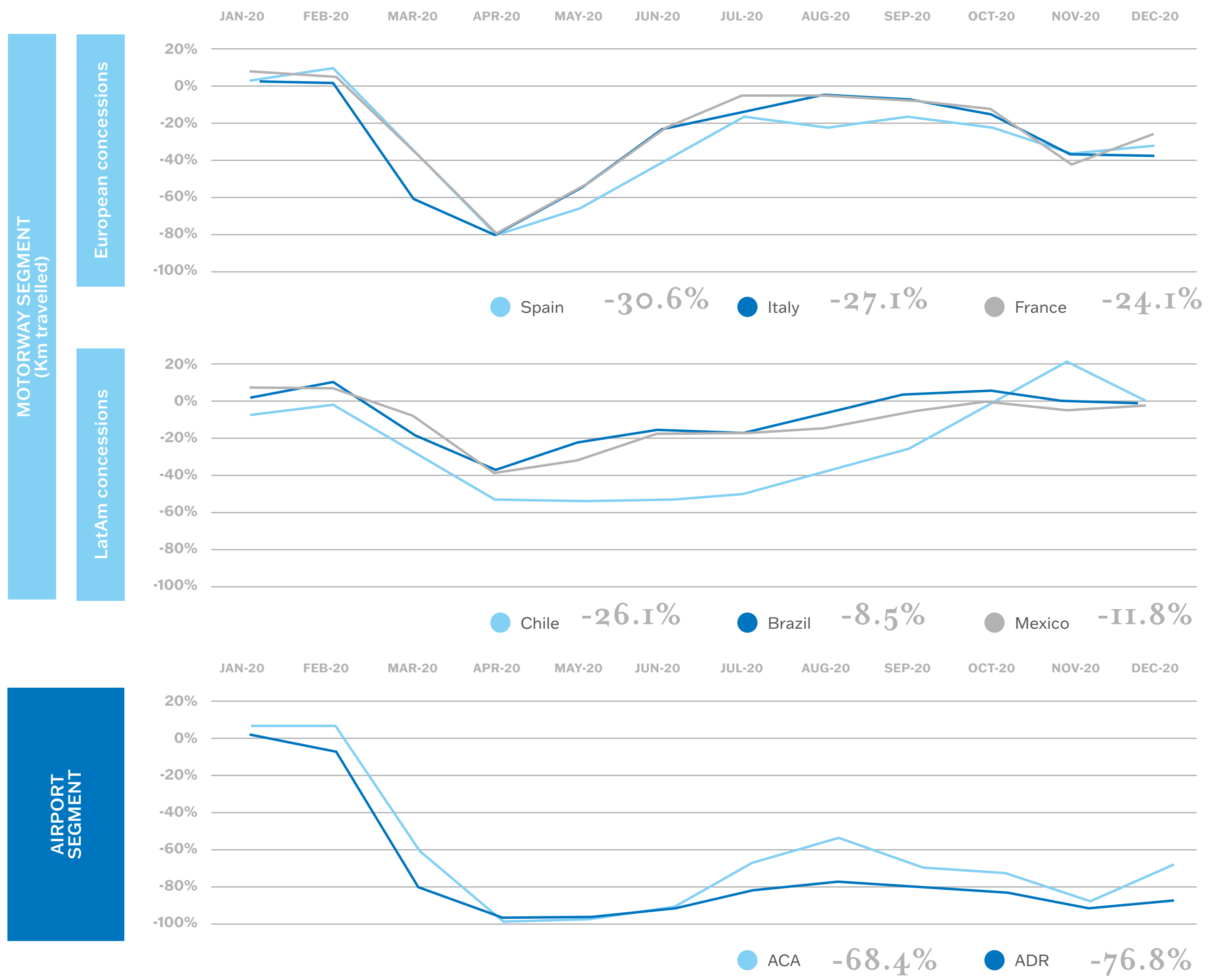
b) at the end of 2020, in partnership with Manulife Investment Management, the acquisition of a 100% interest in Elizabeth River Crossings ("ERC"), for a consideration of approximately €0.6bn. Through its subsidiaries, ERC holds the concession (until 2070) to operate 4 tunnels and a section of motorway in the Norfolk area in Virginia. The company reports EBITDA of over €36m for 2020 and has net debt of €0.8bn as at 31 December 2020.

The reconciliation of the key alternative performance indicators ("APIs"), used to present the operating results, financial position and cash flows in the reclassified accounts, with the most directly reconcilable line item, subtotal or total in the statutory consolidated financial statements is provided in section 10, "Explanatory notes, reconciliations and other information".

Disclosure on the impact of the Covid-19 pandemic on the Group's results[1]

Since the end of February 2020, the restrictions on movement, imposed by many governments in response to the global spread of the Covid-19 pandemic, have resulted in significant reductions in the volumes of traffic using the motorways and airports operated under concession by the Group compared with 2019. As the following graph shows, the impact has differed depending on geographical area, primarily linked to the timing of the spread of the pandemic and the different restrictive measures adopted in the various countries.

[1] *In accordance with the Public Statement issued by the European Securities and Markets Authority (ESMA) on 28 October 2020, and the Warning Notice 1/2021 issued by the CONSOB on 16 February 2021, this paragraph provides the disclosure on the impact of the Covid-19 pandemic.*



In terms of operating segment, airport operators (traffic down 75%) were more affected than motorway operators (traffic down 23%), reflecting the fact that the airline industry was hit particularly hard throughout the world.

With regard to motorway traffic, the most significant reductions were registered by the European and Chilean operators as opposed to those in Brazil and Mexico.

The €3,346 million (29%) reduction in operating revenue compared with 2019 is broadly linked to the reduction in traffic in 2020 caused by the above restrictions on movement. This resulted in lower toll and aviation revenue and reduced revenue from airport and motorway sub-concessions, primarily in Italy. Similarly, there as a resulting fall of €2,701 million (54%) in operating cash flow compared with 2019.

The Group responded to the fall in traffic by promptly taking a series of steps to cut costs and review its investment plans, whilst guaranteeing works relating to the safety of infrastructure. The Group also looked at further initiatives designed to mitigate the impact of the measures implemented or being considered by the various governments in the countries in which the Group operates.

In this regard, it should be noted that the Group's Italian motorway operators have initiated talks with the grantor aimed at mitigating the negative impact of the fall in traffic, above all on revenue. In particular, new financial plans were submitted by Autostrade per l'Italia and certain of its motorway subsidiaries, as well as Autostrada A4 Brescia – Padova, at the end of 2020. The plans, which have yet to complete the approval process, envisage recovery of the net losses incurred between March and June 2020 through the application of average annual toll increases over the remaining terms of their concessions. Proposals regarding recovery of the losses incurred in the subsequent period are also being examined for application to the national motorway network as a whole.

In addition, Aeroporti di Roma's concession arrangement contains provisions designed to mitigate demand risk, including the potential for the operator to recover a part of the lost revenue linked to the shortfall in traffic with respect to forecasts for the five-year regulatory period.

A number of Group companies have taken specific steps to cut their staff costs, including participation in furlough schemes and other forms of income support.

In addition, as required by the above Public Statement from the ESMA and the Warning Notice from the CONSOB, the impact of the Covid-19 pandemic was also taken into account when assessing one or more indicators of impairment. These analyzes revelead evidence of impairment indicators for all the CGUs representing the Group's motorway and airport operators and for investments in unconsolidated companies. As a result, the net invested capital of the CGUs and the investments was tested for impairment.

The impairment tests carried out confirmed that the net assets of all the CGUs, including goodwill, and investments are fully recoverable, with the exception of:

- Autostrada A4 Brescia - Padova and the Arteris Group's Brazilian motorway operators, where the impairment test showed that the carrying amounts of intangible assets deriving from concession rights were partially recoverable, resulting an impairment loss of €109 million and €151 million, respectively;
- Aéroports de la Côte d'Azur, with an impairment loss on the remaining value of goodwill (€102 million) and a partial impairment loss on the value of intangible assets deriving from concession rights (€158 million);
- the investment in Aeroporto di Bologna, resulting in a partial impairment loss of €43 million.

In addition, with regard to the recoverability of financial assets for which during the year there was a significant increase in credit risk, the impairment tests confirmed that the carrying amounts were fully recoverable, with the exception of:

- financial assets guaranteed by the Grantor to the Argentine companies, GCO and Ausol, where an expected credit loss of €148 million was recognised;
- the financial receivables due to AB Concessões from Infra Bertin Empreendimentos, resulting in an expected credit loss of €93 million.

Despite the difficult market environment, Group companies continued to have access to external sources of funding, issuing bonds worth €4,970 million in 2020, including issues carried out by Abertis Infraestructuras (€1,500 million), HIT (€1,200 million), Autostrade per l'Italia (€1,250 million), Azzurra Aeroporti (€660 million) and Aeroporti di Roma (€300 million), in addition to hybrid bonds worth over €1,250 million issued by Abertis Infraestructuras Finance. New bank borrowings amounted to €6,304 million.

As a result of the negative impact of Covid-19 on the operating results and financial position of Group companies, a number of them (Atlantia, Autostrade per l'Italia, Aeroporti di Roma, Aéroports de la Côte D'Azur, the Brazilian operator, Nascentes das Gerais, and A4 Holding) requested and obtained covenant holidays from their respective lenders, on a precautionary and preventive basis, at the measurement date of 31 December 2020 and, where suitable, at subsequent measurement dates. The assessment carried out on the basis of the actual operating results and financial position has, in any event, subsequently shown that the financial covenants provided for in the loan agreements of the Parent Company, Atlantia, have been complied with. Information on the outlook regarding the impact of the Covid-19 pandemic on the Group is provided below in the "Outlook" section of this Integrated Annual Report.

Results of operations

Reclassified consolidated income statement

€M	2020	2019	Increase/ (Decrease)	
			Absolute	%
Toll revenue	6,870	9,256	-2,386	-26%
Aviation revenue	244	826	-582	-70%
Other operating income	1,170	1,548	-378	-24%
Total operating revenue	**8,284**	**11,630**	**-3,346**	**-29%**
Cost of materials and external services	-2,458	-2,386	-72	3%
Concession fees	-444	-609	165	-27%
Net staff costs	-1,285	-1,482	197	-13%
Operating change in provisions	-396	-1,426	1,030	-72%
Total net operating costs	**-4,583**	**-5,903**	**1,320**	**-22%**
Gross operating profit (EBITDA)	**3,701**	**5,727**	**-2,026**	**-35%**
Amortisation, depreciation, impairment losses and reversals of impairment losses	-4,186	-4,061	-125	3%
Operating profit (EBIT)	**-485**	**1,666**	**-2,151**	**n/s**
Other expenses, net	-1,662	-1,216	-446	37%
Share of profit/(loss) of investees accounted for using the equity method	-19	21	-40	n/s
Profit/(Loss) before tax from continuing operations	**-2,166**	**471**	**-2,637**	**n/s**
Income tax benefits/(expense)	524	-107	631	n/s
Profit/(Loss) from continuing operations	**-1,642**	**364**	**-2,006**	**n/s**
Profit/(Loss) from discontinued operations	1	-7	8	n/s
Profit/(Loss) for the year	**-1,641**	**357**	**-1,998**	**n/s**
(Profit)/Loss attributable to non-controlling interests	-464	221	-685	n/s
Profit/(Loss) attributable to owners of the parent	**-1,177**	**136**	**-1,313**	**n/s**

"**Operating revenue**" for 2020 totals €8,284 million, down €3,346 million (29%) compared with 2019 (€11.630 million).

"**Toll revenue**" of €6,870 million is down €2,386 million compared with 2019 (€9,256 million). The change compared with 2019 is broadly due to the impact of the restrictions on movement introduced in response to the Covid-19 pandemic, which resulted in a reduction in traffic on the networks operated by the Autostrade per l'Italia Group (down 27.1%), the Abertis Group's operators (down 21.1%) and the other overseas operators (down 19.8%). In addition, the figure also reflects the negative impact of falls in the value of the Brazilian real (down 25.1%) and Chilean peso (down 12.9%) against the euro, amounting to €329 million, and of changes in the scope of consolidation, partly reflecting the expiry of a number of concessions held by the Abertis Group, amounting to €161 million.

"**Aviation revenue**" of €244 million is down €582 million (70%) compared with 2019, primarily due to the impact of the Covid-19 pandemic on traffic at Aeroporti di Roma (down 76.8%) and at Aéroports de la Côte d'Azur (down 68.4%), resulting in reductions of €502 million and €80 million, respectively.

"**Other operating income**", amounting to €1,170 million, is down €378 million (24%) compared with 2019, essentially due to:

- reduced non-aviation revenue at Aeroporti di Roma (€179 million) and at the Aéroports de la Côte d'Azur Group (€76 million), primarily reflecting the performance of retail sub-concessions, which were hit by the decline in traffic and the closure of terminals;
- reduced revenue at the Autostrade per l'Italia Group (€143 million) and the Abertis Group (€43 million), primarily due to the lower volume of traffic and the steps taken to support the businesses of oil and food service providers following the Covid-19 pandemic;
- increased revenue at Pavimental from work for external customers (€62 million);
- an increase in revenue from fees reported by the Telepass Group, essentially due to the acquisition of new customers in overseas markets in 2020 (€15 million).

"**Operating costs**" of €4,583 million are down €1,320 million compared with 2019 (€5,903 million). This primarily reflects reduced provisions made by Autostrade per l'Italia, which in 2019 included the provisions of €1,500 million linked to the undertaking given by Autostrade per l'Italia with the aim of resolving the dispute with the Ministry of Infrastructure and Transport ("MIT").

The "**Cost of materials and external services**", amounting to €2,458 million, is up €72 million compared with 2019 (€2,386 million). This reflects:

a) the increased costs incurred by Autostrade per l'Italia (€289 million), essentially in connection with the company's network surveillance, inspection, maintenance and safety programmes (€367 million), partially offset by the €78 million reduction in costs compared with 2019, relating to reconstruction of the Polcevera road bridge, which was completed and opened to traffic in August (€153 million in 2020 and €231 million in 2019);

b) cost savings resulting from the various initiatives implemented by Group companies to mitigate the effects of the Covid-19 pandemic, primarily attributable to the Abertis Group and totalling €102 million;

c) the reduction in costs linked to falls in value of the Brazilian real and Chilean peso against the euro, amounting to €94 million.

"**Concession fees**" of €444 million are down €165 million (27%) compared with 2019, primarily due to the reductions recorded by the Italian motorway operators (€111 million), the Aeroporti di Roma Group (€28 million) and the Abertis Group (€14 million) as a result of the above traffic trends.

"**Staff co**sts" of €1,285 million are down €197 million (€1,482 million in 2019). This essentially reflects:

a) a reduction in costs following the decision to make use of the furlough scheme and other measures taken by Group companies in response to the impact of the Covid-19 pandemic;

b) reduced costs following adjustment of the fair value of rights vesting under the Group's staff incentive plans, reflecting the performance of Atlantia's shares in the two comparative periods (€41 million).

The "**Operating change in provisions**" generated expense of €396 million in 2020, compared with expense of €1,426 million in 2019, following the recognition of provisions of €1,500 million linked to the undertaking given by Autostrade per l'Italia during talks with the Government and the MIT. For 2020, this item essentially reflects additional provisions made in relation to the above new proposal for an agreement, amounting to €700 million, including €500 million recognised in provisions for repair and replacement to cover improvement maintenance and €190 million in provisions for risks and charges, after uses during the year to fund maintenance work, carried out essentially by Autostrade per l'Italia.

"**Gross operating profit" (EBITDA)** of €3,701 million is down €2,026 million (35%) compared with 2019 (€5,727 million).

"**Amortisation and depreciation, impairment losses and reversals of impairment losses**", totalling €4,186 million, is up €125 million compared with 2019 (€4,061 million). This primarily reflects impairment losses on intangible assets (€520 million), partially offset by reduced amortisation and depreciation (€412 million), reflecting changes in the scope of consolidation and the expiry of a number of concessions (€222 million), in addition to falls in the value of the Brazilian real and Chilean peso against the euro (€190 million).

The "**Operating loss" (negative EBIT)** of €485 million marks a deterioration of €2,151 million compared with 2019 (€1,666 million).

"**Net financial expenses**" of €1,662 million are up €446 million compared with 2019 (€1,216 million), essentially reflecting:

a) increased financial expenses incurred by Atlantia (€261 million), primarily due to fair value losses connected with the impact of Forward Starting Interest Rate Swaps (188 million), in addition to increased interest expense;

b) increased impairment losses in 2020 (€145 million), reflecting impairment losses on financial receivables attributable to the Brazilian subsidiary, AB Concessoes, and the Argentine subsidiaries (€102 million) and on the investment in Aeroporto di Bologna (€43 million).

The "**Share of (profit)/loss of investees accounted for using the equity method**", linked to the Group's share of the results of associates and joint ventures, amounts to a loss of €19 million for 2020, essentially due to the share of Getlink's loss (€23 million) caused by the impact of the Covid-19 pandemic.

The loss recorded in 2020 has resulted in tax benefits of €524 million, marking a change of €631 million compared with tax expense of €107 million in 2019.

The "**Loss for the year**" for 2020 amounts to €1,641 million, compared with a profit of €357 million in 2019.

The "**Loss for the year attributable to owners of the parent**", totalling €1,177 million, includes €282 million in impairment losses on assets linked to the impact of the Covid-19 pandemic on traffic (a profit of €136 million was recorded in 2019).

The "**Loss attributable to non-controlling interests**", totalling €464 million, compares with a profit of €221 million in 2019.

Consolidated statement of comprehensive income

€M		2020	2019
Profit/(Loss) for the year	(A)	**-1,641**	**357**
Fair value gains/(losses) on cash flow hedges		-166	-507
Fair value gains/(losses) on net investment hedges		49	-25
Gains/(Losses) from translation of assets and liabilities of consolidated companies denominated in functional currencies other than the euro		-742	-325
Other comprehensive income of investments accounted for using the equity method		-44	-84
Other fair value gains/(losses)		-	-4
Tax effect		32	129
Other comprehensive income/(loss) for the year reclassifiable to profit or loss	(B)	**-871**	**-816**
Gains/(Losses) from actuarial valuations of provisions for employee benefits		-2	-7
Gains/(Losses) on fair value measurement of equity instruments		-588	-67
Gains/(Losses) on fair value measurement of fair value hedges		169	101
Tax effect		12	4
Other comprehensive income/(loss) for the year not reclassifiable to profit or loss	(C)	**-409**	**31**
Reclassifications of other comprehensive income to profit or loss for the year	(D)	**128**	**80**
Tax effect of reclassifications of other comprehensive income to profit or loss for the year	(E)	**-26**	**-9**
Total other comprehensive income/(loss) for the year	(F=B+C+D+E)	**-1,178**	**-714**
of which relating to discontinued operations		6	6
Comprehensive income/(loss) for the year	(A+F)	**-2,819**	**-357**
Of which attributable to owners of the parent		*-1,823*	*-278*
Of which attributable to non-controlling interests		*-996*	*-79*

The "**Other comprehensive loss for the year**" amounts to €1,178 million for 2020 (a loss of €714 million for 2019). This primarily reflects the following:

a) losses on the translation of the assets and liabilities of consolidated companies denominated in functional currencies other than the euro, totalling €742 million, primarily due to declines in the value of the Brazilian real and the Chilean peso against the euro in 2020 (in 2019, the losses amounted to €325 million);

b) the loss of €588 million resulting from fair value measurement of equity instruments (in 2019, the figure was €67 million), essentially due to the impairment loss on the investment in Hochtief (€576 million), partially offset by gains on outstanding fair value hedges hedging approximately a third of the shares held (€169 million);

c) an increase in fair value losses on cash flow hedges, amounting to €166 million, primarily due to the decline in interest rates 2020 (2019 recorded an even sharper fall in interest rates, resulting in a loss of €507 million).

The comprehensive loss for 2020 thus amounts to €2,819 million (a loss of €357 million in 2019).

Financial position

Reclassified consolidated statement of financial position

€M	31 Decemebr 2020	31 December 2019	Increase/ (Decrease)
NET INVESTED CAPITAL	**53,502**	**51,625**	**1,877**
Intangible assets deriving from concession rights	49,229	46,500	2,729
Goodwill	12,785	12,426	359
Property, plant and equipment and other intangible assets	1,257	1,366	-109
Investments	2,841	3,662	-821
Working capital (net of current provisions)	307	507	-200
Provisions and commitments	-8,789	-8,388	-401
Deferred tax liabilities, net	-3,868	-4,167	299
Other non-current assets and liabilities, net	-260	-281	21
Equity	**14,264**	**14,903**	**-639**
Equity attributable to owners of the parent	6,190	7,408	-1,218
Equity attributable to non-controlling interests	8,074	7,495	579
Net debt [(1)]	**39,238**	**36,722**	**2,516**
Bond issues	31,673	28,499	3,174
Medium/long-term borrowings	18,690	16,452	2,238
Other financial liabilities	3,283	3,095	188
Financial assets deriving from concession rights	-3,484	-3,568	84
Cash and cash equivalents	-8,385	-5,232	-3,153
Other financial assets	-2,539	-2,524	-15
EQUITY AND NET DEBT	**53,502**	**51,625**	**1,877**

(1) *Net debt includes non-current financial assets, unlike the financial position shown in the notes to the financial statements and prepared in compliance with the European Securities and Markets Authority (ESMA) Recommendation of 20 March 2013, which does not permit the deduction of non-current financial assets from debt.*

"**Net invested capital**" of €53,502 million (€51,625 million as at 31 December 2019) is up €1,877 million compared with the end of 2019.

As at 31 December 2020, "**Intangible assets deriving from concession rights**", amounting to €49,229 million, are up €2,729 million compared with 31 December 2019 (€46,500 million). This essentially reflects:

a) the recognition of concession rights following the acquisitions of the RCO Group and the ERC Group, totalling €6,642 million;

b) investment in construction services for which additional economic benefits are received (€703 million);

c) amortisation for the year, totalling €3,258 million;

d) a reduction due to the effect of currency translation differences, totalling €1,097 million, essentially due to declines in the value of the Brazilian real and Chilean peso against the euro;

e) the recognition of impairment losses totalling €418 million, mainly linked to the Covid-19 pandemic and relating to Aéroports de la Côte d'Azur (€158 million) and the Arteris Group's Brazilian motorway operators (€151 million), in addition to Autostrada A4 Brescia – Padova (€109 million).

"**Goodwill**" of €12,785 million is up €359 million compared with 31 December 2019 (€12,426 million), primarily due to the goodwill recognised following final allocation of the fair value of the assets acquired and liabilities assumed following the acquisition of RCO (€418 million), less the impairment loss on the goodwill allocated to the Aéroports de la Côte d'Azur CGU, amounting to €102 million.

"**Property, plant and equipment and other intangible assets**" amount to €1,257 million, a decline of €109 million compared with 31 December 2019 (€1,366 million). This primarily reflects depreciation and amortisation of €323 million, the deconsolidation of Electronic Transaction Consultant Co. (€41 million) and negative translation differences of €33 million, partially offset by purchases during the year (€299 million).

"**Investments**" amount to €2,841 million, a decline of €821 million compared with 31 December 2019 (€3,662 million). This is primarily due to:

a) the loss (€576 million) resulting from fair value measurement of the investment in Hochtief, recognised in other comprehensive income;

b) the sale of the investment in the French operator, Alis, with a carrying amount of €117 million;

c) a reduction of €59 million in the value of investments measured using the equity method, essentially reflecting recognition of the Group's share of the losses for the period reported by Getlink (€47 million) and A'lienor (€18 million);

d) an impairment loss of €43 million on the investment in Aeroporto di Bologna.

"**Working capital (net current provisions)**" of €307 million is down €200 million compared with 31 December 2019 (€507 million), reflecting:

a) a reduction in current tax assets (€602 million), essentially following Abertis Infraestructuras's n amounts payable to the operators of collection of tax rebates (€622 million);

b) a reduction in current tax liabilities (€194 million), linked to the losses reported in 2020, essentially by the Abertis Group (€108 million), Autostrade per l'Italia (€29 million) and Aeroporti di Roma (€13 million);

c) a reduction in trade receivables (€171 million) and trading liabilities (€83 million), essentially due to the declines in airport and motorway traffic and a reduction in amounts payable to the operators of interconnecting motorways by Autostrade per l'Italia, in addition to a slowdown in capital expenditure due to the Covid-19 pandemic;

d) the positive impact of a reduction in other current liabilities (€140 million), due primarily to a reduction in the fees payable by the motorway and airport operators due to the decline in traffic, and an increase in other current assets (€103 million), primarily to an increase in tax credits.

"**Provisions and commitments**" amount to €8,789 million, an increase of €401 million compared with 31 December 2019 (€8,388 million). This primarily reflects an updated estimate of the work to be carried out on motorway infrastructure by Autostrade per l'Italia and provisions (€190 million) linked to the talks with the Government and the MIT.

"**Deferred tax liabilities, net**" of €3,868 million are down €299 million compared with 31 December 2019 (€4,167 million). This reflects:

a) the reduction of €838 million essentially due to releases of deferred tax liabilities on gains on acquisitions (€671 million) and the recognition of deferred tax assets on provisions made in 2020, primarily relating to the provisions made by Autostrade per l'Italia (€214 million);

b) net deferred tax liabilities of €579 million in 2020, essentially contributed by the RCO Group.

"**Other non-current assets and liabilities, net**" have a negative balance of €260 million, a reduction of €21 million compared with 31 December 2019 (281 million).

"**Equity attributable to owners of the parent and non-controlling interests**" totals €14,264 million (€14,903 million as at 31 December 2019).

"**Equity attributable to owners of the parent**", totalling €6,190 million, is down €1,218 million compared with 31 December 2019 (€7,408 million). This essentially reflects the above comprehensive loss for 2020 of €1,823 million, partially offset by the increase of €612 million following the issue of hybrid bonds by Abertis Infraestructuras Finance.

"**Equity attributable to non-controlling interests**" of €8,074 million is up €579 million compared with 31 December 2019 (€7,495 million). This essentially reflects:

a) the consolidation of RCO and ERC, contributing €1,428 million to non-controlling interests;

b) the comprehensive loss attributable to non-controlling interests for 2020, amounting to €996 million;

c) an increase of €626 million due to the above hybrid bond issue by Abertis Infraestructuras Finance;

d) the distribution of equity reserves amounting to €447 million to non-controlling shareholders, primarily by Abertis HoldCo.

The Atlantia Group's net debt as at 31 December 2020 amounts to €39,238 million, an increase of €2,516 million compared with 31 December 2019 (€36,722 million), as described in the section, "Cash flow". Changes in the items that constitute net debt are as follows:

a) an increase in bond issues of €3,174 million, reflecting:
   i. the most important issues during 2020 with a total nominal value of €4,970 million and carried out by Abertis Infraestructuras (€1,500 million), the French subsidiary, HIT (€1,200 million), Autostrade per l'Italia (€1,250 million), Azzurra Aeroporti (€660 million) and Aeroporti di Roma (€300 million);
   ii. the contribution from RCO, totalling €1,335 million;
   iii. the redemption of bonds amounting to €2,889 million, essentially by the Abertis Group (€2,178 million) and Autostrade per l'Italia (€502 million);
   iv. a reduction due to the fall in the value of the Brazilian real and the Chilean peso against the euro (€519 million);
   v. recognition of the sterling-denominated bonds issued by Aeroporti di Roma (€253 million), following Atlantia's assignment to third parties of the portion previously held;

b) an increase in medium/long-term borrowings of €2,238 million, essentially reflecting:
   i. the use of existing credit facilities and the agreement of new facilities by Abertis Infraestructuras (€1,620 million), Aeroporti di Roma (€680 million), Telepass (€300 million) and Autostrada A4 Brescia - Padova (€200 million);
   ii. the partial use of revolving credit facilities by Atlantia (€1,250 million), after the use made on 14 January 2020, totalling €3,250 million, and the repayment of 5 November 2020, amounting to €2,000 million;
   iii. the contribution of RCO and ERC, totalling €1,645 million, following the above acquisitions in 2020;
   iv. repayments made by the Abertis Group, amounting to €2,373 million, Azzurra Aeroporti (€653 million), Autostrade per l'Italia (€143 million) and Aeroporti di Roma (€114 million);
   v. the reduction due to the fall in the value of the Brazilian real and the Chilean peso (€125 million);

c) an increase in cash of €3,153 million, essentially reflecting Atlantia's use of its revolving credit facility and the above financial transactions in 2020, as well as the issue of hybrid bonds by Abertis Infraestructuras Finance, with a nominal value of €1,250 million, in November 2020.

The residual weighted average term to maturity of the Group's debt is five years and seven months as at 31 December 2020 (five years and four months as at 31 December 2019).

70.5% of the Group's debt is fixed rate. After taking into account the related hedges, fixed rate debt represents 82.4% of the total.

As at 31 December 2020, the Atlantia Group has cash reserves of €17,096 million, consisting of:

a) €8,385 million in cash and cash equivalents and/or investments maturing in the short term, including €2,261 million attributable to Atlantia;

b) €8,711 million in committed lines of credit not drawn on, having an average residual drawdown period of approximately two years.

"Net financial debt", an indicator usually used by analysts and rating agencies to assess the Group's financial structure, amounts to €41,870 million as at 31 December 2020, an increase of €2,334 million compared with 31 December 2019 (€39,536 million), essentially due to the above events described in the section, "Cash flow".

Cash flow

Statement of changes in consolidated net debt

€M			2020	2019
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES				
Profit/(Loss) for the year			-1,641	357
Adjusted by:				
Amortisation and depreciation	3,581	3,907		
Operating change in provisions (*)	424	1,400		
Financial expenses from discounting of provisions for construction services required by contract and other provisions	48	78		
Impairment losses/(Reversals of impairment losses) on financial assets and investments accounted for at fair value	285	175		
Dividends received and share of (profit)/loss of investees accounted for using the equity method	19	25		
Impairment losses/(Reversals of impairment losses) and adjustments of current and non-current assets	522	63		
(Gains)/Losses on sale of investments and other non-current assets	-29	-1		
Net change in deferred tax (assets)/liabilities through profit or loss	-838	-904		
Other non-cash costs (income)	-103	-131		
Operating cash flow			2,268	4,969
Change in operating capital			123	-70
Other changes in non-financial assets and liabilities			44	-237
Net cash generated from operating activities (A)			2,435	4,662
NET CASH FROM/(USED IN) INVESTMENT IN NON-FINANCIAL ASSETS				
Investment in assets held under concession	-1,235	-1,479		
Purchases of property, plant and equipment	-177	-207		
Purchases of other intangible assets	-122	-108		
Capital expenditure			-1,534	-1,794
Government grants related to assets held under concession			5	8
Increase in financial assets deriving from concession rights (related to capital expenditure)			65	84
Purchases of investments			-	-4
Investment in consolidated companies, including net debt assumed			-4,640	-12
Proceeds from sales of property, plant and equipment, intangible assets and unconsolidated investments			167	23
Proceeds from sales of consolidated companies, including net debt transferred			51	1,191
Net change in other non-current assets			25	48
Net cash used in investment in non-financial assets (B)			-5,861	-456
NET EQUITY CASH INFLOWS/(OUTFLOWS)				
Dividends declared by Atlantia			-	-736
Dividends declared by Group companies and payable to non-controlling shareholders			-89	-457
Proceeds from exercise of rights under share-based incentive plans			-	1
Distribution of reserves and returns of capital to non-controlling shareholders			-447	-466
Transactions with non-controlling shareholders			-53	-
Issue of equity instruments			1,242	-
Interest accrued on equity instruments			-4	-
Net equity cash inflows/(outflows) (C)			649	-1,658
Increase/(Decrease) in cash and cash equivalents during year (A+B+C)			-2,777	2,548
Change in fair value of hedging derivatives			52	-431
Non-cash financial income/(expenses)			66	243
Effect of foreign exchange rate movements on net debt and other changes			143	-154
Impact of first-time adoption of IFRS 16 as at 1 January 2019			-	-137
Other changes in net debt (D)			261	-479
Decrease/(Increase) in net debt for year (A+B+C+D)			-2,516	2,069
Net debt at beginning of year			36,722	38,791
Net debt at end of year			39,238	36,722

(*) This item does not include uses of provisions for the renewal of assets held under concession and includes uses of provisions for risks.

"**Net cash from operating activities**" amounts to €2,435 million (€4,662 million in 2019). This reflects operating cash flow for the period of €2,268 million and other changes in operating capital and in other non-financial assets and liabilities, resulting in an inflow of €167 million. This essentially reflects reduced revenue from motorway tolls and airport fees as a result of the Covid-19 pandemic, partially offset by the collection of tax credits of €622 million by the Abertis Group.

The reduction compared with 2019, amounting to €2,277 million, is broadly due to the reduction of €2,701 million in operating cash flow, partially offset by the net reduction of €474 million in cash outflows for movements in trading assets and liabilities and the above tax credits.

"**Net cash used for investment in non-financial assets**" amounts to €5,861 million (€456 million in 2019) and is up €5,405 million, primarily due to:

a) the acquisitions of RCO and ERC, totalling €4,633 million, including debt assumed;

b) a reduction of €260 million in investment (in 2020, amounting to €1,534 million);

c) a reduction of €1,140 million in proceeds from sales compared with 2019, when the figure primarily reflected the sale of an 89.7% interest in Hispasat for €1,191 million.

"**Net equity cash inflows**" amount to €649 million and essentially include the issue of hybrid instruments by Abertis Infraestructuras representing equity instruments (a nominal value of €1,250 million), partially offset by the distribution of dividends and equity reserves to non-controlling shareholders (totalling €536 million).

Compared with 2019, the change reflects the reduction in dividends declared by Atlantia (€736 million) and the distribution of dividends and returns of capital and reserves by subsidiaries to their non-controlling shareholders (€387 million).

"**Other changes in net debt**" have reduced net debt by a further €261 million, primarily due to the fall in value of the Brazilian real and the Chilean peso against the euro, an increase in fair value gains on fair value hedges (€169 million), hedging approximately a third of the shares held by Atlantia in Hochtief. These movements were partially offset by an increase of €117 million in fair value losses on cash flow hedges, reflecting falling interest rates.

2019 registered an increase in net debt, essentially reflecting an increase in fair value losses on cash flow hedges, linked to the significant fall in interest rates.

8.2 Financial review by operating segment

Financial results by operating segment

The Atlantia Group's operating segments are identified based on the information provided to and analysed by Atlantia's Board of Directors, which represents the Group's chief operating decision maker, when taking decisions regarding the allocation of resources and assessing performance.

In particular, the Board of Directors assesses the performance of the Company in terms of business, geographical area of operation and the organisational structure of the various areas of business.

With respect to the situation presented in the Annual Report for 2019, a new segment for the Telepass Group (previously classified in other asctivities) has been added and a number of operating segments have been renamed. As a result, the new composition of the operating segments is as follows:

a) **Autostrade per l'Italia Group**: includes Autostrade per l'Italia and the Italian motorway operators it controls. This segment also includes Autostrade per l'Italia's other subsidiaries that provide support for the above Italian motorway operators;

b) **Abertis Group**: includes the holding company, Abertis HoldCo, the subsidiary, Abertis Infraestructuras, the motorway operators the latter controls in Europe, America and Asia, and the companies that produce and operate tolling systems and are controlled by Abertis Infraestructuras;

c) **Other overseas motorways**: includes the activities of the companies holding motorway concessions in Brazil, Chile and Poland not controlled by the Abertis Group, and the companies that provide operational support for these operators and the related Italian and foreign-registered holding companies;

d) **Aeroporti di Roma Group (ADR)**: includes Aeroporti di Roma, which holds the concession to operate and expand the airports of Rome Fiumicino and Rome Ciampino, and its subsidiaries, in addition to Fiumicino Energia and the subsidiary, Leonardo Energia;

e) **Aéroports de la Côte d'Azur Group (ACA)**: includes the companies controlled by Aéroports de la Côte d'Azur (ACA), the company that operates the airports of Nice, Cannes-Mandelieu and Saint-Tropez, in addition to Azzurra Aeroporti (the holding company that directly controls ACA);

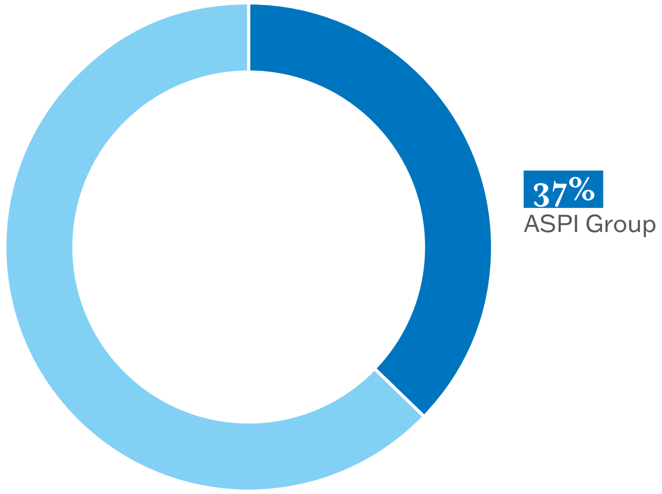
f) **Telepass Group:** includes Telepass and its subsidiaries, which manage free-flow tolling and traffic management systems, electronic payments systems, insurance and roadside breakdown services and other mobility-related services;

g) **Atlantia and other activities**: includes the Parent Company, Atlantia, and Spea Engineering and Pavimental (companies whose business is the design, construction and maintenance of motorway and airport infrastructure).

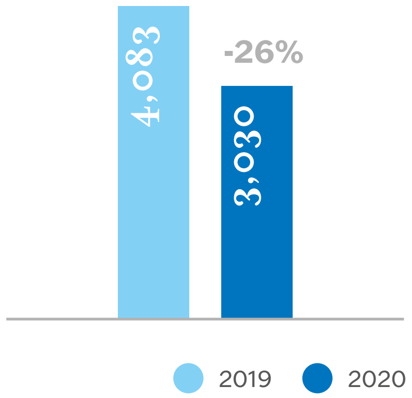
A summary of key financial performance indicators for the identified segments is provided below, in certain cases showing amounts on a like-for-like basis. The reconciliation of these amounts is provided in section 10, "Explanatory notes, reconciliations and other information".

Autostrade Per l'Italia Group

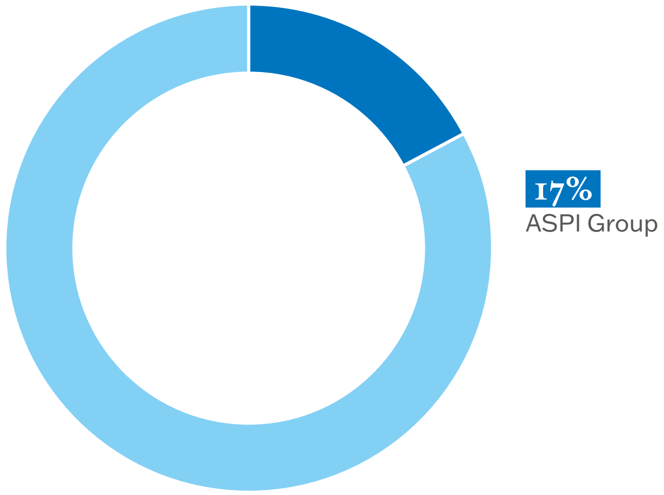
Operating revenue



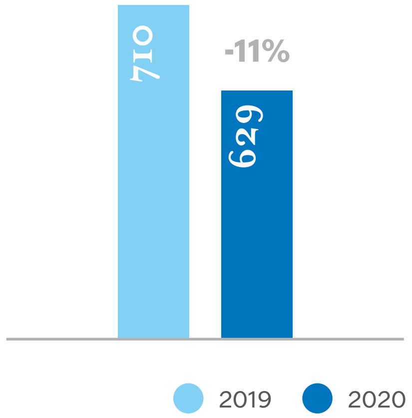
Operating revenue



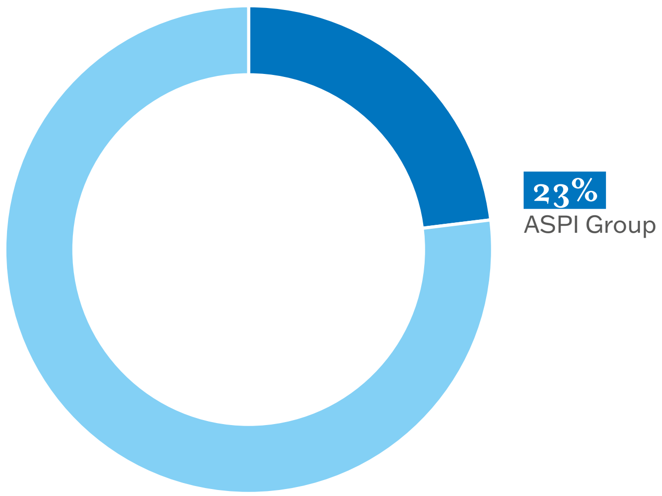
EBITDA



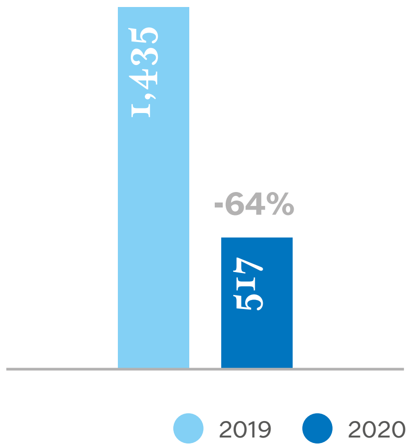
EBITDA



Operating cash flow



Operating cash flow



Country	Number of concessions	Kilometres operated
Italy	6	3,019

ASPI Group	2020	2019	change	% change
Millions of km travelled				
Traffic	37,486	51,416	-13,930	-27.1%
€m				
Operating revenue	3,030	4,083	-1,053	-26%
EBITDA	629	710	-81	-11%
Operating cash flow	517	1,435	-918	-64%
Capital expenditure	575	559	16	3%
Net debt	8,557	8,392	165	2%

In 2020, traffic in Italy was significantly impacted by the spread of Covid-19 from the last week in February and the resulting restrictions on movement imposed imposed by the authorities.

Traffic on the motorway network operated by Autostrade per l'Italia and its subsidiaries fell 27.1% in 2020 compared with 2019. The reduction primarily regarded the number of kilometres travelled by vehicles with 2 axles, which is down 30.3%, whilst the figure for vehicles with 3 or more axles is down 6.4%.

Operating revenue for 2020 amounts to €3,030 million, a reduction of €1,053 million (26%) compared with 2019.

Toll revenue of €2,791 million is down €899 million compared with 2019, reflecting the above downturn in traffic due to Covid-19.

In this regard, it should be noted that the Group's Italian motorway operators have initiated talks with the grantor aimed at mitigating the negative impact of the fall in traffic, above all on revenue. In particular, the new financial plan submitted by Autostrade per l'Italia at the end of 2020, which has yet to complete the approval process, envisages recovery of the net losses incurred between March and June 2020 as a result of Covid-19 through the application of average annual toll increases. Measures designed to make up for the losses incurred in the subsequent period are also being examined for application to the national motorway network as a whole.

Other operating income totals €239 million, marking a decline of €154 million. This primarily reflects reduced income from Autostrade per l'Italia's motorway service areas (down €87 million) following a reduction in sales and a decline in royalties following measures taken by the company to support oil and food service providers affected by the Covid-19 emergency. It should be noted that Autostrade per l'Italia recognised insurance proceeds of €38 million in 2019, following agreement with the company's insurance regarding compensation of the amount payable solely under existing third-party liability insurance policies for the Polcevera road bridge.

Operating costs of €2,401 million are down €972 million (29%) compared with the figure for 2019, which reflected the provisions of €1,500 million linked to the undertaking given by Autostrade per l'Italia with the aim of resolving the dispute with the then Ministry of Infrastructure and Transport (the "MIT").

In addition to the above component, this performance reflects:

- an increase of €268 million in the cost of materials and external services, primarily linked to the increased costs incurred for network surveillance, inspection, maintenance and safety programmes, with particular regard to tunnels, whilst concession fees are down €111 million as a result of the sharp fall in traffic and staff costs have decreased by €29 million;

- the net expense of €403 million generated by the "Operating change in provisions", which includes further provisions for risks and charges of €190 million made by Autostrade per l'Italia following an updated estimate of the additional costs to be incurred in connection with ongoing talks with the Government and the then MIT with the aim of settling the dispute between the parties, and net provisions for the repair and replacement of motorway infrastructure, essentially linked to the improvement maintenance plan for Autostrade per l'Italia's network infrastructure, due to be carried out in the regulatory period 2020-2024 (in line with the Financial Plan submitted to the then MIT). In 2019, the operating change in provisions resulted in an expense of €1,503 million following the above provisions of €1,500 million.

EBITDA for 2020 amounts to €629 million, a reduction of €81 million (11%) compared with 2019. On a like-for-like basis, EBITDA is down €1,283 million (58%), essentially due to the above fall in traffic in 2020.

Operating cash flow for 2020 amounts to €517 million, a reduction of €918 million (64%) compared with 2019. This primarily reflects the negative impact of the spread of Covid-19 and the increased maintenance costs incurred by Autostrade per l'Italia, after the related effect on taxation. On a like-for-like basis, the reduction in operating cash flow is €943 million (57%).

Capital expenditure in 2020 amounts to €575 million (€559 million in 2019), almost entirely attributable to Autostrade per l'Italia, and includes:

- projects included in the Agreement of 1997, with particular regard to the widening of the A1 between Barberino and Florence North and between Florence South and Incisa to three lanes. The most important of the works completed in 2020 is the boring of the Santa Lucia Tunnel, a natural continuation of the *Variante di Valico* (the fast connection between Florence and Bologna). Boring of the tunnel began in 2017 and was completed on 8 June 2020;
- projects included in the IV Addendum of 2002, with particular regard to works involved in the second lot forming part of the of the fifth lane of the A8 motorway between Milan and Lainate, landscaping works for the widening of the A14 between Rimini and Porto Sant'Elpidio to three lanes, the interventions included in the second phase of the Tunnel Safety Plan, and preparatory work for the Genoa Bypass (the so-called *Gronda*);
- other capital expenditure, with particular regard to the continuation of work on ongoing improvements to quality and safety standards on the network and on the development of new technologies, and other upgrade and improvement projects (so-called "major works"), primarily linked to construction of the fourth free-flow lane for the A4 in the Milan area.

Autostrade per l'Italia's business plan includes a major commitment to modernisation and upgrade of the network: the proposed update to the operator's Financial Plan, submitted to the Grantor for examination at end of 2020, envisages expenditure of €14.5 billion (including an optional amount of €1.3 billion that Autostrade per l'Italia has offered to invest).

2020 also saw Autostrade per l'Italia initiate numerous interventions on the network provided for in the long-term development and modernisation programme that the Company intends to deliver by 2038.

The programme, included in the updated Financial Plan, covers a series of works designed to improve, upgrade and modernise the motorway network, and extend the life of the infrastructure. This is in addition to the Company's obligations under the Concession Arrangement in force at the date of preparation of this Integrated Annual Report. The value of this additional plan amounts to approximately €2.7 billion, in addition to the above optional amount of €1.3 billion.

Net debt as at 31 December 2020 totals €8,557 million, an increase of €165 million compared with 31 December 2019 (€8,392 million). This essentially reflects the outflows resulting from changes in working capital and capital expenditure during the year, which exceeded operating cash flow and reflected the impact of the spread of Covid-19.

With regard to new borrowing:

- in June 2020, Autostrade per l'Italia used €350 million of the facility made available by the Parent Company, Atlantia (as part of the agreement to provide financial support of €900 million), before repaying this amount in full in December 2020;
- in December 2020, Autostrade per l'Italia issued bonds with a nominal value of €1,250 million, paying coupon interest of 2% and maturing in 2028.

As at 31 December 2020, Autostrade per l'Italia Group companies have cash reserves of €2,794 million, consisting of:

- €1,439 million in cash and cash equivalents and/or investments maturing in the short term, including €1,083 million attributable to Autostrade per l'Italia S.p.A.;
- €1,355 million in lines of credit not drawn on, including €1,300 million attributable to Autostrade per l'Italia, having an average residual drawdown period of approximately one year and five months. As regards these credit facilities, talks are ongoing with Cassa Depositi e Prestiti with a view assessing whether or not the conditions precedent for disbursement have been met.

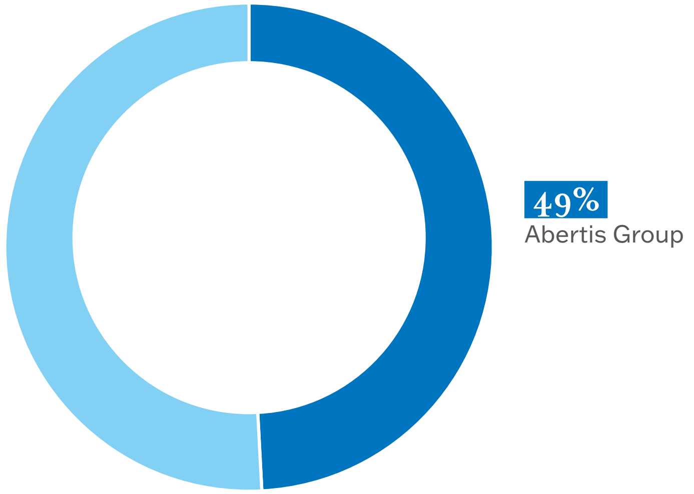
In terms of compliance with covenants:

- the downgrade of the Group's credit ratings to below investment grade, by two rating agencies out of three on 8 January 2020, could lead to the request for additional protections which, were such protections not judged by the creditors to be reasonably satisfactory, may lead to requests for early repayment of certain loans obtained by Autostrade per l'Italia from the European Investment Bank and Cassa Depositi e Prestiti. At the date of preparation of this document, neither the European Investment Bank nor Cassa Depositi e Prestiti has made any request for repayment;
- in the case of certain loans obtained from Cassa Depositi e Prestiti (amounting to €400 million, not among the borrowings described above and, therefore, not subject to early repayment in the event of a downgrade) and a private placement denominated in yen (amounting to approximately €150 million), Autostrade per l'Italia has obtained covenant holidays with the lenders at the measurement date of 31 December 2020.

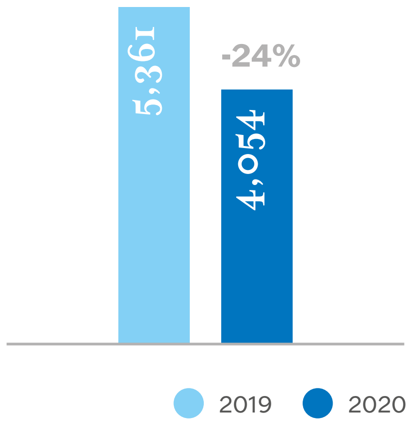
Finally, Autostrade per l'Italia completed a new bond issue with a nominal value of €1,000 million, paying coupon interest of 2% and maturing in 2030. The company then extinguished in full the financial support of €900 million granted by Atlantia, maturing on 31 December 2022.

Abertis Group

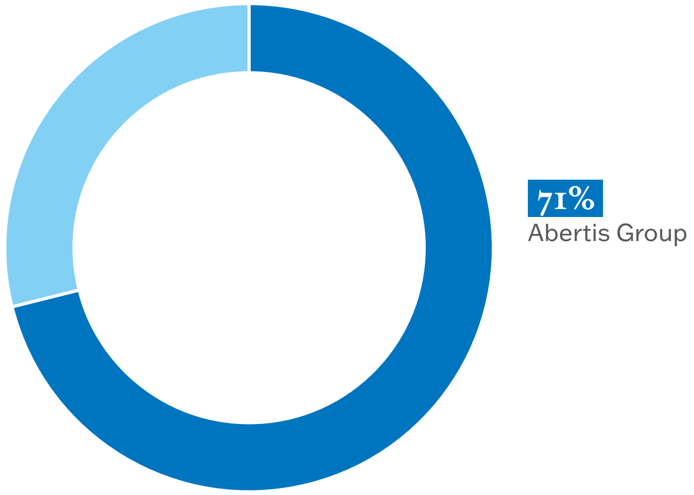
Operating revenue



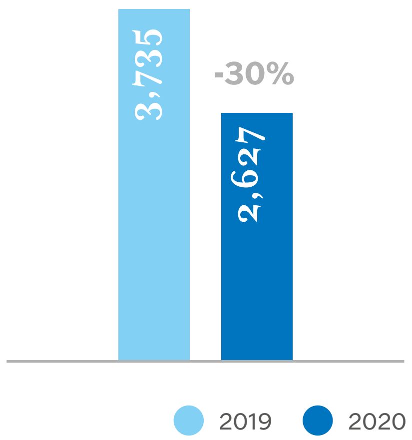
Operating revenue



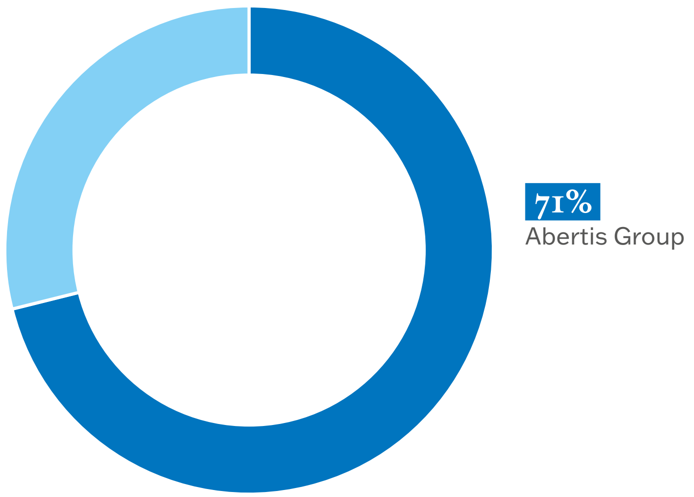
EBITDA



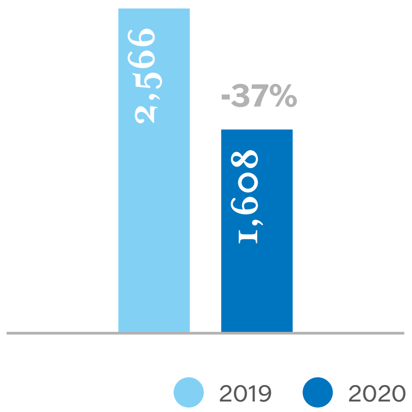
EBITDA



Operating cash flow



Operating cash flow



Country	Number of concessions	Kilometres operated
Brazil	7	3,200
France	2	1,768
Spain	8	1,105
Mexico	5	876
Chile	6	773
Italy	1	236
India	2	152
Argentina	2	175
Puerto Rico	2	90
USA	1	6
TOTAL	36	8,381

Note: concessions held as at 31 December 2020

Abertis Group	2020	2019	change	% change
Millions of km travelled				
Traffic	56,634	71,758	-15,124	-21.1%
Average exchange rate (currency/€)				
Brazilian real	5.89	4.41		-25%
Chilean peso	903.14	786.89		-13%
€m				
Operating revenue	4,054	5,361	-1,307	-24%
EBITDA	2,627	3,735	-1,108	-30%
Operating cash flow	1,608	2,566	-958	-37%
Capital expenditure	537	701	-164	-23%
Net debt	23,805	21,500	2,305	11%

Based on a like-for-like scope of consolidation, the Abertis Group's traffic fell by 21.1% compared with 2019. This reflects the impact of the restrictions on movement imposed in many countries in which the Group holds motorway concessions in response to the spread of the Covid-19 pandemic.

Country	Traffic (millions of km travelled)		
	2020	2019	% change
Brazil	17,364	18,727	-7.3%
France	12,452	16,399	-24.1%
Spain	6,910	9,956	-30.6%
Chile	5,609	7,548	-25.7%
Mexico	4,206	4,767	-11.8%
Italy	4,081	5,635	-27.6%
Argentina	3,142	5,204	-39.6%
Puerto Rico	1,814	2,278	-20.3%
India	1,055	1,245	-15.2%
Total	56,634	71,758	-21.1%

Note: traffic based on a like-for-like scope of consolidation (Spain does not include Aumar, whose concession expired in December 2019; Brazil does not include Centrovias, whose concession expired in June 2020, Autovias expired in July 2019 or ViaPaulista, partially operational from January 2019; Mexico includes traffic for full-year 2020 and 2019, even though consolidated from May 2020).

Operating revenue amounts to €4,054 million, a reduction of €1,307 million (24%) compared with 2019. This primarily reflects the above fall in traffic and, to a lesser extent, the fall in the value of overseas currencies (down €144 million for the Brazilian companies and €55 million for those in Chile) and changes in the scope of consolidation (down €163 million due to the expiry of certain concessions in Spain and Brazil between 2019 and 2020, only partially offset by consolidation of the Mexican RCO Group from the second quarter of 2020), partially offset by the positive impact of the traffic mix and annual toll rises.

With regard to the fall in traffic caused by the Covid-19 pandemic and the fact that the Group's operators have entered into talks with the grantors with the aim of mitigating the negative impact on traffic in 2020, the Italian operator, A4 Brescia-Padova, submitted a new Financial Plan at the end of 2020. Whilst the Plan has yet to complete the relevant approval process, it envisages recovery of the net losses incurred between March and June 2020 through the application of average annual toll increases.

On a like-for-like basis, operating revenue is down €890m (18%), primarily due to the fall in traffic, partly offset by toll increases and a favourable traffic mix.

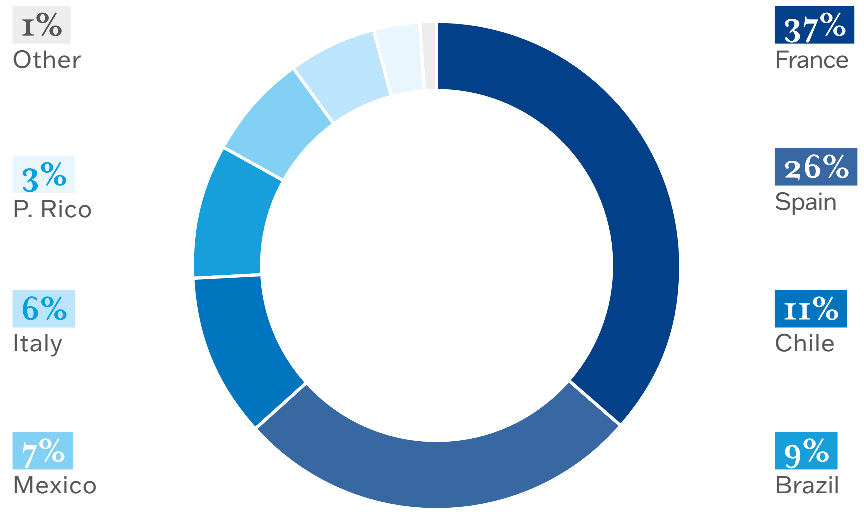
Operating costs of €1,427 million are down €199 million compared with 2019. This reflects the cost cuts implemented in response to the Covid 19 pandemic, including the use of income support schemes for workers adopted by governments in the various countries, and the fall in value of the Brazilian real and the Chilean peso against the euro.

EBITDA for 2020 thus amounts to €2,627 million, a decline of €1,108 million (30%) compared with 2019. On a like-for-basis, EBITDA is down €813 million (24%).

€M Country	EBITDA		
	2020	2019	% change
France	972	1,258	-23%
Spain	705	1,283	-45%
Chile	281	445	-37%
Brazil	233	339	-31%
Mexico [1]	183	0	-
Italy	150	232	-35%
Puerto Rico	85	116	-27%
India	17	23	-26%
Argentina	14	27	-48%
Other activities	-13	12	-
Total	2,627	3,735	-30%

[1] RCO contributed to the results for 2020 for 8 months from May.

Breakdown of the Abertis Group's EBITDA (by geographical area)



The Abertis Group's **operating cash flow** amounts to €1,608 million for 2020, a reduction of €958 million (37%) compared with 2019. This primarily reflects the negative impact of the spread of Covid-19, after the related impact on taxation, changes in the scope of operations (with particular regard to expiry of the concession held by Aumar in Spain at the end of 2019) and the fall in value of the Brazilian real and the Chilean peso against the euro. On a like-for-basis, operating cash flow is down €512 million (24%).

The Abertis Group's **capital expenditure** amounts to €537 million for 2020, a reduction of €164 million (23%) compared with 2019. The decline primarily reflects a slowdown in work on the *Plan de Relance* investment programme being carried out by the French operators, Sanef and Sapn, and on the widening of the Autopista del Sol in Chile to three lanes, following the Covid-19 pandemic. The reduction also reflects the fall in value of the Brazilian real and the Chilean peso against the euro.

€M Country	CAPEX 2020	2019
Brazil	215	283
France	170	257
Chile	38	91
Mexico	27	0
Italy	24	23
Spain	18	18
Other activities	45	29
Total	**537**	**701**

Net debt at the end of 2020 amounts to €23,805 million, up €2,305 million compared with 31 December 2019 (€21,500 million). This primarily reflects the acquisition and consolidation of the Mexican Group, RCO, and the US operator, Elizabeth River Crossings (totalling €4,679 million), partially offset by the impact of the hybrid bond issue carried out by Abertis Infraestructuras Finance in November 2020 (a nominal value of €1,250 million), the collection of tax credits by Abertis Infraestructuras in 2020 (over €600 million) and the impact on debt of the fall in value of the Brazilian real and the Chilean peso against the euro.

In addition to the above hybrid bonds, the following new borrowing was obtained:

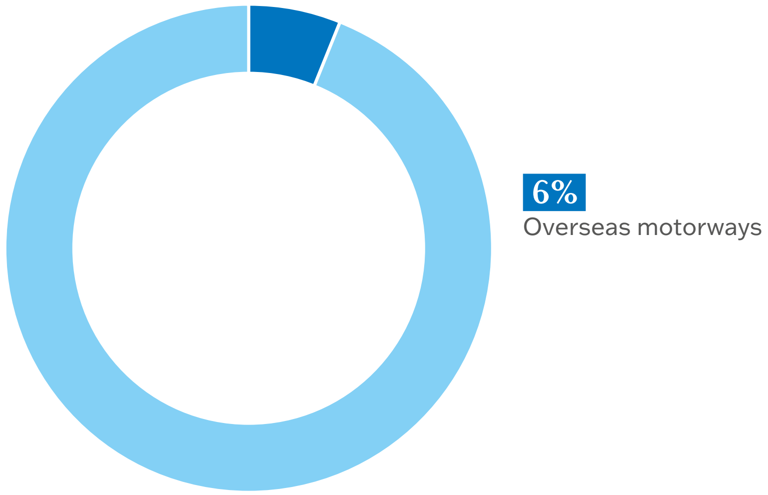
- in January and June 2020, Abertis Infraestructuras completed two bond issues with nominal values of €600 and €900 million, paying coupon interest of 1.25% and 2.25% and maturing in 2028 and 2029;
- in April and September 2020, the French company, HIT, carried out two bond issues with nominal values of €600 million each, paying coupon interest of 2.5% and 1.625% and maturing in 2027 and 2029;
- in 2020, Abertis Infraestructuras used bank facilities (existing and new) amounting to €1,620 million to, among other things, cover the cost of the acquisition of the Mexican Group, RCO;
- in September 2020, the Brazilian holding company, Arteris, carried out two bond issues in local currency, with a total value of €229 million and maturing in 2025 and 2027.

In terms of compliance with covenants, at the date of preparation of this document, the covenants provided for the Abertis Group's loan agreements have all been complied with, partly thanks to the mitigating measures put in place in 2020.

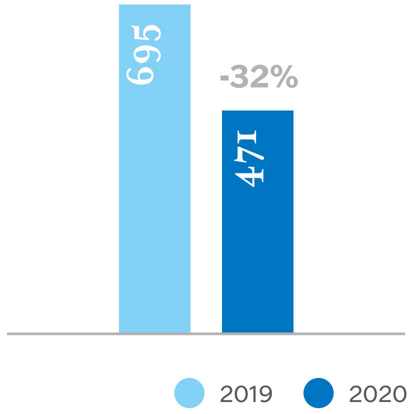
Finally, in January 2021, Abertis Infraestructuras Finance completed a further hybrid bond issue in two tranches amounting to a nominal value of €750 million. This marked completion of the hybrid bond programme announced in 2020, amounting to a total of €2 billion.

Other overseas motorways

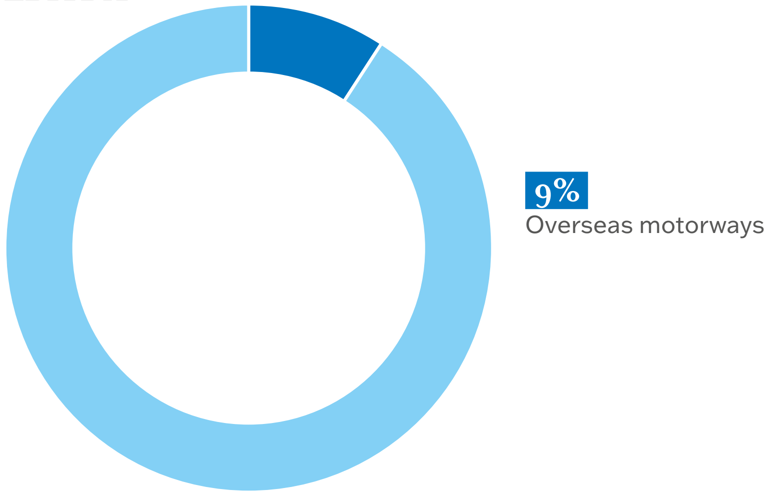
Operating revenue



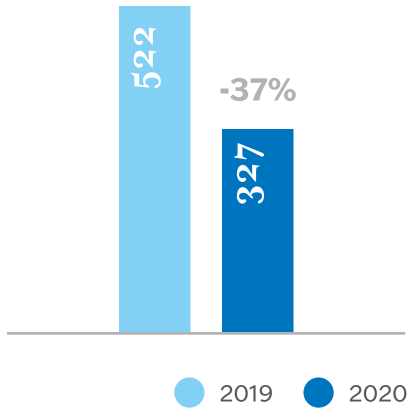
Operating revenue



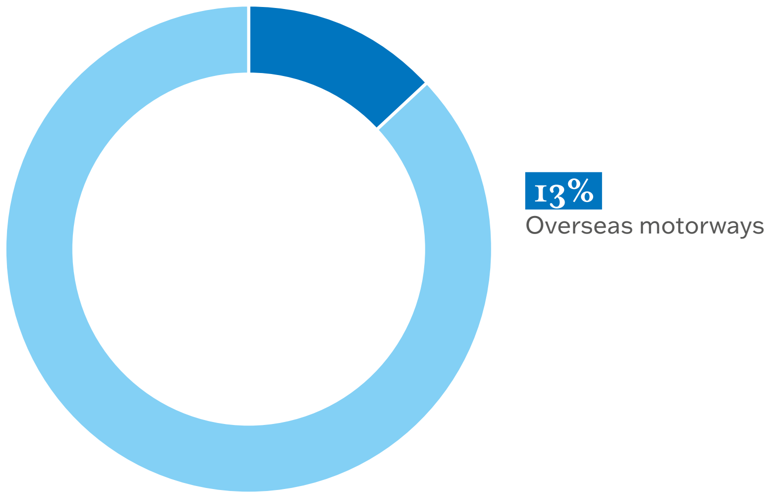
EBITDA



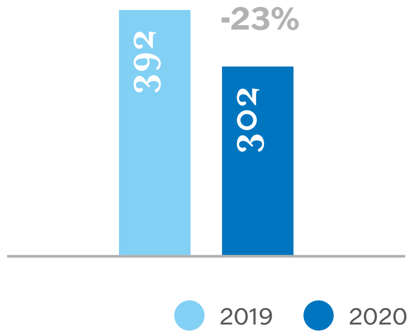
EBITDA



Operating cash flow



Operating cash flow



Country	Number of concessions	Kilometres operated
Brazil	3	1,121
Chile	8	327
Poland	1	61
TOTAL	12	1,509

Note: concessions held as at 31 December 2020.

Other overseas motorways	2020	2019	change	% change
Millions of km travelled				
Traffic	7,519	9,369	-1,850	-19.8%
Average exchange rate (currency/€)				
Brazilian real	5.89	4.41		-25%
Chilean peso	903.14	786.89		-13%
Polish zloty	4.44	4.30		-3%
€m				
Operating revenue	471	695	-224	-32%
EBITDA	327	522	-195	-37%
Operating cash flow	302	392	-90	-23%
Capital expenditure	104	112	-8	-7%
Net debt	636	687	-51	-7%

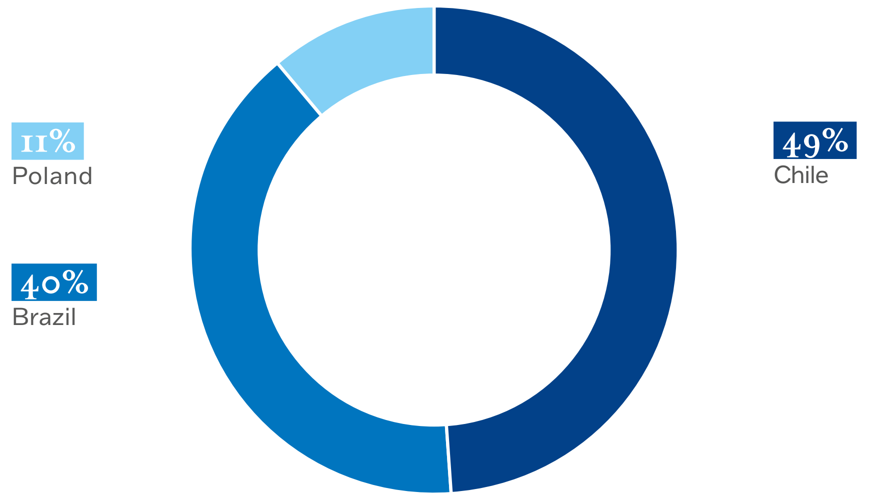
Traffic on the networks managed by the other overseas motorway operators fell 19.8% compared with 2019, reflecting the impact of the restrictions on movements introduced in response to the Covid-19 pandemic.

Country	Traffic (millions of km travelled)		
	2020	2019	% change
Brazil	3,893	4,506	-13.6%
Chile	2,812	3,849	-27.0%
Poland	814	1,015	-19.8%
TOTAL	7,519	9,369	-19.8%

Operating revenue amounts to €471 million, down €224 million (32%) compared with 2019, partly due to the sharp fall in the value of the Brazilian real and the Chilean peso against the euro. On a like-for-like basis, operating revenue is down €126 million (18%), primarily due to the reduction in traffic caused by the spread of Covid-19, above all in Chile, only partly offset by the toll increases applied. In contrast, the decline in traffic in Brazil was largely offset by a favourable traffic mix.

€M COUNTRY	EBITDA		
	2020	2019	% change
Chile	159	284	-44%
Brazil	132	198	-33%
Poland other minor companies	36	40	-10%
Total	327	522	-37%

Breakdown of EBITDA for the overseas motorways segment (by geographical area)



EBITDA of €327 million is down €195 million (37%) compared with 2019. This reflects the above decline in revenue, only partly offset by the reduction in operating costs resulting from the above fall in the value of overseas currencies. On a like-for-like basis, EBITDA is down €126 million (24%) due to the fall in traffic.

Operating cash flow amounts to €302 million for 2020, a reduction of €90 million (23%) compared with 2019. This primarily reflects the decline in traffic due to the Covid-19 pandemic and the fall in the value of the Brazilian real and the Chilean peso against the euro, partially offset by lower tax expense. On a like-for-like basis, operating cash flow is down €32 million (8%).

€M Country	CAPEX	
	2020	2019
Chile	70	77
Brazil	25	27
Poland	9	8
Total	104	112

Capital expenditure amounts to €104 million (€112 million in 2019), including €70 million in Chile and reflecting payments to the Grantor by the operators, Americo Vespucio Oriente II and Conexión Vial Ruta 78 Hasta Ruta 68, as their contributions to the cost of expropriations in accordance with the related concession arrangements. Work on the last project forming part of Costanera Norte's *Santiago Centro Oriente* upgrade programme was completed in 2020.

Net debt at the end of 2020 amount to €636 million (taking into account the financial assets recognised on the basis of the concession framework in force in Chile, totalling €1,058 million). This marks a reduction of €51 million compared with 31 December 2019 (€687 million), reflecting capital expenditure during the year, expected credit losses on the financial receivable due to AB Concessões from Infra Bertin Empreendimentos, totalling €93 million, and the fall in the value of the Brazilian real and the Chilean peso against the euro at the end of 2020, only partially offset by operating cash flow for the year.

In terms of new borrowing:

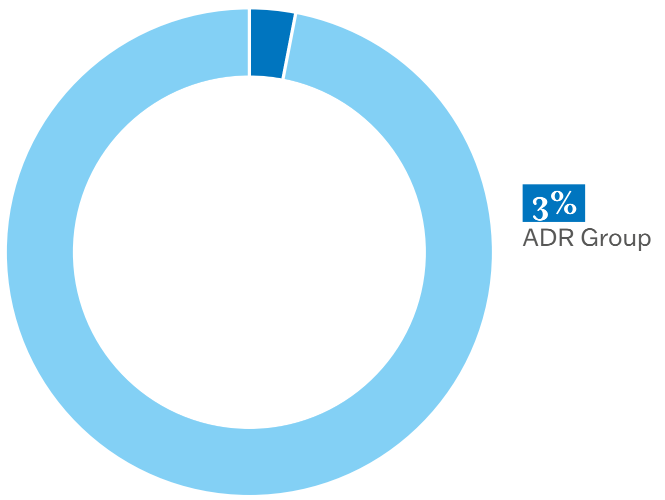
- in December 2020, the Brazilian operator, Rodovias das Colinas, carried out two local currency bond issues amounting to €84 million and maturing in 2023 and 2026, primarily to refinance borrowing falling due in 2021;
- the Brazilian operators, Nascentes das Gerais and Triangulo do Sol, agreed with their lenders to reschedule repayments of principal fall due in 2020.

In terms of compliance with covenants:

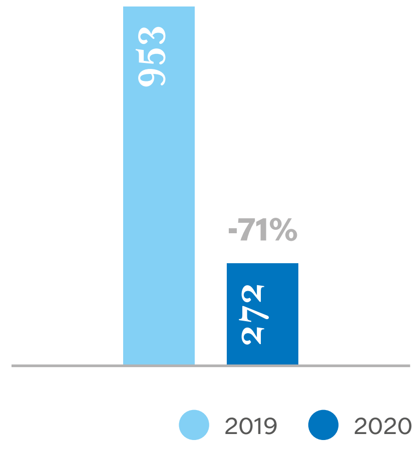
- the Brazilian operator, Nascentes das Gerais, has been granted precautionary covenant holidays for the measurement dates falling in June and December 2020 in relation to certain bonds issues falling due in 2022.

Aeroporti di Roma Group (ADR)

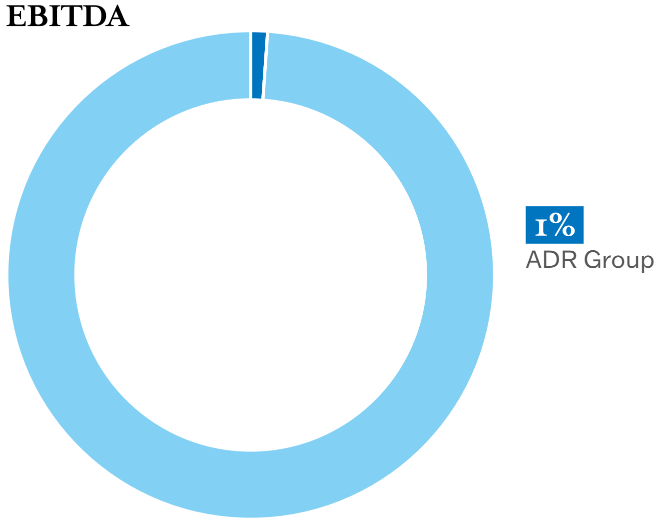
Operating revenue



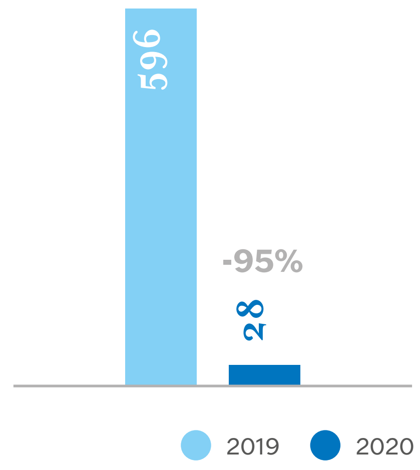
Operating revenue



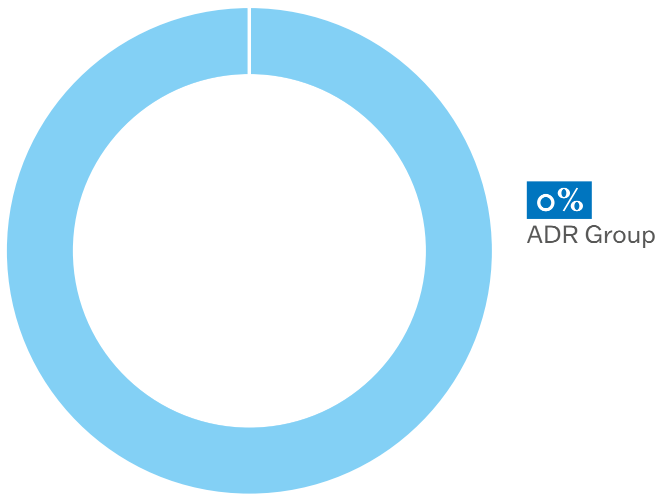
EBITDA



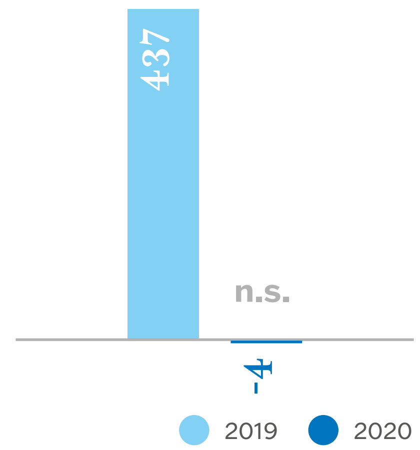
EBITDA



Operating cash flow



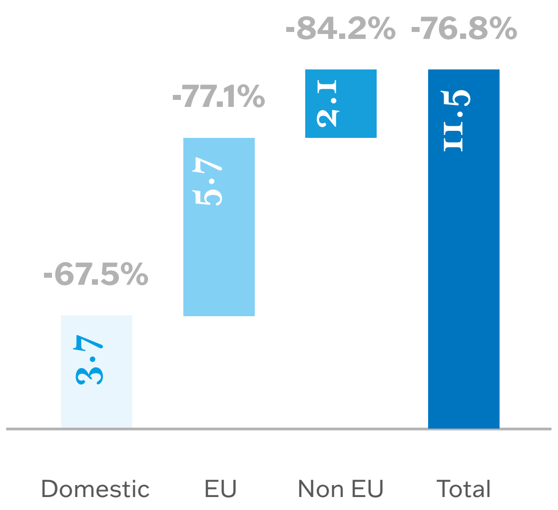
Operating cash flow

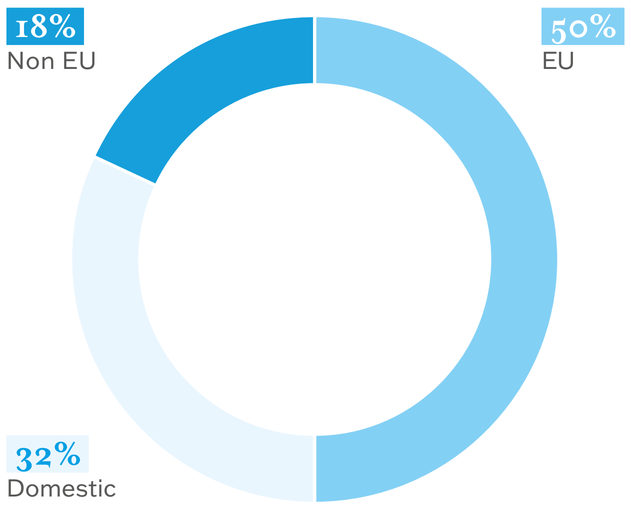


ADR Group	2020	2019	change	% change
Millions of passengers				
Traffic	11.5	49.4	-37.9	-76.8%
€m				
Operating revenue	272	953	-681	-71%
EBITDA	28	596	-568	-95%
Operating cash flow	(4)	437	-441	n/s
Capital expenditure	154	258	-104	-40%
Net debt	1,426	1,120	306	27%

The global spread of Covid-19 led to a sharp fall in passenger traffic from March 2020. Passenger traffic handled by the Roman airport system was down 76.8% compared with 2019. Fiumicino airport registered a 77.4% fall in passenger traffic, whilst Ciampino airport recorded a 72.4% decline.

Breakdown of traffic using the Roman airport system in 2020 (millions of pax and change 2020 vs 2019)





After the lows registered in April and May 2020, the domestic segment recorded a slight increase, closing the year with a fall of 67.5% compared with 2019. The EU segment, down 77.1%, and the Non-EU segment, down 84.2% (including an 86.0% drop in long-haul) were the hardest hit.

In order guarantee the continuity of connections with the city Rome, representing an essential public service, and to provide support during the emergency, Fiumicino and Ciampino airports remained open in 2020, even if there was less extensive use of the infrastructure.

Operating revenue amounts to €272 million, a decline of €681 million (71%) compared with 2019. Aviation revenue of €171 million is down by €502 million (75%) due to the fall in traffic. ADR's concession arrangement contains provisions designed to mitigate demand risk, including the potential for the operator to recover a part of the lost revenue linked to the shortfall in traffic with respect to forecasts for the five-year regulatory period.

Other operating income of €101 million is down €179 million (64%) compared with 2019, primarily due to reduced income from retail sub-concessions and car parks, reflecting the above fall in traffic and only partial use of Fiumicino, where activity was concentrated at Terminal 3.

Operating costs of €244 million are down €113 million (32%) compared with 2019. This reflects the partial closure of Fiumicino airport, a reduction in staff costs, due partly to the use of government income support schemes (*CIGS*), and lower concession fees linked to the performance of traffic, as well as other initiatives taken to reduce other operating costs.

EBITDA thus amounts to €28 million, a reduction of €568 million (95%) compared with 2019.

Negative operating cash flow amounts to €4 million, a deterioration of €441 million compared with 2019 and reflecting the downturn in EBITDA after the related impact on taxation.

Capital expenditure in 2020 reflected the slowdown in work caused by the lockdown from spring 2020 and amounts to €154 million (€258 million in 2019). Despite the obstacles, Aeroporti di Roma carried out work deemed essential for safety, operational continuity and for compliance with statutory requirements.

Net debt at the end of 2020 amounts to €1,426 million, up €306 million compared with 31 December 2019 (€1,120 million). This reflects capital expenditure during the year, outflows resulting from movements in working capital and an increase in fair value losses on hedging instruments.

In terms of new borrowing:

- in November 2020, Aeroporti di Roma issued green bonds with a nominal value of €300 million, paying coupon interest of 1.625% and maturing in 2029;
- in 2020, Aeroporti di Roma used bank facilities (existing and new) amounting to €680 million, including a syndicated loan of €200 million backed by a guarantee provided by SACE under the so-called "Liquidity Decree".

As at 31 December 2020, companies in this segment have cash reserves of €1,356 million, consisting of:

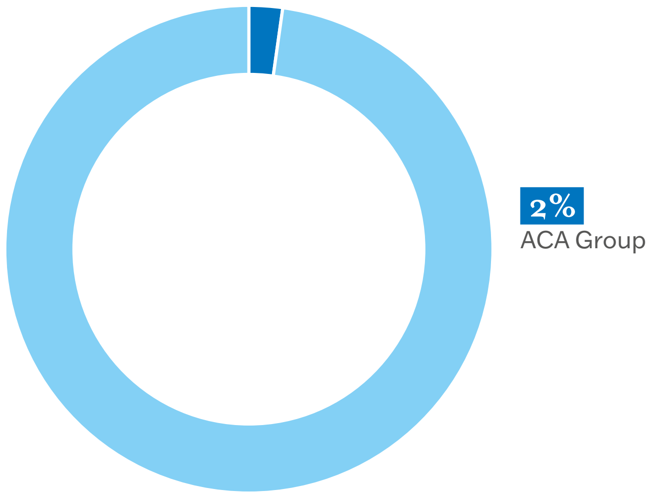
- €1,106 million in cash and cash equivalents and/or investments maturing in the short term, including €1,097 million attributable to Aeroporti di Roma S.p.A.;
- €250 million in the form of a revolving committed line of credit having an average residual drawdown period of approximately two years and four months.

In terms of compliance with covenants:

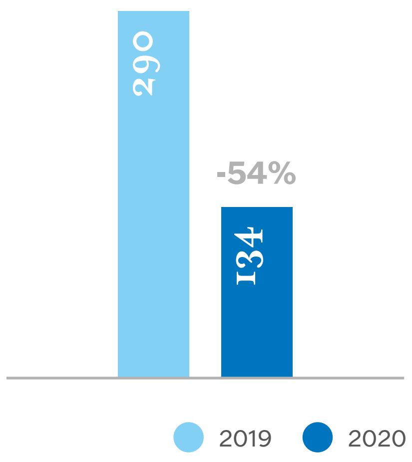
- with regard to certain loans (including approximately €500 million disbursed and €250 million available), Aeroporti di Roma has been granted precautionary covenant holidays by its lenders for the measurement dates of 31 December 2020 and 30 June 2021;
- the new loan agreements entered into in 2020 do not provide for the application of covenants until 30 June 2021.

Aéroports de la Côte D'Azur Group (ACA)

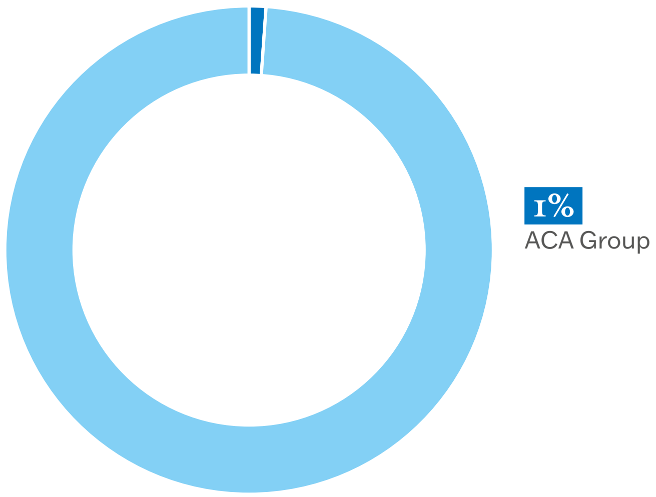
Operating revenue



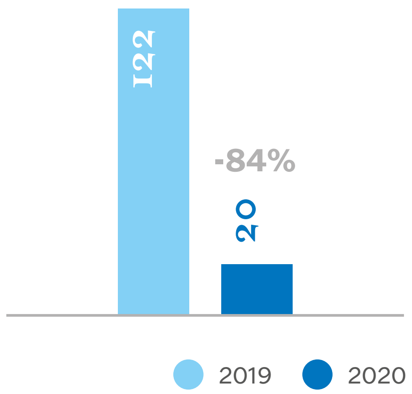
Operating revenue



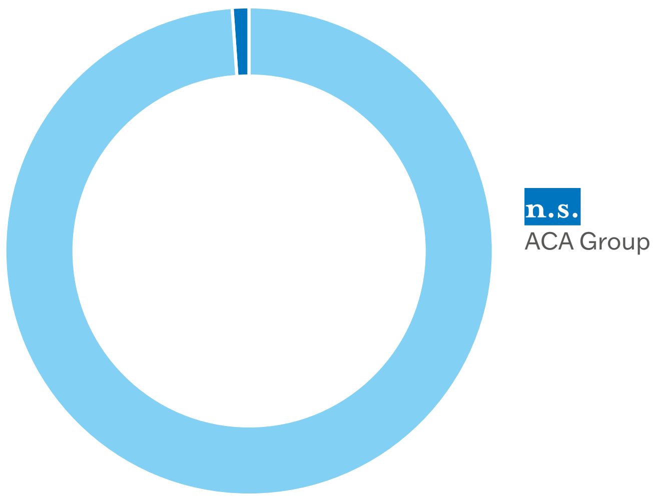
EBITDA



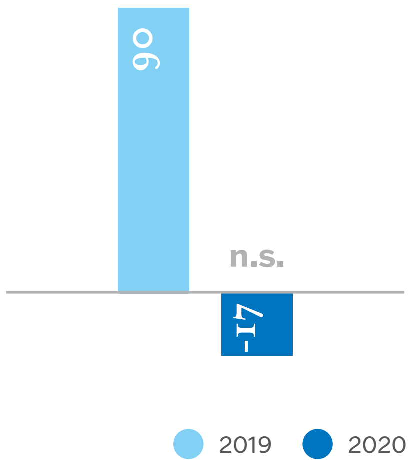
EBITDA



Operating cash flow



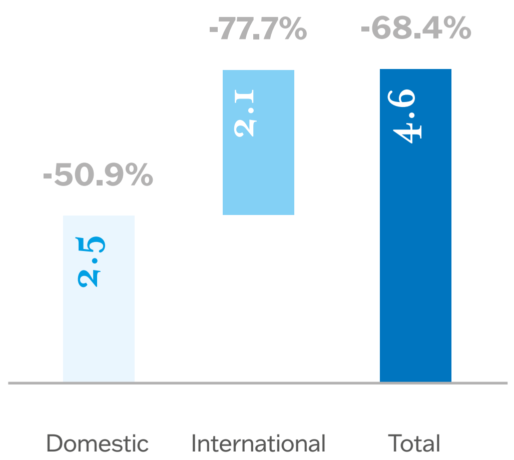
Operating cash flow

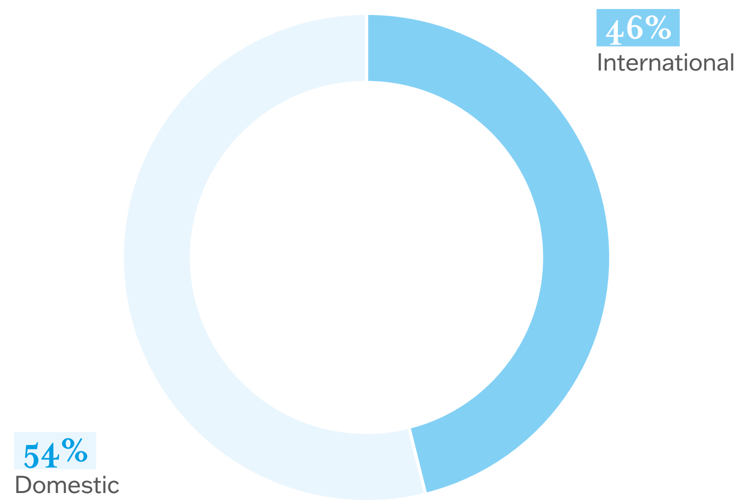


ACA Group	2020	2019	change	% change
Millions of passengers				
Traffic	4.6	14.5	-9.9	-68.4%
€m				
Operating revenue	134	290	-156	-54%
EBITDA	20	122	-102	-84%
Operating cash flow	(17)	90	-107	n/s
Capital expenditure	43	70	-27	-39%
Net debt	976	882	94	11%

In 2020, the airport system serving the Cote d'Azur handled 4.6 million passengers, registering a 68.4% fall in traffic compared with 2019. This reflects the spread of the Covid-19 pandemic.

Breakdown of traffic using Nice airport in 2020 (millions of pax and change 2020 vs 2019)





Operating revenue amounts to €134 million, a reduction of €156 million (54%) compared with 2019.

Aviation revenue of €73 million is down 52% compared with 2019, essentially reflecting the impact on traffic of the spread of the Covid-19 pandemic and the impact of the French transport regulator's decision to reduce airport fees, which are 33% lower from 15 May 2019. In response to the pandemic's major impact on traffic, the operator has initiated talks with the grantor with a view to making up for the shortfall in revenue, as provided for in the related concession arrangement.

Other operating income of €61 million is down 55% compared with 2019, primarily due to reduced income from retail sub-concessions and car parks, reflecting the above fall in traffic.

Operating costs of €114 million are down €54 million (32%) compared with 2019. This reflects the partial closure of Nice airport, a reduction in staff costs achieved thanks to the use of government income support schemes (*chômage partiel*), a reduction in business rates directly linked to the performance of traffic, and other initiatives taken to reduce other operating costs.

EBITDA of €20 million is down €102 million (84%) compared with 2019.

Negative operating cash flow of €17 million marks a deterioration of €107 million compared with 2019. This essentially reflect the impact of Covid-19 and the reduction in airport fees introduced from May 2019, in addition to the increased financial expenses incurred by the holding company, Azzurra Aeroporti, which controls 64% of Aéroports de la Côte d'Azur.

Capital expenditure, which was hit by the slowdown caused by the various lockdown periods from spring 2020, amounts to €43 million for 2020 (€70 million in 2019). Despite the obstacles, the company carried out work deemed essential for safety, operational continuity and for compliance with statutory requirements.

Net debt at the end of 2020 amounts to €976 million, up €94 million compared with 31 December 2019 (€882 million). This primarily reflects the operator's capital expenditure, net financial expenses and an increase in fair value losses on hedging instruments belonging to the holding company, Azzurra Aeroporti.

In terms of new borrowing:

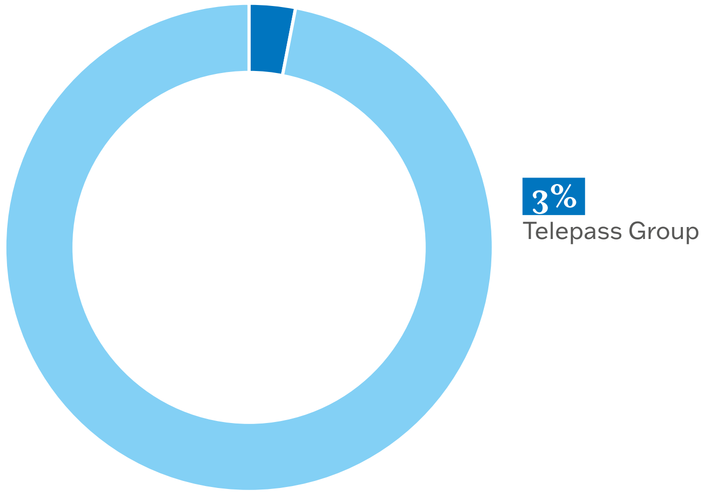
- in July 2020, Azzurra Aeroporti refinanced bank borrowings falling due in 2021 in full via a multi-tranche bond issue with a total nominal value of €660 million (€360 million maturing in 2024 and paying coupon interest of 2.125%; €300 million maturing in May 2027 and paying coupon interest of 2.625%);
- in 2020, Aéroports de la Côte d'Azur used bank facilities (existing and new) amounting to €105 million, including bilateral loans totalling €67 million backed by a guarantee provided by the French state through BPI France.

In terms of compliance with covenants:

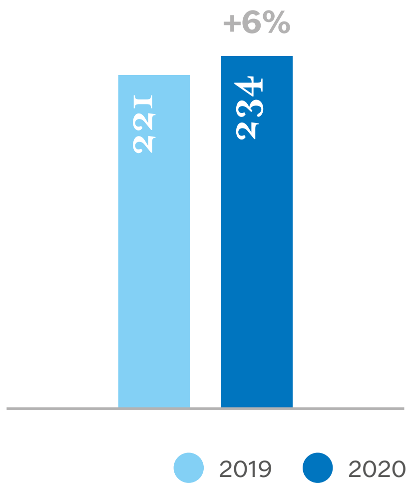
- the bonds issued by Azzurra Aeroporti in 2021 do not provide for the application of covenants until 31 December 2022 / 31 December 2023, depending on the indicators to be measured;
- with regard to certain loans (amounting to approximately €115 million), Aéroports de la Côte d'Azur has been granted precautionary covenant holidays by its lenders for the measurement dates of 31 December 2020 and, where applicable, 30 June 2021.

Telepass Group

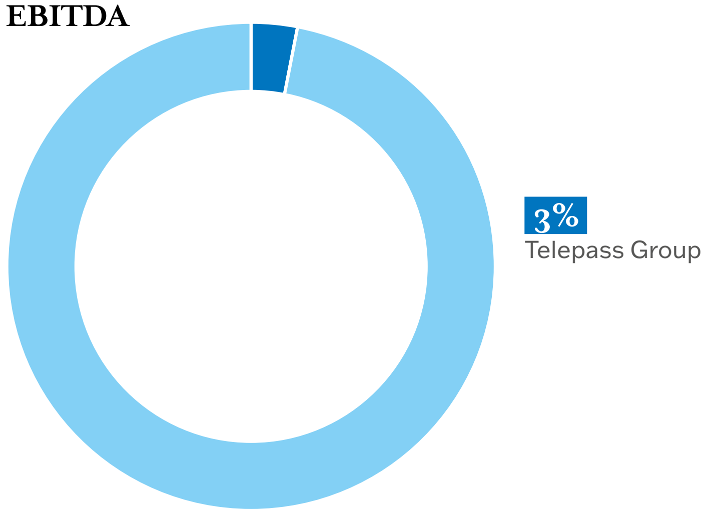
Operating revenue



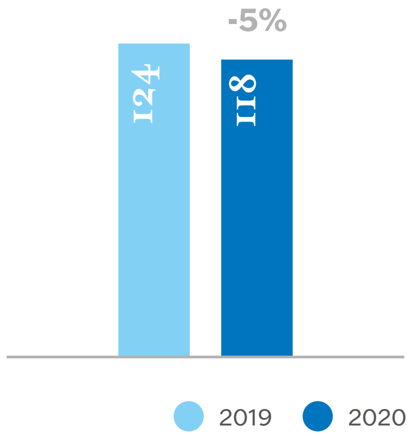
Operating revenue



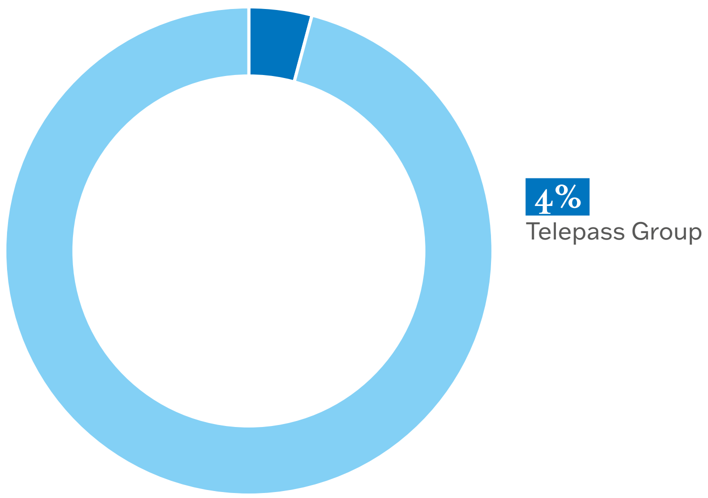
EBITDA



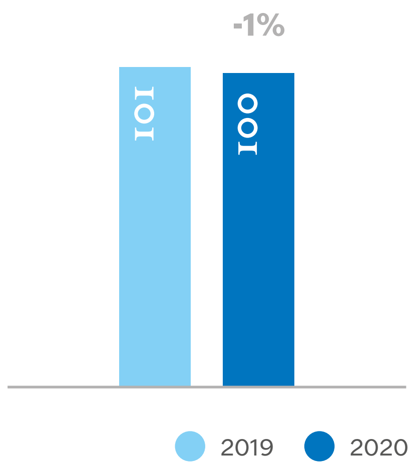
EBITDA



Operating cash flow



Operating cash flow



Telepass Group	2020	2019	change	% change
Millions				
Telepass devices	9.1	8.9	0.2	2.7%
€m				
Operating revenue	234	221	13	6%
EBITDA	118	124	-6	-5%
Operating cash flow	100	101	-1	-1%
Net debt	557	592	-35	-6%

As at 31 December 2020, there are a total of 9.1 million active Telepass devices in circulation, an increase of approximately 237,000 compared with 31 December 2019 (2.7%), whilst Telepass Pay has 547,000 customers, marking an increase of 108,000 compared with 2019 (24.7%).

The Group generated **operating revenue** of €234 million in 2020, an increase of €13 million (6%) compared with 2019. This primarily reflects the positive performance of remote tolling for vehicles on overseas motorway networks, an increase in the customer base and the full-year contribution to revenue in 2020 from new insurance products.

Operating costs of €116 million are up €19 million (20%) compared with 2019, reflecting professional services provided by third parties, marketing and sales expenses and staff costs.

The Group's **EBITDA** for 2020 is €118 million, a reduction of €6 million (5%) compared with 2019.

Operating cash flow amounts to €100 million for 2020 and is in line with 2019.

Net debt at the end of 2020 amounts to €557 million, down €35 million compared with 31 December 2019 (€592 million), reflecting outflows resulting from movements in working capital during the year.

8.3 Financial review for Atlantia S.p.A.

Going concern assumption

The Annual Report for the year ended 31 December 2019 highlighted the presence of certain material uncertainties casting significant doubt on use of the going concern assumption. This was linked to the potential for an agreed settlement of the dispute over alleged serious breaches of the concession arrangement of the subsidiary, Autostrade per l'Italia (the latest developments are described in note 10.7, "Significant legal and regulatory aspects" in Atlantia's consolidated financial statements as at and for the year ended 31 December 2020), and this company's and Atlantia's exposure to liquidity and financial risk, in part as a result of the spread of the Covid-19 pandemic.

For the purposes of preparation of the Integrated Annual Report for the year ended 31 December 2020, Atlantia has updated its going concern assessment, as required by the relevant legislation, accounting standards and Document no. 2 issued jointly by the Bank of Italy, the CONSOB and ISVAP on 6 February 2009, as well as in accordance with the Public Statement issued by the ESMA, "European common enforcement priorities for 2020 IFRS annual financial reports" and the CONSOB warning notice no. 1 of 16 February 2021, "- COVID 19 - Measures to support the economy". This included an assessment of the uncertainties and risks relating to the subsidiary, Autostrade per l'Italia, and of Atlantia's exposure to liquidity and financial risk, within a time-frame of 12 months from the date of approval of the Integrated Annual Report for the year ended 31 December 2020.

With regard to Autostrade per l'Italia, the related assessment, conducted also by the subsidiary's board of directors, considered the following aspects:

a) relations and outstanding litigation between Autostrade per l'Italia and the Grantor, and developments during 2020, as described in greater detail in note 10.7 "Significant legal and regulatory aspects" in Atlantia's consolidated financial statements;

b) the Italian Government's approval of the so-called *Milleproroghe* Decree, above all art. 35 of the Decree (as referred to in note 10.7 "Significant legal and regulatory aspects" in the consolidated financial statements), which, among other things, amends the legislation governing the "revocation, forfeiture or termination of road or motorway concessions, including those for toll roads and motorways";

c) the downgrade, following the entry into effect of art. 35 of the *Milleproroghe* Decree, of Autostrade per l'Italia's credit ratings to below investment grade and of its outlook by the international agencies, Moody's, Fitch and Standard & Poor's. In view of the changed environment and the progress made in talks with the Government, on 18 July 2020, Fitch put the subsidiary's rating on Rating Watch Evolving whilst, on 23 July 2020, Moody's upgraded the outlook from "negative" to "developing" and, on 12 August, Standard & Poor's upgraded the outlook to "developing". In this regard, the downgrade to below investment grade exposes the subsidiary to the risk that the European Investment Bank (the "EIB") and, in relation to its share of the debt, Cassa Depositi e Prestiti ("CDP") might request additional protections, and, were such protections not deemed to be reasonably satisfactory, they could request early repayment of the existing debt (amounting to a nominal value of approximately €1.6 billion, with approximately €1.3 billion guaranteed by Atlantia). The failure to satisfy a request for early repayment from the EIB or CDP could result in similar requests from Autostrade per l'Italia's other creditors, including bondholders;

d) the restrictions on movement, introduced in response to the emergency caused by the spread of the Covid-19 virus, which have led to a sharp fall in traffic volumes, and have had a significant impact on the results for 2020 and are also expected to be reflected in the results for 2021. This situation has also had significant repercussions on the temporary ability of Autostrade per l'Italia and the other operators it controls to generate sufficient cash to fund planned investment and to service debt.

With regard to points a) and b) above, Autostrade per l'Italia submitted a new settlement proposal on 11 July 2020 with a view to bringing to an end the procedure for serious breach of the Concession Arrangement. This, among other things, increased the funds the company has committed to make available, at its own expense and without receiving any return on its investment, to €3,400 million. This expense has already been recognised in the financial statements as at and for the year ended 31 December 2020. The proposal, based on the results of numerous exchanges with the Government, the MIT and the Ministry of the Economy and Finance, sets out key aspects of the settlement, described in more detail in note 10.7 "Significant legal and regulatory aspects" in the consolidated financial statements.

Furthermore, on 14 July 2020, Atlantia and Autostrade per l'Italia sent a further letter to the above representatives of the Government. This expressed a willingness, subject to approval by their respective boards of directors, to enter into an agreement to carry out a market transaction designed to result in Atlantia giving up control of Autostrade per l'Italia and make it possible for a publicly owned entity to acquire an interest, whilst respecting the rights of Autostrade per l'Italia's existing minority shareholders.

In response, with press release no. 56 of 15 July 2020, the Cabinet Office announced that, in view of the proposed settlement, the Government "has decided to begin the process of formalising the settlement provided for by law, without prejudice to the fact that the right to revoke the concession will only be waived once the settlement agreement has been finalised".

As described in greater detail in note 10.7 "Significant legal and regulatory aspects" in the consolidated financial statements, this was followed by a series of meetings with representatives of the Government, after which the subsidiary received drafts of the proposed settlement agreement, bringing to an end the procedure for serious breach, and of the Addendum to the Concession Arrangement. In response, on 8 October 2020, the subsidiary expressed its willingness to sign the above drafts, with the sole exception of removal of the condition precedent requiring completion of the corporate reorganisation.

The developments described above have led Autostrade per l'Italia's board of directors, also considering the opinion of legal experts, to believe that it is not reasonably likely that the Government will decide to revoke the concession arrangement, and to believe, instead, that it is reasonably likely that an agreement will be reached. Should such a decision to revoke the concession be taken, Autostrade per l'Italia's board of directors believes that there are strong grounds on which to challenge such a step.

With regard to points c) and d) above, it should be nWith regard to points c) and d) above, it should be noted that, at the date of preparation of this Integrated Annual Report, neither the European Investment bank nor Cassa Depositi e Prestiti have called for the application of any contractual rights and/or remedies. In addition, with regard to loans (described in greater detail above and amounting to €0.4 billion) where the related covenants have not been complied with, due to the sharp fall in operating revenue caused by the Covid-19 pandemic, Autostrade per l'Italia has been granted covenant holidays by its lenders with reference to the measurement date of 31 December 2020. As a result, based on such holidays, the contractual remedies available to lenders cannot be exercised.

Again, with regard to the financial position, and more generally the uncertainty surrounding Autostrade per l'Italia's access to sufficient liquidity to fund its investment programme and service its debt, the subsidiary was able to return to the credit market in 2020 via two bond issues amounting to a total of €2,250 million. The issues took place on 4 December 2020 (€1,250 million, maturing in 2028) and 15 January 2021 (€1,000 million, maturing in 2030).

The above bond issues, together with operating cash flow, are sufficient to enable the subsidiary to cover its operating and capital expenditure.

The above actions, unless there is a further significant deterioration in the relevant economic scenario, should enable the subsidiary to meet its reasonably foreseeable financial needs linked to the servicing of existing debt and the expected delivery of its investment and maintenance programmes.

Finally, it should also be noted that, in view of the changed environment and the Government's express willingness to finalise a settlement agreement, on 18 July 2020, Fitch upgraded the Company's rating to Rating Watch Evolving. On 23 July 2020, Moody's modified the outlook from "negative" to "developing", whilst, on 12 August 2020, Standard & Poor's also upgraded the outlook from "negative" to "developing".

The subsidiary's board of directors thus deemed the previously described risk factors and uncertainties to have been surmounted, both individually and as a whole, at the date of preparation of the financial statements, and that these factors were not such as to cast significant doubt on the ability of the Company and the Group as a whole to continue to operate as an entity in the assumed functioning of continuity. As a result, the subsidiary's financial statements as at and for the year ended 31 December 2020 have been prepared on a going concern basis.

In order to come to this conclusion, Atlantia's Board of Directors has updated its assessment of risk factors and uncertainties, concluding that:

a) the risk of termination of Autostrade per l'Italia's concession arrangement is remote and that there is a reasonable likelihood that an agreement will be reached with the Italian Government;

b) the occurrence of liquidity risk is not reasonably likely in the next twelve months, partly bearing in mind Atlantia's issue, in February 2021, of bonds worth €1,000 million, maturing in 2028, and the agreement between Atlantia and Partners Group for the sale of a 49% stake in the subsidiary, Telepass (for a consideration of €1,056 million), with completion expected by the end of the first half of 2021;

c) it is reasonably unlikely that Atlantia will be exposed to financial risk linked to the financial position of the subsidiary, Autostrade per l'Italia (the risk of early repayment of debt guaranteed by Atlantia), or as a result of the impact caused by the restrictions on movement imposed by the authorities in response to the Covid-19 pandemic, also taking into account the above conclusions reached by Autostrade per l'Italia's board of directors.

With regard to the corporate reorganisation of the subsidiary, Autostrade per l'Italia, referred to in the letter from the Cabinet Office dated 15 July 2020, Fitch, S&P and Moody's have put Atlantia's ratings (BB-/Ba3/BB) on Rating Watch Evolving, Outlook Developing and Outlook Developing.

Subsequently, Atlantia's Board of Directors, whilst conducting talks with CDP Equity and its partners, described in greater detail in note 10.7, "Significant legal and regulatory aspects", has launched a dual-track process, involving the following steps:

- the outright sale via a competitive international auction, managed by independent advisors, of Atlantia's 88.06% stake in ASPI, in which CDP could participate alongside other institutional investors of its choosing, as already suggested; or alternatively;
- the partial, proportional demerger of 33.06% of Autostrade per l'Italia to the beneficiary, Autostrade Concessioni e Costruzioni, and Atlantia's transfer of the remaining 55% interest, with the beneficiary's shares to be listed on the screen-based trading system (*Mercato Telematico Azionario*) organised and managed by Borsa Italiana, as approved by the Extraordinary General Meeting of shareholders held on 15 January 2021, and the concomitant sale of the 62.77% stake in Autostrade Concessioni e Costruzioni.

A binding offer was received from CDP Equity, Blackstone Infrastructure Advisors and Macquarie Infrastructure and Real Assets (Europe) (the "CDP Consortium") was received on 24 February 2021. The offer is subject to the satisfaction of a series of conditions precedent, including completion of the approval process for Autostrade per l'Italia's Financial Plan and signature of the settlement agreement bringing to an end the dispute over serious breaches of the concession arrangement.

Having examined the offer, on 26 February 2021, Atlantia's Board of Directors considered that the offer fell below expectations, as effectively confirmed by the matching valuation of independent advisors, and that the proposed financial and contractual terms were not consistent with the interests of Atlantia or its stakeholders as a whole. Despite this, the Board has authorised the Chairman and the Chief Executive Officer, assisted by the Company's appointed advisors, to assess the potential for the necessary substantial improvements to the offer. The Board will, therefore, hold a further meeting in order to take a final decision, which will naturally be promptly announced to the market.

In line with the dual-track process launched on 24 September 2020 and approved by the General Meeting of shareholders held on 15 January 2021 (almost unanimously, with shareholders representing 99.7% of the issued capital voting in favour), the Board of Directors also decided to call an Extraordinary General Meeting of shareholders for 3.00pm on 29 March 2021. This Meeting will be asked to deliberate on an extension of the deadline for the potential submission by third parties of binding offers for Atlantia's controlling interest (represented by a 62.77% stake) in Autostrade Concessioni e Costruzioni S.p.A. until 31 July 2021, compared with the original deadline of 31 March 2021. It should be noted that, on completion of the transaction described in the demerger plan (involving the demerger, transfer and concomitant listing of Autostrade Concessioni e Costruzioni S.p.A.), this latter company will hold an 88% interest in Autostrade per l'Italia.

Based on developments relating to the material uncertainties identified in preparation of the financial statements as at and for the year ended 31 December 2019, regarding application of the going concern assumption to the subsidiary and the Parent Company, Atlantia's Board of Directors considers the various risks factors and uncertainties to be surmountable at the date of preparation of the Integrated Annual Report for the year ended 31 December 2020. As a result, the Board has concluded that the going concern assumption has been satisfied, after also taking into account the actions taken and planned by Atlantia and its subsidiaries, including those aimed at mitigating the impact of the continuing Covid-19 pandemic.

Assessment of whether the going concern assumption is appropriate requires a judgement, at a certain time, of the future outcome of events or circumstances that are by nature uncertain. Whilst taking due account of all the available information at that time, this judgement is, therefore, susceptible to change as developments occur, should events that were reasonably foreseeable at the time of the assessment not occur, or should facts or circumstances arise that are incompatible with such events, and that are currently not known or, in any event, not reasonably estimable at the date of preparation of the Integrated Annual Report for 2020.

Atlantia's Board of Directors will continue to monitor changes in the conditions taken into account in assessing whether the going concern basis continues to be appropriate. This will enable the Company, should it prove necessary, to take the required corrective action.

Summary of the results for 2020

a) Loss for the year (€29 million) due to net financial expenses (€358 million) and impairment losses on investments (€219 million), partially offset by dividends from investees (€502 million)

b) Equity (€10,458 million) down €351 million, primarily due to a decline in the fair value of the investment in Hochtief (€407 million, after the impact of fair value hedges)

c) Net debt (€4,435 million) down €366 million, reflecting the increase in fair value gains on fair value hedges (€169 million) and the net cash inflow from dividends collected and operating costs and financial expenses incurred (€186 million)

The reconciliation of the key alternative performance indicators ("APIs"), used to present the operating results, financial position and cash flows in the reclassified accounts, with the most directly reconcilable line item, subtotal or total in the statutory financial statements is provided in section 10, "Explanatory notes, reconciliations and other information".

Results of operations

Reclassified income statement

€M		2020	2019	Increase/ (Decrease)
Dividends from investees		502	636	-134
Profit/(Loss) from investments	(A)	502	636	-134
Interest expense on borrowings and other financial expenses		-128	-68	-60
Net expenses on derivative financial instruments		-230	-47	-183
Net financial income/(expenses)	(B)	-358	-115	-243
Staff costs		-18	-59	41
Other operating costs, net		-32	-30	-2
Profit/(Loss) from operations (EBITDA)	(C)	-50	-89	39
Amortisation and depreciation	(D)	-2	-1	-1
Impairment losses on financial assets and investments	(E)	-219	-39	-180
Profit/(Loss) before tax	(F= A+B+C+D+E)	-127	392	-519
Tax benefits	(G)	102	40	62
Loss from discontinued operations	(H)	-4	-5	1
Profit/(Loss) for the year	(F+G+H)	-29	427	-456

"Dividends from investees" are shown in the following table.

€M	2020	2019	Increase/ (Decrease)
Dividends from investees (*)	502	636	-134
Abertis HoldCo	432	-	432
Autostrade per l'Italia	-	274	-274
Aeroporti di Roma	-	130	-130
Telepass	-	68	-68
Autostrade dell'Atlantico	-	60	-60
Hochtief	68	63	5
Azzurra Aeroporti	-	23	-23
Stalexport Autostrady	2	13	-11
Aeroporto Guglielmo Marconi di Bologna	-	5	-5

(*) *In 2019, €432 million from Abertis HoldCo and €30 million from Aero 1 following the distribution of reserves recognised as a reduction in Atlantia's investments*

Net financial income/(expenses) is shown in the following table.

€M	2020	2019	Increase/ (Decrease)
Bond issues	-33	-33	-
Term Loans	-39	-28	-11
Revolving credit facilities	-58	-14	-44
Other net financial income	2	7	-5
Interest expense on debt and other financial expenses (A)	-128	-68	-60
Fair value losses on derivative financial instruments	-188	-5	-183
Realised losses on derivative financial instruments	-42	-42	-
Net expenses on derivative financial instruments (B)	-230	-47	-183
Net financial income/(expenses) (A+B)	-358	-115	-243

The deterioration compared with 2019 is primarily due to:

a) an increase in interest expense, reflecting:

   i. €44 million on the revolving credit facilities used in full, amounting to €3,250 million, from January 2020, with €2,000 million repaid in November 2020 (in 2019, partial use of €675 million until April);

   ii. €11 million on term loans as a result of the higher interest rates applied from May 2020, following the downgrade (between December 2019 and March 2020) of the Company's ratings by the leading rating agencies;

b) increased expenses on derivatives, reflecting:

   i. €96 million due to the negative impact of falling interest rates on the fair value of Forward-Starting Interest Rate Swaps, not qualifying for hedge accounting from 31 December 2019;

   ii. €92 million due to reclassification to profit or loss of the negative equity reserve on these instruments, primarily entered into to hedge for instruments that should have been issued in 2020, issue of which were not completed.

The "**Loss from operations**" **(negative EBITDA)** amounts to €50 million, an improvement of €39 million compared with 2019. This broadly reflects a combination of:

a) a reduction (€23 million) in the fair value of share-based staff incentive plans due to the fall in the share price (from €20.79 per share as at 31 December 2019 to €14.71 per share as at 31 December 2020), and reduced expenses (€8 million) on short-term incentive schemes;

b) a reduction (€6 million) in the cost of early retirement incentives for the Company's personnel (in 2019, €13 million relating to the settlement agreed with the former chief executive officer);

c) a reduction in costs following a decrease in the average workforce (€4 million);

d) the recognition in 2020 of expenses (€5 million) relating to donations made in relation to the emergency caused by the Covid-19 pandemic.

"**Impairment losses on financial assets and investments**", totalling €219 million, regard partial impairment of the carrying amounts of the investments in Azzurra Aeroporti (€165 million) and Aeroporto Guglielmo Marconi di Bologna (€54 million), recognised following impairment tests carried out in response to the impact of the Covid-19 pandemic on traffic and the operators' ability to generate cash.

"**Tax benefits**" of €102 million (€40 million in 2019) primarily regard the loss for the year (which takes into account the limited relevance of dividends for tax purposes and the impairment losses on investments) and include €86 million in deferred tax assets recoverable after 2021 as part of the tax consolidation arrangement.

The "**Loss from discontinued operations**", amounting to €4 million, regards the impairment loss on the carrying amount of the 59.4% interest in Pavimental in view of the consideration (€11 million) received in return for its sale to Autostrade per l'Italia in January 2021. In 2019, this item included the partial impairment (€5 million) of the investment in this company.

The "**Loss for the year**" in 2020 is thus €29 million (a profit of €427 million for 2019).

Statement of comprehensive income

€M		2020	2019
Profit/(Loss) for the year	(A)	-29	427
Fair value gains/(losses) on cash flow hedges		-	-172
Tax effect		-	50
Other comprehensive income/(loss) for the year reclassifiable to profit or loss	(B)	-	-122
Gains/(Losses) on fair value measurement of investments		-576	-67
Tax effect		7	1
Gains/(Losses) on fair value measurement of fair value hedges		169	101
Tax effect		3	1
Other comprehensive income/(loss) for the year not reclassifiable to profit or loss	(C)	-397	36
Reclassification of the reserve for fair value gains/(losses) on cash flow hedges		92	-
Tax effect		-27	-
Reclassifications of other comprehensive income to profit or loss for the year	(D)	65	-
Total other comprehensive income reclassified to profit or loss for the year	(E=B+C+D)	-332	-86
Comprehensive income/(loss) for the year	(A+E)	-361	341

In addition to the loss for the year, the "**Comprehensive loss for the year**" of €361 million for 2020 reflects a combination of the following:

a) fair value losses on the investment in Hochtief (€576 million), due to a fall in the share price (from €113.7 per share as at 31 December 2019 to €79.5 per share as at 31 December 2020);

b) an increase in fair value gains on fair value hedges (€169 million) entered into as part of the collar financing transaction involving a third of the shares it holds in Hochtief;

c) the positive effect of the reclassification (€92 million) to financial expenses in profit or loss of the equity reserve for losses on Forward-Starting Interest Rate Swaps, primarily as the issues the instruments were expected to hedge did not to take place in 2020.

"**Comprehensive income for the year**" amounted to 341 million for 2019, reflecting, in addition to profit for the year, the negative impact (€172 million) of the measurement of cash flow hedges represented by Forward-Starting Interest Rate Swaps and fair value losses (€67 million) on the investment in Hochtief, taking into account the increase in fair value gains (€101 million) on fair value hedges.

Financial position

Reclassified statement of financial position

€M	31 December 2020	31 December 2019	Increase/ (Decrease)
Property, plant and equipment and other intangible assets	12	20	-8
Investments	14,708	15,521	-813
Working capital (net of current provisions)	53	30	23
Deferred tax assets, net	127	60	67
Other non-current liabilities, net	-7	-21	14
NET INVESTED CAPITAL	**14,893**	**15,610**	**-717**
Equity	**10,458**	**10,809**	**-351**
Net debt (1)	**4,435**	**4,801**	**-366**
Bond issues	1,738	1,736	2
Medium/long-term borrowings	5,234	3,986	1,248
Other financial liabilities	409	381	28
Cash and cash equivalents	-2,261	-597	-1,664
Other financial assets	-685	-705	20
NET DEBT AND EQUITY	**14,893**	**15,610**	**-717**

(1) *Net debt includes non-current financial assets, unlike the financial position shown in the notes to the financial statements and prepared in compliance with the European Securities and Markets Authority (ESMA) Recommendation of 20 March 2013, which does not permit the deduction of non-current financial assets from debt.*

"**Investments**", amounting to €14,708 million, are down €813 million compared with 31 December 2019 (€15,521 million), broadly due to:

a) a reduction in the fair value if the investment in Hochtief (€576 million lower compared with 31 December 2019);

b) impairment losses (€219 million) on the carrying amounts of the investments in Azzurra Aeroporti (€165 million) and Aeroporto Guglielmo Marconi di Bologna (€54 million);

c) the reclassification to investments held for sale of:

i. a 49% interest in Telepass (€13 million), following the agreement to sell the stake concluded in October 2020, with the transaction due to complete in the first half of 2021 for a consideration of €1,056 million;

ii. the entire 59.4% interest in Pavimental (€11 million following the impairment loss of €4 million recognised in the "Loss from discontinued operations"), whose sale to Autostrade per l'Italia was completed for the same amount of €11 million in January 2021.

The following table shows the carrying amounts of investments as at 31 December 2020,

€M	%	31 December 2020	31 December 2019	Increase/ (Decrease)
Investments (1)		**14,708**	**15,521**	**-813**
Autostrade per l'Italia (2)	88%	5,338	5,333	5
Abertis HoldCo	50% +1	2,952	2,952	-
Aeroporti di Roma	99%	2,915	2,913	2
Aero 1 (Getlink)	100%	1,000	1,000	-
Hochtief	24%	1,340	1,916	-576
Autostrade dell'Atlantico	100%	755	755	-
Azzurra Aeroporti	53%	149	314	-165
Aeroporto di Bologna	29%	110	164	-54
Stalexport Autostrady	61%	105	105	-
Other investments		44	69	-25

(1) *measured at cost except for Hochtief (fair value)*
(2) *change due to the free share scheme for the Company's employees*

"**Working capital (net current provisions)**" is a positive €53 million, marking an increase of €23 million compared with 31 December 2019 (€30 million). This essentially reflects:

a) recognition in investments held for sale of the 49% interest in Telepass (€13 million) and of the entire 59.4% interest in Pavimental (€11 million);

b) a reduction in other current liabilities (€16 million) relating to the cost of short-term incentives for personnel;

c) the recognition of current tax assets (€6 million) on the tax loss for the year;

d) the collection of remaining tax credits for 2019 (€22 million).

"**Net deferred tax assets**" of €127 million are up €67 million, broadly reflecting the recognition of deferred tax assets (€86 million) on the tax loss for the year, offset by the tax effect (€27 million) of the reclassification to profit or loss of the equity reserve for losses on Forward-Starting Interest Rate Swaps, primarily as the issues the instruments were expected to hedge did not to take place in 2020.

"**Net invested capital**" amounts to €14,893 million, a reduction of €717 million compared with 31 December 2019 (€15,610 million).

"**Equity**" of €10,458 million is down €351 million compared with 31 December 2019 (€10,809 million), primarily due to the reduction in the fair value of the investment in Hochtief (€407 million, after the impact of fair value hedges).

Net debt, amounting to €4,435 million, is down €366 million compared with 31 December 2019 (€4,801 million), broadly due to:

a) an increase in fair value gains (€179 million) following gains (€169 million) on the fair value hedges hedging the shares held in Hochtief;

b) dividends collected from investees net of operating costs and financial expenses incurred (€186 million).

With regard to individual items in the statement of financial position, there have been increases in "Borrowings" and "Cash and cash equivalents" as a result of use of all the revolving lines of credit, totalling €3,250 million, in January 2020, €2,000 million of which was repaid in November 2020. "Cash and cash equivalents" is also up due to cash from operating activities during the year (€282 million) and the assignment of sterling-denominated receivables (€278 million), after the outflow required to establish cash collateral (€165 million as at 31 December 2020).

The residual weighted average term to maturity of debt is three years and four months as at 31 December 2020 (four years and six months as at 31 December 2019). As at 31 December 2020:

a) 35.7% of debt is fixed rate;

b) after taking into account the related hedges, fixed rate debt represents 78.6% of the total.

The weighted average cost of medium/long-term borrowings in 2020, including differentials on hedging instruments, is 2.1%.

Following the Cabinet meeting of 15 July 2020, Fitch, S&P's and Moody's put the Company's ratings (BB-/Ba3/BB) on "Rating watch evolving", "Outlook developing" and "Outlook developing", respectively.

The following events have taken place since 31 December 2020:

a) on 5 January 2021, a further cash collateral was established (an initial amount of €44 million) for Forward-Starting Interest Rate Swaps with a notional value of €400 million;

b) on 14 January 2021, the Company repaid €1,250 million of the Revolving Credit Facility (with a final maturity date in July 2023);

c) on 11 February 2021, the Company issued bonds worth €1,000 million, maturing in February 2028, in order to effect partial early repayment of principal on the Term Loan falling due in 2022, amounting to €1,500 million (final maturity date in February 2023): following the repayment, the Company does not have debt falling due before August 2022 (€200 million on the Term Loan);

d) at the same time as the bond issue, the Company unwound Forward-Starting Interest Rate Swaps with a notional value of €1,150 million (fair value losses of €152 million as at 31 December 2020): following this unwinding, the Company's entire holding of Forward-Starting Interest Rate Swaps (a notional value of €1,850 million) is covered by cash collaterals;

e) on 12 and 19 February 2021, the Company obtained a preventive, precautionary leverage holiday for each of the two Term Loans (€3,250 million) and the Revolving Credit Facility maturing in 2023 (€1,250 million) at the measurement date of 31 December 2020, with the leverage ratio subsequently being above the minimum requirement;

f) on 22 February 2021, the Company voluntarily proceeded with early cancellation of the Revolving Credit Facility of €2,000 million maturing in May 2021, having repaid it in full on 5 November 2020.

Finally, it should be noted that:

a) following the bond issues of €1,250 million and €1,000 million in December 2020 and January 2021, respectively, Autostrade per l'Italia:

   i. in December 2020, repaid in full the €350 million loan disbursed by the Company in June 2020,

   ii. in January 2021, cancelled all the financial support agreed with the Company, amounting to €900 million and expiring on 31 December 2022;

b) the Company has provided guarantees on behalf of Autostrade per l'Italia totalling €5,353 million. These have been issued to:

   i. bondholders (amounting to up to €3,834 million as at 31 December 2020, equal to 120% of the underlying debt) following the issuer substitution of December 2016, valid throughout the maturity for the public bonds and until September 2025 for the private bonds;

   ii. the European Investment Bank (€1,519 million as at 31 December 2020, equal to 120% of the underlying debt), to secure loans granted to the subsidiary;

c) in terms of Atlantia's and Autostrade per l'Italia's compliance with covenants, the demerger plan approved by the Company's Board of Directors on 14 December 2020, and on 15 January 2021 by the Extraordinary General Meeting of shareholders, includes among the related conditions precedent:

   i. the receipt of waivers of contractual remedies or of consent for the transaction from the holders of bonds issued by the Company and Autostrade per l'Italia and/or from counterparties to the Trust Deeds linked to the above bond issues, where necessary under the terms and conditions of the loans and related contracts;

   ii. the receipt of waivers of contractual remedies or of consent for the transaction from the lenders of the Company and Autostrade per l'Italia and its subsidiaries in relation to existing loan agreements;

   iii. the release of Atlantia from the guarantees and any commitments given in connection with the obligations assumed by Autostrade per l'Italia and its subsidiaries in its loan agreements or under the terms of public and/or private bond issues by Autostrade per l'Italia;

d) the Company, following the refinancing of Pune Solapur Expressways, issued a bank guarantee expiring in March 2022, and automatically renewable on expiry, to partially secure debt amounting to 2.15 billion rupees (approximately €24 million as at 31 December 2020).

Cash flow

The statement of changes in net debt is shown below.

Statement of changes in net debt

€M		2020	2019
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES			
Profit/(Loss) for the year		-29	427
Adjusted by:			
Amortisation and depreciation		2	1
Impairment losses on financial assets and investments		223	44
Net change in deferred tax assets through profit or loss		-86	-
Other non-cash costs (income)		82	-7
Operating cash flow		192	465
Change in operating capital		-5	-3
Other changes in non-financial assets and liabilities		-7	27
Net cash from/(used in) operating activities	(A)	180	489
NET CASH FROM/(USED IN) INVESTMENT IN NON-FINANCIAL ASSETS			
Purchase of property, plant and equipment		-6	-
Proceeds from distribution of reserves by subsidiaries		-	462
Net cash from/(used in) investment in non-financial assets	(B)	-6	462
NET EQUITY CASH INFLOWS/(OUTFLOWS)			
Dividends declared		-	-736
Proceeds from exercise of rights under share-based incentive plans		-	1
Net equity cash inflows/(outflows)	(C)	-	-735
Increase/(Decrease) in cash and cash equivalents during year	(A+B+C)	174	216
OTHER CHANGES IN NET DEBT/NET FUNDS			
Change in fair value of hedging derivatives		174	-71
Financial income/(expenses) accounted for as an increase in financial assets/(liabilities)		5	7
Impact of first-time adoption of IFRS 16 - Leases as at 1 January 2019		-	-14
Other changes in financial assets and liabilities		13	-
Other changes in net debt/net funds	(D)	192	-78
Decrease in net debt	(A+B+C+D)	366	138
Net debt at beginning of year		4,801	4,939
Net debt at end of year		4,435	4,801

"**Net cash from operating activities**" amounts to €180 million for 2020, a reduction of €309 million compared with 2019 (an inflow of €489 million). The essentially reflects a combination of:

a) a reduction (€134 million) in dividends collected from investees;

b) an increase (€151 million) in financial expenses linked to the fair value of financial instruments not qualifying for hedge accounting and the use of revolving credit facilities.

"**Net cash used for investment in non-financial assets**" amounts to €6 million in 2020 and relates to new lease contracts (essentially administrative offices in Milan) entered into by the Company as lessee.

The inflow of €462 million in 2019 was entirely linked to the distribution of reserves by the subsidiaries, Abertis HoldCo (€432 million) and Aero 1 Global & International (€30 million).

"**Net equity cash outflows**" amount to zero for 2020, compared with €735 million in 2019, when the figure broadly reflected the impact of the declaration of dividends for 2018, including the distribution of distributable reserves.

"**Other changes in net debt**" in 2020 essentially regard the positive effect of movements in fair value hedges (€169 million).

In 2019, other changes included the negative impact of movements in hedging derivatives (€71 million) and first-time adoption of IFRS 16 – Leases which, with regard to lease contracts where the Company is the lessee, has resulted in the recognition of financial liabilities (€14 million) as a matching entry to the right-of-use assets recognized in property, plant and equipment.

The above cash flows resulted in a reduction of €366 million in net debt in 2020 (€138 million in 2019).

8.4 Human capital

People are vitally important for Atlantia, and play a key role in enabling safe and sustainable mobility that connects places, cultures and communities. Atlantia employs around 31,000 people who share their talents, skills and aspirations every day and, with passion and responsibility, ensure effective operational management to make a difference to people's lives in many countries around the world.

The vital importance we attribute to our people was borne out by a new distinctive feature in 2020. Atlantia has promoted an employee share ownership plan for our Italian companies, which will enable almost 11,000 employees to become shareholders of the Company, within a perspective of responsibility and sharing value.

This initiative is only the first in a series of further opportunities to strengthen the bond with our people and share the value they help to create through their work.

At 31 December 2020, the Group's workforce stood at 30,659[1], slightly increased compared with the previous year. The expansion of the workforce mainly reflects changes in the scope of consolidation, including the inclusion in the Group of Red de Carreteras de Occidente in Mexico, the addition of Washout to the Telepass Group, and the sale of Electronic Transaction Consultants in the United States. Decreases were also registered in the numbers of temporary employment contracts at Aeroporti di Roma, due to a fall in air traffic, and at Abertis, in connection with the expiry of certain concessions.

[1] *This figure does not include the workforce of the US company Elizabeth River Crossings, which was acquired on 30 December 2020.*

Total workforce

Type	2019	2020	Increase/ (Decrease)
Permanent contracts	28,955	29,373	+1.4%
Temporary contracts	1,678	1,286	-23.4%
Breakdown by category			
Senior managers	387	403	+4.1%
Administrative staff	11,637	10,981	-5.6%
Toll collectors	8,213	8,086	-1.5%
Other operational personnel	10,396	11,189	7.6%
Breakdown by country			
Italy	13,668	13,386	-2.1%
Mexico	-	1,465	-
Spain	1,993	1,490	-25.2%
France	3,216	3,185	-1.0%
Brazil	6,140	6,111	-0.5%
Chile	1,962	1,904	-3.0%
Argentina	2,062	1,980	-4.0%
Poland	376	419	11.4%
Other countries[1]	1,216	719	-40.9%
Total	**30,633**	**30,659**	**0.1%**

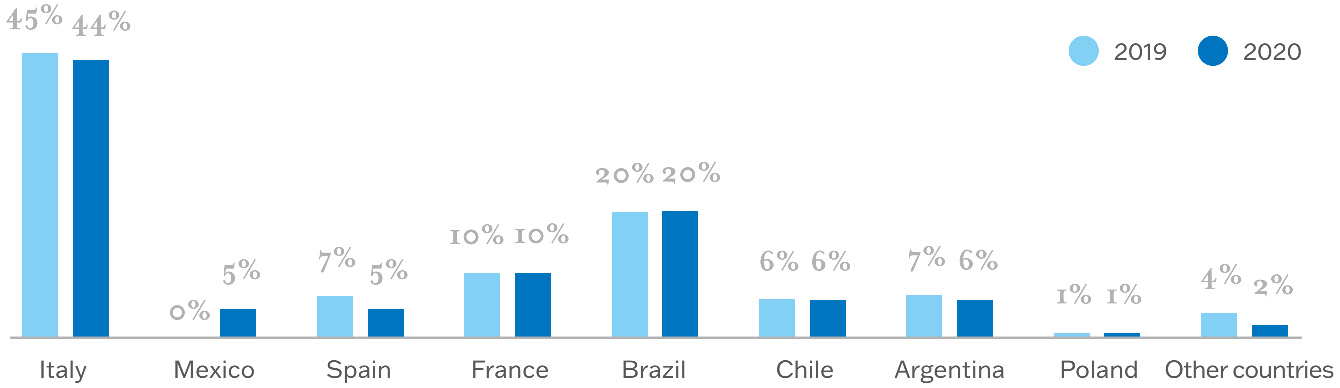
Overall, in a year so profoundly affected by the pandemic crisis that has put the sectors the Group operates in under severe pressure, substantially maintaining permanent employment levels, together with activation of various forms of flexibility and income support, has been a priority for Atlantia and Group companies.

The value of diversity

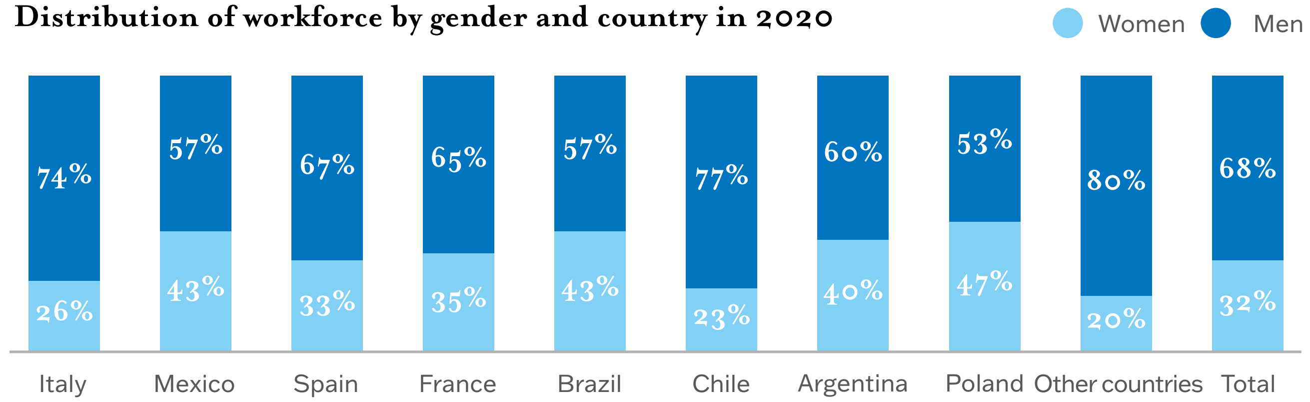
Diversity and inclusion make up a strategic theme for the development of human capital, as the interaction of different genders, cultures, generations, perspectives and backgrounds enables creation of lasting value, ensures progress, and represents a fertile ground for innovation and cross-fertilisation of ideas. Indeed, our staff are a heterogeneous population in terms of age, gender, experience, education and nationality, who collaborate with each other without discrimination.

Workforce by country[2], gender and age[3]

Distribution of total workforce by country

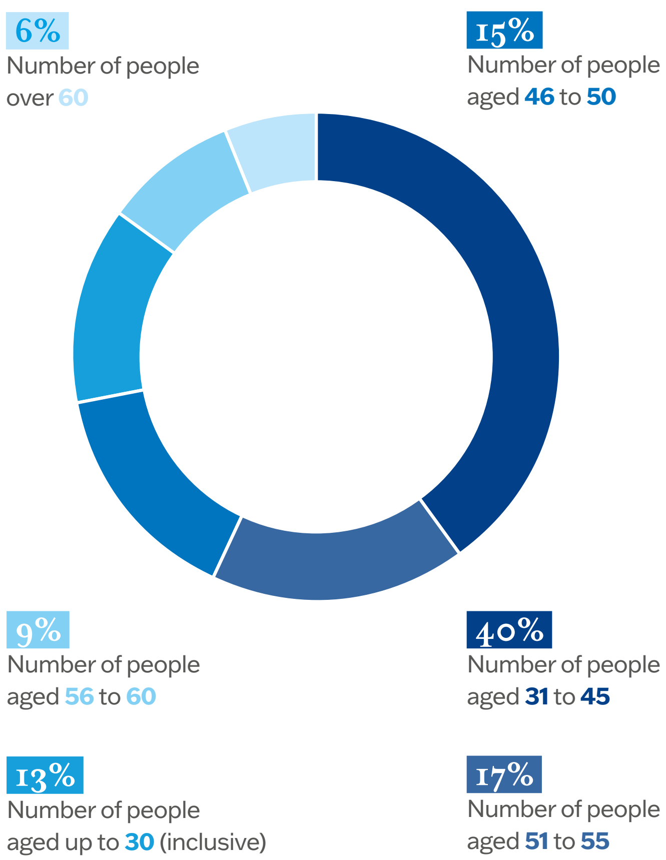


Distribution of workforce by gender and country in 2020



All age groups are substantially represented in the Company's workforce, of whom more than half are under 45. People under 30 account for 13% of the total workforce, up 2 percentage points on the previous year.

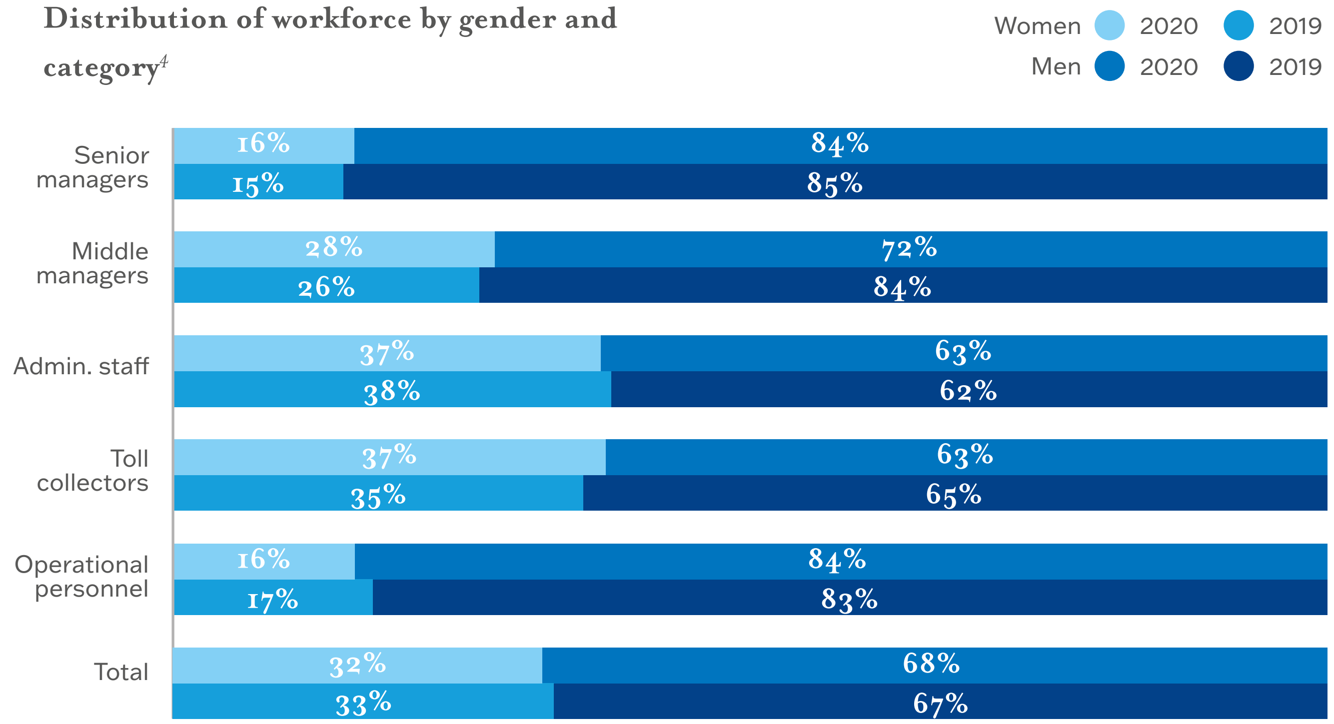
In 2020, around 3.5% of the permanent workforce (1,033 people) had legal protected status (e.g. disabled people, refugees), while approximately one third were women, marking increased shares among managerial positions (up 1 percentage point) and highly skilled professional positions (up 2 percentage points), in line with our long-term commitment to expand access to the world of work for the less represented gender, and especially to management positions.



[2] "Other countries" includes Abertis Mobility Services (AMS) staff in Hungary, Croatia, Canada, Ireland, the United Kingdom and Puerto Rico, as well as Group companies operating in India and the USA. AMS, an Abertis Group company set up in 2017, operates in the field of electronic tolling systems and smart mobility solutions.

[3] This figure and the analyses shown below take into account a scope corresponding to 98% of the Group's total staff. For more information on the scope of the data shown in this section, reference should be made to the paragraph "Methodological approach" of the non-financial statement.

Distribution of workforce by gender and category[4]



In line with the UN's 2030 Agenda for Sustainable Development, for several years Atlantia has incorporated the value of non-discrimination into the Company's policies and pursued specific gender equality objectives. In particular, the priority targets set for 2023 include:

- greater participation of women in corporate management (> 20% of the female workforce in managerial positions);
- an increase in the number of women in governing and supervisory bodies (> 20% female members appointed by Atlantia in the governing and supervisory bodies of investee companies);
- improved gender balancing in selection processes, especially regarding the highly skilled professional roles that enable growth paths within the Company (> 40% of new hires in highly skilled professional positions are women).

Atlantia also promotes respect for gender equality in terms of remuneration, for each job category.

The overall turnover rate[5] fell from 16.8% in 2019 to 12% in 2020, due to a slowdown in the labour market. The voluntary turnover rate[6] is also down from 5.5% in 2019 to 4.7% in 2020.

At Atlantia we invest in the development and training of our people, in order to leverage long-term employability and promote innovation. Consolidating and enhancing know-how, and facilitating the cross-fertilisation of different experiences and backgrounds, generates continuous improvement and business innovation. Growth of our human capital's knowledge and skills base is pursued via an approach focused on these processes:

- **Talent acquisition**, by adopting targeted selection policies and hiring people with high potential;
- **Talent development**, implemented through intragroup mobility and training, which leverages the professional development of human resources, in the interests of process and service innovation and achievement of sustainable business development objectives.

Talent management is a dynamic process that involves a substantial part of the workforce in the

[4] The figure for the Abertis Group's female workforce in 2019 and 2020 is broken down into the categories of Executives, Middle Managers and Office Staff only.

[5] The rate is calculated as the number of employees with a permanent contract terminating their employment due to dismissal, resignation, retirement and death at the workplace during the year, compared to the number of employees with a permanent contract on 31 December.

[6] The rate is calculated as the number of employees with a permanent contract terminating their employment due to resignation, compared to the number of employees with a permanent contract on 31 December.

development of professional and managerial skills and capacities to Once again in 2020, Atlantia continued the process of developing skills via intra-group mobility and cross-fertilisation initiatives. Professional mobility, which is the preferred channel for filling job vacancies, is carried out by guaranteeing conditions in line with a candidate's career path and the prospects of the new role. Overall, approximately 63%[7] of vacant positions were filled by internal candidates in 2020 (61% in 2019). In 2020, despite the difficulties posed by the health emergency, the process of enhancing the value of people continued through implementation of concrete initiatives relating to hiring processes, intragroup mobility and professional development. Performance management plays an important role in personal and professional development processes, as it provides an opportunity to understand strengths and areas for improvement through feedback from co-workers and colleagues. In 2020, this involved more than 11,000 staff[8], accounting for approximately 37% of the permanent workforce.

Training is an important tool for leveraging the development of human capital. With the aim of stepping up the integration of environmental sustainability, social and good corporate governance aspects into our business processes, Atlantia is promoting specific training on sustainability for our managers. In particular, a programme has been launched for the three-year period 2021-2023 with these ambitious objectives:

- Train over 70% of the Group's management, by certifying their skills development via a specific sustainability programme;
- Promote a culture of sustainability at all levels, through active involvement of more than 30% of staff in projects and activities with aims or impacts relating to the Sustainable Development Goals.

In 2020, around 552,000 hours of training and refresher courses were provided, marking an increase of 3.9%, and involving total investment of approximately €5 million. In particular, more than 5,600 hours of prevention and protection training relating to the Covid-19 pandemic were provided.

Focus on: relations with universities and advanced training courses

The strategic training and development path continued, for example, via the two agreements signed by Autostrade per l'Italia with the LUISS Business School and the SDA Bocconi School of Management, which every year enable around 40 of the Company's talented people to attend the Corporate Advanced Management Program and the Off-road Leaders Corporate Program. In 2021, at the Business School, Autostrade per l'Italia will also launch a second-level master's degree programme in "Integrated motorway network engineering and management" to train tomorrow's talented people in the core competencies of the Company's know-how, in collaboration with the two leading Italian engineering schools, the Polytechnic University of Milan and the Polytechnic University of Turin.

People Care

In a context marked by the Covid-19 health crisis, the Atlantia Group has paid special attention to implementing any element that might serve to enhance our staff's safety and wellbeing as they continue their working activities.

To this end, Atlantia has upgraded the hardware and software used by our staff, with a view to adequately ensuring that activities can be carried out in an agile and remote manner whenever possible. At the same time, the Company has activated specific procedures and actions for operational staff in the following areas: 1) redistribution of work shifts to avoid close contact between different operational teams; 2) use of flexible methods, such as early holiday leave and time banks.

With a view to mitigating health risks for staff, specific initiatives have also been implemented, with a budget of approximately €14 million, regarding:

- Prevention, via provision of over 13,000 tests (antigenic, molecular and serological), thermal scanners and tracking systems;
- Protection, by providing staff with over 2.8 million items of personal protective equipment (masks, gloves, gowns and overalls) and disinfectant gels;
- Organisation, including:
  - implementation of flexible measures at entrance and exit points to ensure social distancing;
  - reorganisation of workspaces, as well as redistribution of common areas and redefinition of maximum capacity;
  - temperature measurement at entrance points;
  - distribution of personal protective equipment, and sanitising gel dispensers in offices;
  - drawing up of routine and special cleaning plans, including disinfection of areas and air conditioning units.

Other relevant initiatives regard the extension of staff health and insurance coverage to include Covid-19 diseases at many of the operating companies.

In 2020, the Group allocated a total of approximately €30 million to welfare initiatives, substantially in line with the previous year's expenditure.

Over time, support for supplementary pension schemes has become very important. Indeed, the amount of employee contributions has progressively increased, standing at around €12 million and with more than 8,867 beneficiaries[9] in 2020.

Listening to our people, in such an emotionally charged context, has become even more important. To this end, Atlantia has promoted opportunities for listening to and talking with staff, which have provided useful ideas for progressively fine-tuning measures to support people.

An example of this is the listening campaign launched for their staff by Telepass, Autostrade per l'Italia, SPEA and Pavimental, which invited employees to take part in surveys on the experience of working in the pandemic era, in order to set out needs and gather ideas at a time of radical change in the world of work. Aeroporti di Roma provided staff with psychological support in order to better manage the implications of this difficult period and factors relating to biological risk.

Atlantia has been traditionally committed to provide safe workplaces. This commitment is aimed at active involvement and awareness-raising regarding safety issues, including through monitoring and reporting of dangerous situations, so that safety becomes a way of life. This has led to the adoption of appropriate accident risk assessment methodologies, awareness-raising activities and prevention and protection measures aimed at our own staff and also the employees of companies in the supply chain, especially the ones most exposed to risk who work on maintenance and at infrastructure construction sites. Regarding the key element of prevention, staff training has always played a major role. Operating companies are engaged in continuous safety training programmes, which may even go beyond their legal obligations, aimed at preventing workplace risks and protecting mental and physical health.

54% of the Group's employees operate under an OHSAS 18001 or ISO45001 certified health and safety management system.

692 workplace injuries were registered relating to direct employees in 2020, of which 76.5% involved men and the remaining 23.5% women. This marks a decrease of 107 injuries compared with 2019. The lost day rate[10] for direct employees fell from 15.6 in 2019 to 13.9 in 2020 (decreasing for men from 17 to 15.7, and for women from 12.6 to 10.1).

In five cases, these injuries were registered as serious, namely involving a period of absence from work of six months or more. The lost day rate for serious injuries was 0.1[11].

Unfortunately, five occupational fatalities were also registered during the year - one in Brazil, one in Argentina and three in Mexico - due to workers being run over by passing vehicles. The main causes of occupational injuries include: accidental falls, collisions with obstacles, incorrect use of personal protective equipment, handling and/or lifting of loads, road accidents. With regard to indirect workers, and in particular for companies in the supply chain operating

[7] *Calculated on the Group's total workforce excluding Abertis and the Costanera Group, for which horizontal mobility details are not available. In 2020, 923 cases of horizontal mobility, excluding Abertis and the Costanera Group, and 614 cases of vertical mobility across the Group's entire workforce, were registered.*
[8] *Coverage was 33% for men, and 46% for women*

[9] *The figure does not include the workforce of the Abertis Group.*

[10] *Rate calculated as the ratio of the number of injuries entailing absence from work to the number of hours worked during the year (more than 49 million in total), per million.*
[11] *Rate calculated as the ratio of the number of injuries entailing a period of absence from work of more than six months to the number of hours worked, per million. The indicator did not vary compared with 2019.*

in environments/sites over which Group companies exercise control or for which they are responsible, a total of 308 occupational injuries occurred during the year, of which 83.4% involved men[12]. Unfortunately, six fatal injuries were also registered - three in Italy, one in Argentina, one in Brazil and one in France - mainly due to load handling and accidents involving heavy vehicles in construction site areas, and, in one case, due to contact with high-voltage cables.

8.5 Social capital

Atlantia's commitment to our stakeholders, and the communities and local areas in which the Group's infrastructure and activities are located, is a fundamental element of social responsibility and one of the cornerstones of the sustainable development of our businesses. The Group's sustainability agenda highlights its importance, especially with regard to the development and creation of shared economic and social value throughout the value chain. To this end, dialogue with stakeholders, and being able to respond to their concerns, plays a key role. The priorities of the sustainability agenda include:

- dialogue and engagement - strengthening the already well-organised process of listening to and interacting with all categories of stakeholder, with a view to boosting the Group's relational assets;
- local areas - playing an active and proactive part in rewilding and mitigation actions relating to the local areas occupied by our infrastructure.

Dialogue and engagement

For Atlantia, dialogue and engagement with stakeholders are, first and foremost, an expression of our responsibility towards the people served by our motorway and airport systems, and towards authorities and local communities. Indeed, building and operating mobility infrastructure entails working and cooperating with local communities on a daily basis, whilst guaranteeing accessibility, safety and quality of service for travellers. The relationship with stakeholders is continuous, from design of the infrastructure to provision of the service to the customer, and particularly involves the four main stakeholder groups: authorities, customers, communities (citizens, associations, etc.) and suppliers.

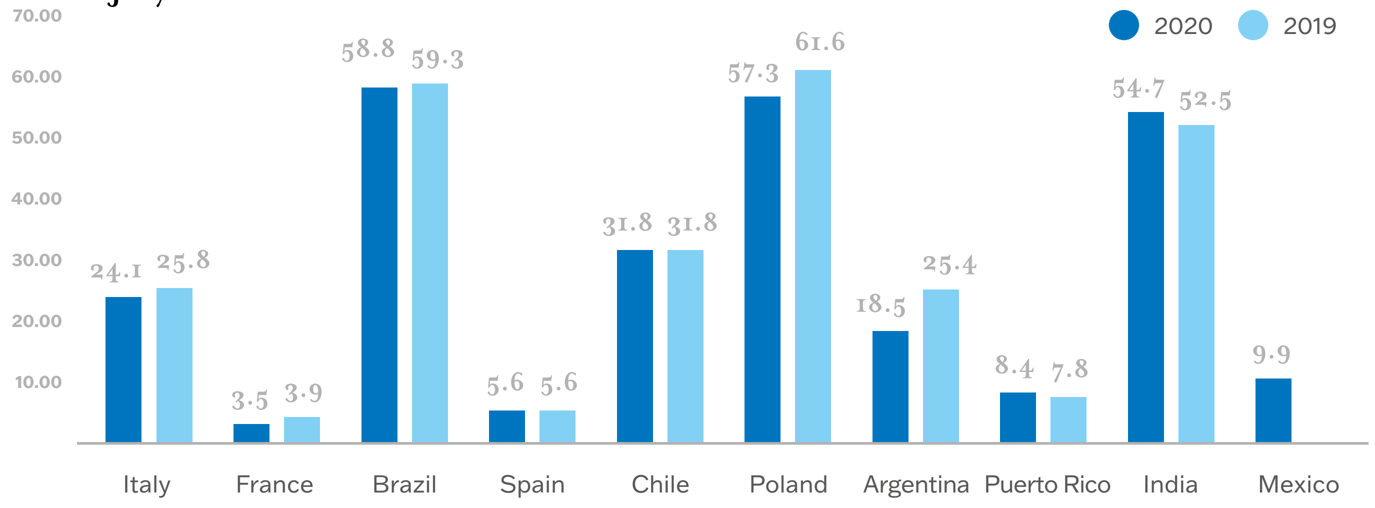
- Authorities - the Group interacts proactively with all the relevant authorities to ensure a constructive and continuous dialogue;
- Customers - the objectives of continuous improvement of service standards, safety, quality and the capacity to listen to needs are at the centre of the Group's customer relations;
- Communities - infrastructure is designed and managed paying constant attention to the social and environmental needs and the wellbeing of local communities. The Group is also committed to contributing to the creation of "community" values by promoting and implementing projects that are useful for the community and initiatives that enhance the environment;
- Suppliers - as well as being the Group's business partners, suppliers are increasingly regarded as sustainability partners, and are therefore selected and engaged in accordance with criteria of social and environmental responsibility and excellence.

Customer care and service

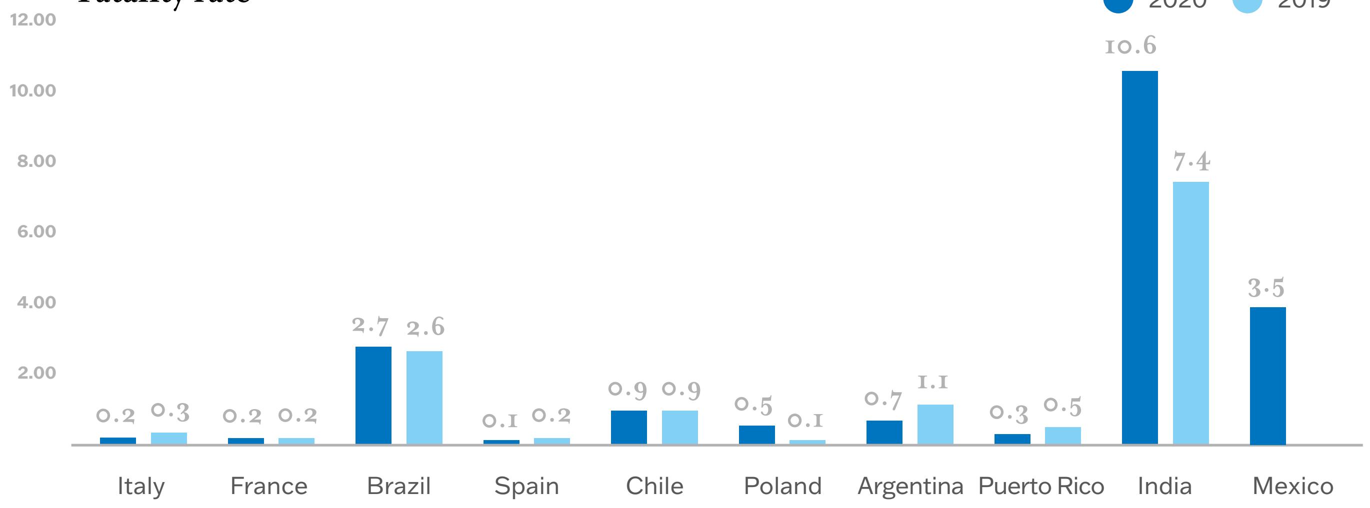
Customer safety and expectations are vitally important, both in drawing up strategies and in day-to-day operations.

In particular, passenger safety is the key factor in determining investment to modernise and upgrade motorway networks and airport infrastructure. These safeguards were further strengthened in 2020 in response to Covid-19 risks, with prompt implementation of specific procedures and awareness-raising initiatives that complemented legal measures. A substantial financial commitment was also made, with investment of more €550,000 in sanitisation, social distancing measures, the setting up of screening routes and the distribution of more than 154,000 masks/PPE.

Injury rate



Fatality rate



Injury and fatality rates were calculated as the number of events per 100 million km travelled.

Motorway safety

In line with the regulatory provisions of each country, the following commitments have been maintained, despite the operational difficulties arising from the health emergency: infrastructure interventions, execution of emergency drills, implementation of new technological systems for traffic monitoring, maintenance monitoring, installation of noise barriers and lighting systems.

Injury and fatality rates were calculated as the number of events per 100 million km travelled.

Autostrade per l'Italia has implemented a series of procedures for managing Covid-19 risks to ensure safe use of infrastructure, including:

- use of thermal scanners;
- information for service providers on measures and behaviour to be adopted in the workplace;
- supplementation of risk assessment documentation;
- definition of specific guidelines relating to measures to combat and contain the risks of Covid-19 infection at construction sites, with particular reference to the activities entrusted to third party companies operating at temporary and mobile construction sites as per Section IV of Legislative Decree 81/08;
- introduction of a ban on access to premises by visitors, consultants, couriers and suppliers (unless it is essential to ensure business continuity).

[12] *The lost day rate per million hours worked by indirect workers fell from 14.9 to 8.6 (8.1 for men, and 12.6 for women). The figure was calculated from a total of 296 injuries for which the number of hours worked is known (over 34 million in total). Three serious injuries were also registered, all involving men, so the serious lost day rate is 0.1 (0.04 in 2019).*

Management of emergencies

Management of emergency events involves a set of control systems, technical and organisational measures, and cooperation with the authorities, the police and civil protection forces.

In 2020, fewer emergency events were registered than in the previous year, as shown in the table below.

	2019*	2020	% change v. 2019
Snow events (snow hours/km)	124,590	67,084	-46%
Flooding (no. of events)	573	439	-23%
Landslides/mudslides (no. of events)	290	136	-53%
Fires (no. of events)	1,396	1,342	-3.9%

* *Note: the data covers all the Atlantia Group's subsidiaries, except for the Abertis Group.*

Airport safety

Airport safety is managed with a view to ensuring compliance with specific legal provisions, as well as continuous improvement of performance standards in all airport operations, including via constant interaction with stakeholders (regulatory and monitoring bodies, other international airports, operators, etc.).

An Emergency Response Committee is in place at each airport with responsibility for emergency management, tests/simulation, and the definition and updating of operational procedures[13].

The risk management of Covid-19 was prompt and organised, as evidenced by AdR obtaining four international awards/certifications confirming its excellence at international level.

[13] *For further details on safety management at the airport including in emergency situations, see the respective websites of Aeroporti di Roma and Aéroports Côte d›Azur.*

Focus on - Biosafety Trust Certification

In June 2020, the certification body RINA certified the compliance and quality of the "Infection Prevention and Monitoring Management System at Fiumicino and Ciampino airports", which is aimed at minimising the risk of contracting diseases, relating to pathogens identified and potentially connected with these areas of activity:

- provision of airport services, including management and support services; operation and maintenance of facilities and infrastructure;
- management of ICT systems;
- commercial and real estate sub-concessions;
- coordination of engineering, procurement and supervision of airport infrastructure works, assistance to passengers with reduced mobility, security checks, cleaning, sanitisation and maintenance of green areas, and mobility and parking services.

AdR also drew up "Guidelines for containing the spread of Covid-19 at construction, service and supply sites" in order to guide activities aimed at:

- preventing the risk of transmission of Covid-19 among workers, thus enabling the safe resumption or continuation of activities;
- taking prompt action regarding possible cases of infection.

AdR also adopted a "Protocol for containing Covid-19 infection during passenger management", which provided for specific measures aimed at:

- preventing and reducing the risk of Covid-19 infection in relation to passenger flows at Fiumicino and Ciampino airports, organising airport services and related services as well as possible;
- managing possible cases of infection.

Quality of service

Continuously improving the quality of service is a priority objective across all the Atlantia Group's business segments. To this end, constant monitoring of service standards is envisaged, and specific action plans are implemented.

In 2020, the number of opportunities to interact with users were affected by the decrease in transit volumes. Therefore, partly in compliance with safety and protection measures relating to Covid-19 risks, the Group decided not to carry out the usual customer satisfaction surveys for airport and motorway activities.

Third-party evidence has also been gathered that confirms the high quality standards achieved (e.g. Skytrax's award to AdR as "Best Airport 2020", obtaining the highest score, and the "Best Airport Award 2020").

Supply chain management policy

The Group's supply chain management policy is underpinned by a relationship with suppliers based on the principles of legality, fairness and transparency. All suppliers, including on behalf of any authorised subcontractors, are required to observe the ethical and behavioural principles of the Group's Code of Ethics, undertaking to comply with the social and environmental requirements contained therein.

All Group companies have internal structures in place to manage the supply chain and procurement process, as well as procedures that define competences, responsibilities and approval and formalisation procedures for the procurement process. These procedures are aimed at:

- defining effective Group procurement strategies;
- optimising policies regarding suppliers;
- progressively improving standards for mitigating the sustainability impact of the supply chain.

Active suppliers and order value

Although the value of orders to suppliers decreased in 2020 due to the economic repercussions of the pandemic on business, the Group maintained more than 21,000 active suppliers, generating total expenditure of approximately €3.2 billion, of which approximately 41% was in Italy. The number of key suppliers[14] is approximately 7% of the total number of active suppliers.

Supplier selection and audit process

Suppliers are identified via individual companies' suppliers registers or public tenders. On registration, suppliers fill in a questionnaire covering the main details of their company (historical data, type of activity, organisational and corporate structure, and information on their sustainability profile).

Of the companies active in 2020, 3,214 were measured in terms of sustainability criteria (83% for environmental criteria, 87% for social criteria and almost 91% for anti-corruption criteria). Of these, 250 are key suppliers and subcontractors. During the year, sustainability audits were also carried out on 63 suppliers (of which 32 were key suppliers).

Local communities

The Covid-19 emergency has profoundly affected the local communities and areas in which the Atlantia Group operates, highlighting similar, cross-cutting needs and requirements. Therefore, the Group has implemented a series of actions and initiatives, in addition to its usual activity of sustaining and assisting our stakeholders, with a view to supporting:

- the healthcare response of hospitals to emergencies;
- communities via the provision of medical and healthcare equipment;
- the school system via the provision of materials and devices for remote learning.

At the holding company level, Atlantia's Board of Directors approved donations totalling €5 million to support management of the health emergency, to develop research, diagnosis and healthcare projects for citizens who contracted the virus, and to encourage the commitment of humanitarian associations to the most vulnerable sectors of the population.

[14] *A "key supplier" has specific technologies and know-how, possibly evidenced by patents and certifications, with which the Company, as a result of previous contracts, has established a highly dependent relationship, and therefore the use of a different supplier would entail a transition to different standards, technologies or methodologies, with significant financial and/or organisational impacts.*

Various activities and projects were funded:

- Atlantia made €2 million available to the Civil Protection Department for the procurement of equipment for management of the health emergency. The departments of Atlantia and its subsidiaries collaborated actively with the Civil Protection Department to speed up the acquisition of medical equipment and logistics management via the Fiumicino and Ciampino airport hubs and along the national motorway network. Moreover, the Chairman and Chief Executive Officer allocated 25% of their remuneration from May 2020 to the end of the year to community assistance, and the Group's management raised funds by donating unused holiday leave;
- In agreement with the Lazio Region, Atlantia supported the construction of the Covid hospital at the Tor Vergata general hospital in Rome. The €500,000 contribution was used to finance part of the renovation work for the spaces, and to procure the necessary medical equipment;
- A new diagnostics laboratory specialising in Covid-19 was built at the San Martino general hospital in Genoa thanks to a €1.2 million contribution from Atlantia. Autostrade per l'Italia donated 100,000 masks to the Liguria Region to help reduce infection;
- The Gemelli general hospital in Rome has developed an artificial intelligence (AI) platform dedicated to medical research. Atlantia has made €1 million available for the rapid development of an innovative platform which, based on the processing of Covid-19 diagnostic data, has reduced diagnosis and screening times and created automatic systems (BOTs) to facilitate and optimise the diagnostic process;
- A new diagnostics laboratory specialising in Covid-19 was built at the San Martino general hospital in Genoa thanks to a €1.2 million contribution from Atlantia. Autostrade per l'Italia donated 100,000 masks to the Liguria Region to help reduce infection; [repeated paragraph]
- Atlantia decided to support the activities of the Sant'Egidio Community with €300,000 for the purchase of food, masks, sanitising products and disposable gloves.

At the individual Group company level, each company carried out a series of initiatives for the benefit of communities along motorway assets and near airport sites. The main initiatives included:

- Donation of masks and protective equipment to Emergency Medical Management employees in service along Italian motorways, toll collectors and customers;
- Donation of medical equipment to 13 public hospitals;
- Flu vaccination support for over 4,500 lorry drivers;
- Donation of 70,000 masks, 40,000 pairs of gloves and 2,000 litres of hand sanitiser to around 60,000 lorry drivers during the year;
- Implementation of a website with user support information, including locations for vehicle supplies, food, mechanical or tyre repairs, etc.), with more than 1,400 places mapped and registered. (https://www.arteris.com.br/caminhoneiro/);
- Support, in partnership with UNICEF, to 7,000 vulnerable families, together with donation of 1,400 hygiene and food kits;
- Donation of 8,000 masks to indigenous associations and peoples in South America;
- Supply of personal hygiene and food kits to car and lorry drivers (AB Concessões);
- Together with the Group's other Italian companies, Autostrade per l'Italia has entered into a partnership with the Ministry of Education, Universities and Research (MIUR) and donated a kit consisting of one interactive whiteboard and 25 tablet computers (or equivalent equipment or amounts) to 18 schools;
- Social welfare initiatives in Cerro Navia and Renca (Chile), including the donation of food and personal protective equipment for Covid-19 (e.g. mask, gloves, hand sanitiser) to local communities affected by the Group's activities;
- Telepass launched a solidarity initiative, with voluntary participation by employees, entailing donation of the value of a portion of residual amounts due to them from 2019. More than 100 managers and employees took part in the initiative by donating holiday leave and time bank hours. With the help of Telepass, these hours were monetised, raising a total amount of €200,000 that was donated to the Civil Protection Department;
- The drive-in Covid-19 testing centre located in the parking areas of Leonardo Da Vinci airport has tested more than 100,000 people, and the vaccination centre set up in the external areas of the airport has a capacity to administer more than 3,000 vaccine doses per day. Similarly, Aéroports de la Côte d'Azur has deployed a wide range of actions to improve safety and health protection standards for passengers and staff. A key feature of the programme is the experimental use of an automated robot that emits ultraviolet light to eliminate viruses and bacteria, and to optimise the effectiveness of cleaning and disinfection operations at terminals. Nice airport has also obtained ACI Health Accreditation, which validates its approach and the measures implemented.

3,440
Employee volunteer hours to provide support initiatives

137
Number of initiatives taken to reduce the health risk for third parties

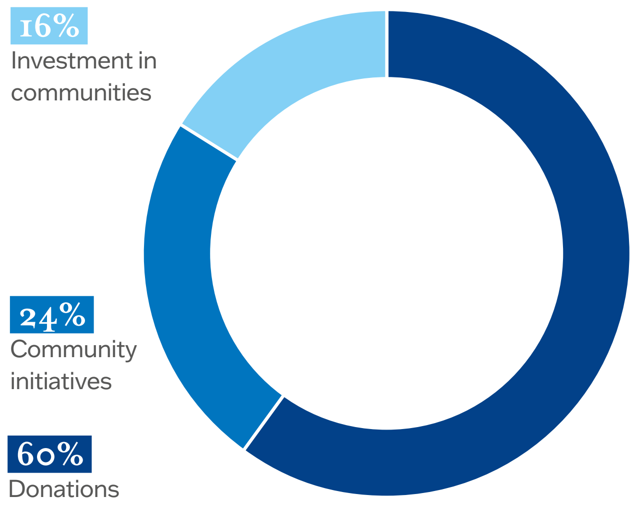
Community initiatives and investment

In total, Atlantia provided approximately €16.4 million in donations, and community initiatives and investment.

In detail, this includes:

- **Donations**, totalling €9.8 million. In addition to donations in support of the Covid-19 emergency, these include a series of initiatives involving scholarships, philanthropic donations, contributions to foundations, funding for solidarity and social promotion projects, and donations;
- **Community investment**, totalling €2.6 million, for road safety awareness and community engagement initiatives;
- Actions included in **community initiatives** amounted to approximately €4 million in 2020. The most relevant initiatives undertaken include a series of sponsorships of cultural, scientific and social events.

Social expenditure and investment



Enhancement of local areas

Attachment to local areas is an important element of the Atlantia Group's sustainability agenda, with a particular focus on preserving biodiversity and rewilding of local areas impacted by our infrastructure. In line with the other strategic pillars, such action is aimed at boosting the Group's determined efforts to pursue our carbon neutrality objective, whilst minimising our impact on the environment by supporting the process of preserving and enhancing local areas and landscapes.

Focus on: supporting the community in Santiago, Chile

In 2020, the long-term Santiago Centro-Oriente programme of works was completed. As one of the largest urban infrastructure projects in Chile in recent years, the programme comprises seven strategic interventions in particularly critical areas of the city of Santiago, aimed at solving problems relating to road conditions and traffic congestion. As well as improving traffic flow, the programme has enhanced the quality of urban life by transforming previously congested areas into gardens, squares and green spaces for the enjoyment of citizens. Over the years, the Costanera Group has rehabilitated and made available to the community more than 175 hectares of green spaces, planted with approximately 85,000 trees and shrubs, most of which the company also maintains.

Moreover, by channelling part of the traffic flow in the eastern part of the city through tunnels, a more than 10% reduction in noise pollution in the area concerned has been achieved, with levels falling to those existing in 1996. The traffic flow improvement measures have also saved the citizens of Santiago around 1.1 million hours per year in travelling time, with the associated positive repercussions on quality of life and the environment.

In 2020, around €20 million were invested in works benefiting the local community, primarily consisting of environmental enhancement and redevelopment works, construction of new roads beyond the motorway axis, new junctions requested by the local community and other interventions (e.g. parks, schools, cycle paths, etc.). Approximately €50 million was paid out for expropriations.

Together with activities to improve local areas and landscape, the Atlantia Group has continued to support enhancement of the artistic and cultural heritage of local communities crossed by our motorway network and communities near airports.

In this regard, the Group intends to play an increasingly important role as an impact multiplier for local communities and our stakeholders, in order to leverage and boost tourist flows by supporting a responsible and sustainable tourism approach that respects the natural and cultural heritage and the expectations of local communities.

In 2020, despite a decline in traffic and transit volumes, Autostrade per l'Italia's *Sei in un Paese meraviglioso* (You're in a wonderful country) project, launched in 2013 in collaboration with Touring Club Italiano and Slow Food Italia, continued to offer motorists original and engaging travel experiences, by promoting quality tourism and the beauty of Italy's provinces.

The various initiatives of other Group companies regarding promotion of cultural activities and enhancement of local areas also continued, at a particularly crucial time when the tourism sector was severely affected by the health emergency.

Value generated and distributed

Through its activities, the Group helps to generate benefits for stakeholders and the contexts in which we operate in terms of economic value, employment and benefits for local communities. In 2020, the Group generated €9,255 million in economic value[15], (down approximately 25% compared to 2019, mainly due to the impacts of Covid-19).

[15] *Obtained from the sum of operating income and other income (e.g. financial income).*

Breakdown of economic value generated	2019	2020	% change
ECONOMIC VALUE CREATED	€ 12,282,229	€ 9,254,968	-25%
Net toll revenue	€ 9,256,381	€ 6,869,941	-26%
Aviation revenue	€ 825,955	€ 243,717	-70%
Contract revenue	€ 69,132	€ 108,725	57%
Other operating income	€ 1,478,497	€ 1,061,838	-28%
Other revenue and income (including financial income)	€ 652,264	€ 970,747	49%

The economic value is distributed as follows:

- around 40% (approximately €3,258 million) consists of operating costs incurred for the procurement of goods and services that benefit the companies in the Group's supply chain and related local areas;
- 33% (approximately €2,656 million) to providers of risk capital and to finance the distribution of dividends and to service debt;
- 17% (approximately €1,395 million) to employees (wages, salaries, benefits), for Directors' fees, social security charges and other costs;
- around 10% (approximately €839 million) to the state in the form of direct and indirect taxes and concession fees.

After distribution, €1,075 million of economic value was retained[16].

8.6 Environmental capital

Atlantia's commitment to the environment involves identifying appropriate technical, technological, managerial and organisational solutions to safeguard natural capital, with the aim of mitigating the current and foreseeable impacts generated by our business and adopting innovative solutions that maximise their impact on the achievement of medium- to long-term objectives.

[16] *In line with the provisions of Indicator 201.1 of the GRI standards, the figure is before amortisation and depreciation, capitalised costs and expenses, deferred taxation and provisions. Regarding changes in these items in 2019, reference should be made to the previous paragraph.*

The environmental strategy is based on two main areas of commitment:

- combating climate change
- mitigation of the environmental impacts of Atlantia's activities, with particular reference to circular economy processes.

Combating climate change

Atlantia is aware that climate change will have significant impacts on the economy, ecosystems, communities and consumption patterns. The issue has become central in urgent global development policy-making, taking into account, for example, that 2019 was the second warmest year on record, with record levels of carbon dioxide (CO_2) emissions and other anthropogenic greenhouse gases. Although the effect of the Covid-19 pandemic led to a slowdown in economic activities in 2020, as well as a sharp reduction in the number of journeys taken resulting in a decrease in global GHG emissions, this effect should not be seen as a structural shift, as levels are already expected to rise in 2021.

In this context, the role of a player such as Atlantia - operating in the mobility sector which is responsible for more than 16%[17] of global emissions - is very important. On the one hand, the Group aims to mitigate our direct impacts, whilst making our assets resilient to adverse weather and climate conditions, preserving their value, and supporting the transition to low-carbon mobility on the other.

[17] *Source: Climate Watch, World resources Institute (2020) – Global greenhouse gas emissions by sector.*

Atlantia pursues various initiatives to reduce our carbon footprint, which are mainly focused on improving our performance in terms of efficiency, energy saving and power generation from renewable sources. This policy has produced appreciable results, with a 12% decrease over the last five years in tonnes of CO_2 emitted per million euros of revenue[18].

2020 marked a new chapter in the Group's climate strategy, with the setting of an ambitious target of zero emissions by 2040, ten years ahead of the Paris Agreement target. This objective will be developed by involving the operating businesses in specific plans to progressively reduce emissions that will provide for further investment in renewables, electrification of Group fleets, additional projects to optimise energy consumption, reforestation initiatives, and research into alternative fuels and new carbon capture and storage (CCS) technologies. Technological innovation will play a major role in the common transition path towards sustainable models and in achieving internationally agreed climate targets.

[18] *Market-based Scope 1 and Scope 2 CO_2 emissions per million euros of revenue.*

Governance

In the organisational model implemented at Atlantia in 2020, as described in previous chapters, the Sustainability department, headed by the Chief Sustainability Officer, is responsible for governance of ESG and climate change issues. The department plays a coordinating role in the definition and implementation of ESG guidelines, including providing support for their adoption and implementation by investee companies. It is also responsible for defining objectives, targets, non-financial reporting to the outside world and for ongoing dialogue with stakeholders on these issues.

Governance model for climate change issues

Board of Directors

Oversees long-term strategy

Sustainability Committee

Supports the Board of Directors in overseeing the climate strategy, promoting the integration of ESG factors within the business, including those relating to climate change.

Audit, Risk and Corporate Governance Committee

Supports the Board of Directors in its oversight activities, identifying and reviewing the risks connected with climate change that can have an actual and potential impact on the business.

Management team

Draws up the climate strategy, promoting sustainability, analysis and assessment of the risks and opportunities linked to climate change, and overseeing and coordinating implementation initiatives

CEO

CHIEF RISK OFFICER

CHIEF SUSTAINABILITY OFFICER

INVESTMENT DEPARTMENT

Portfolio companies

Execute the strategy and implement initiatives and projects

Risk strategy and management

Atlantia is pursuing a process of integrating climate change-related risks into its risk management policies, as part of Enterprise Risk Management. This involves assessment of various risk categories, as recommended by the TCFD framework.

TCFD framework[1]

A preliminary step in analysing climate change risks that takes into account elements of the TCFD framework entails assessment of various risk categories classified into physical risks and transition risks (i.e. those risks primarily relating to a shift towards a low-carbon economy or to a transition to new consumption patterns).

In particular, impacts relating to physical risks pose a threat to the Group's operations and its financial performance.

The more frequent occurrence of high-intensity events (heavy snowfall, flooding, ice, hurricanes, severe storms, etc.) causes operational problems for infrastructure under management. This can lead to increased operating costs, closure of motorway sections and cancellation of flights, with repercussions on revenue, as well as higher costs for emergency management and reconstruction of damaged structures. Over a longer time horizon, changing climate patterns entailing rising temperatures and average sea levels may also have consequences for infrastructure - for example, coastal infrastructure.

Further assessments are carried out on transition risks, such as the introduction of regulations that penalise more polluting means of transport in favour of green mobility, rising fossil fuel prices, and additional policies that steer the transport sector towards decarbonisation. Such risks may have an influence on economic and financial performance, but at the same time may generate market opportunities. Therefore, Atlantia's strategy involves both impact mitigation and adaptation, via:

- design oriented towards the life cycle of infrastructure (Life Cycle Engineering), and with high eco-compatibility standards (e.g. LEED certifications[2]);
- use of numerical studies and models to define risk conditions (e.g. hydraulic, hydrogeological, structural, etc.) and to make works resistant to intense external weather and climate stress;
- direct actions to reduce our carbon footprint;
- study of new infrastructure and services for sustainable mobility.

[1] *Framework developed by the Task Force on Climate-related Disclosure of the Financial Stability Board (FSB), with a view to making data regarding climate-related risks and opportunities comparable, consistent and transparent, and enabling fair assessment by investors and stakeholders. https://www.fsb-tcfd.org/*
[2] *Leadership in Energy and Environmental Design (LEED), a voluntary certification programme appliable to any type of building (both commercial and residential) from the design stage through to construction (https://www.usgbc.org/).*

Metrics and targets

With regard to the Group's carbon footprint, Atlantia calculates our direct emissions (Scope 1), indirect emissions from energy consumption (Scope 2) and other indirect emissions arising from Group activities not under our direct control (Scope 3).

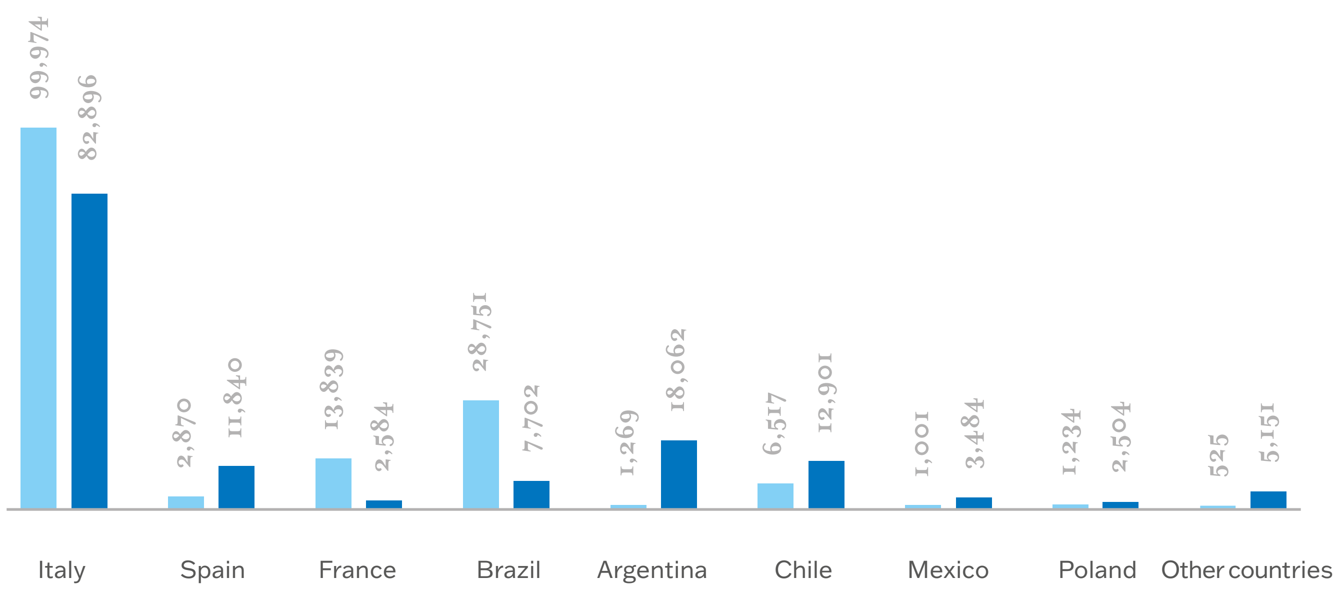
In 2020, the Group produced approximately 303,000 tonnes of carbon dioxide equivalent (market-based Scope 1 + Scope 2), down 11% from 2019, as a result of reduced global energy consumption due to the Covid-19 pandemic. In particular, emissions fell sharply at airports, reflecting the marked reduction in passenger and cargo traffic during the year.

The decrease in emissions was not proportionate to the Group's economic performance. Managed infrastructure has remained fully operational to ensure the safe movement of people and goods, even during emergency phases and internationally imposed mobility prohibitions, which is why carbon intensity rose from 29 to 36 grams of CO_2 per euro of revenue. From 2014 to 2019, on the other hand, the Group has reduced its total emissions by over 30%.

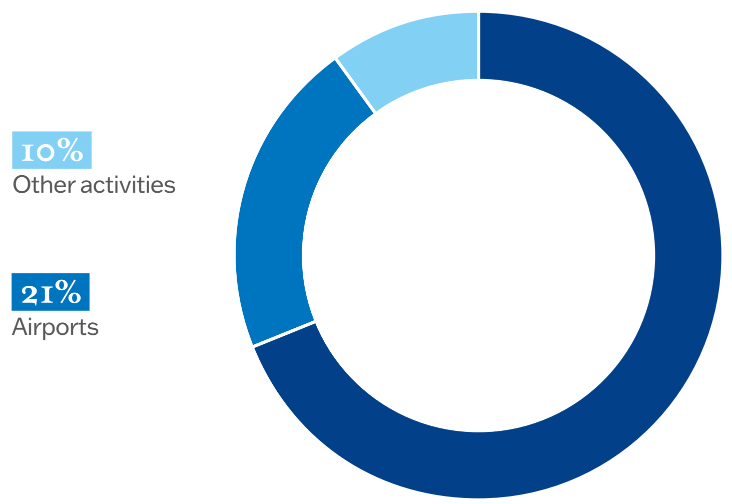
Carbon footprint (CO_2 tonnes)	2019[1]	2020	% change
Vehicles	78,410	65,809	-16%
Co-generation	72,098	53,047	-26%
Heating systems and emergency generators	25,315	37,123	47%
Total direct emissions (Scope 1)	175,823	155,979	-11%
Indirect emissions (Scope 2)[2]	166,270	147,124	-12%
Total emissions (market-based Scope 1 & 2)	342,093	303,103	-11%
Emission intensity (CO_2 tonnes/€m revenue)	29.4	36.6	24%

1 *Some 2019 data have been restated as a result of consolidations subsequent to the date of publication of the 2019 Non-Financial Report and updates to the emissions factors used.*
2 *Indirect market-based emissions, determined on the basis of the energy mix certified by the suppliers of Group companies.*

CO2 emissions by country (tonnes)



CO2 emissions by segment



Steps taken to mitigate direct impacts on the climate mainly relate to energy policy, with substantial investment in initiatives to improve air conditioning systems, indoor and outdoor ambient lighting involving widespread use of LED technology, energy production from renewable sources, and renewal of Group fleets. These initiatives, in which the operating companies have been investing for over ten years, will be further strengthened in the next decade. These will be complemented by projects aimed at decarbonising the sector (e.g. electric recharging infrastructure, alternative fuels, especially relating to aviation); circular economy projects such as recycling/reuse of materials (e.g. road paving); CO_2 absorption projects (e.g. reforestation, carbon capture and storage); and progressive procurement of electricity from renewable sources only.

For our roadmap to achieve net zero carbon by 2040, in 2021 we will propose a GHGs emission reduction target in line with scientific objectives and the level of decarbonisation required to keep the global temperature rise below the limits envisaged by international scenarios. Therefore, the assessment criteria of the Science Based Target initiative (SBTi) will be applied to the target.[19]

In 2020, the mitigation actions implemented prevented the emission of more than 7,600 tonnes of CO_2 into the atmosphere, most of which was saved via production from renewable sources.

Regarding indirect emissions (Scope 3), Atlantia monitors these categories:

- motorway traffic congestion[20];
- energy transport losses;
- emissions from the procurement and transport of materials;
- emissions from staff travelling;
- emissions from the landing and take-off phase (landing, taxiing and take-off) of aircraft (relating to the airports segment);
- emissions from waste treatment and transport activities.

In 2020, monitored Scope 3 CO_2 emissions amounted to approximately 2 million tonnes, up 12%, mainly due to maintenance and expansion work on the motorway networks in Italy and Brazil, which resulted in higher emissions from the procurement and transport of raw materials and waste production. The other monitored Scope 3 categories fell by a total of 50%, mainly due to the reduction in traffic during the year.

19 *https://sciencebasedtargets.org/*

20 *Scope of reference: network managed by Autostrade per l'Italia S.p.A..*

Focus on

Aeroporti di Roma and Aéroports de la Côte d'Azur have signed the ACI (Airport Council International) resolution in order support the Paris Agreement objectives and to continue their efforts to further limit the temperature rise to 1.5 degrees Celsius. This commits the airports to minimise net carbon emissions from airport operations under their control, and to manage residual emissions through investment in carbon capture and storage, thereby contributing to the reduction of aviation's impact on global warming, as well as full decarbonisation of aviation.

In January 2020, Aéroports de la Côte d'Azur presented an action programme that will result in the three managed airports of Nice, Cannes and St Tropez reducing their emissions to zero by 2030, via elimination of the use of fossil fuels for facilities and airport vehicles, development of renewable sources, and additional energy efficiency actions.

All the airports managed by the Atlantia Group have obtained "carbon neutral" Airport Carbon Accreditation[1], an initiative promoted by ACI Europe to promote virtuous behaviour in the fight against climate change. The neutrality certification level is achieved by demonstrating improved direct emission reduction results (Scopes 1 and 2) and offsetting residual allowances via the purchase of carbon credits.

[1] *http://www.airportcarbonaccreditation.org*

Mitigation of environmental impacts

Atlantia's objective is to combine economic growth and natural heritage protection, in all phases of activity - from the design of works to the development of new services, from logistics to infrastructure operation - thus ensuring the highest level of environmental compatibility and responsible use of natural resources and local areas.

To this end, Atlantia promotes strengthening of environmental performance monitoring at Group companies, and identification of indicators for assessing the effectiveness of systems and defining constant performance improvement actions and objectives. This requires, for example, implementation of environmental and energy management systems certified in accordance with recognised international standards (ISO 14001 and ISO 50001 certification), which include internal procedures and responsibilities for the management of environmental and energy-related aspects.

The circular economy

The use and management of resources plays a key role, especially with regard to energy consumption, waste production and water abstractions, of which the impacts on the environment are constantly monitored and reduced.

The Group's main energy sources are fuels - directly used for heating and air conditioning of buildings, plant operation, maintenance equipment, service vehicles and generators - and electricity for lighting and operation of systems and equipment. After electricity, natural gas was once again the most widely used source in 2020, particularly for combined generation plants (electricity, heat, refrigeration), the largest of which serves all of Fiumicino airport.

In 2020, 4,277 TJoules were consumed, mainly for electricity, natural gas and diesel fuel, which is in line with the trend for CO_2 emissions, marking a decrease of 10.7% compared to the previous year.

Despite the variability of energy consumption linked to investment plans for infrastructure upgrades, in ordinary operations the aim is always to reduce and optimise consumption, in particular through:

- implementation of monitoring systems with advanced sensors;
- implementation of projects to reduce consumption, involving investment in more efficient equipment, vehicles and processes;
- development of renewable sources of energy;
- implementation of specific management systems (e.g. ISO 50001 standard).

Regarding energy efficiency, Rome's Fiumicino airport was the first airport in the world to set a target as part of the EP100 initiative promoted by The Climate Group in partnership with the Alliance to Save Energy. Indeed, Aeroporti di Roma is committed to improving the energy performance (energy productivity) of Rome's Fiumicino airport by 150% by 2026 (baseline 2006). On the renewables front, total production in 2020 stood at around 14,530 MWh of electricity, 34% of which is self-consumed on site, and 441 MWh of thermal energy, which is totally self-consumed.

Ninety per cent of electricity production from renewable energy sources (RES) is from photovoltaic installations, while the remaining 10 per cent derives from investment in hydroelectricity, concentrated solar power and wind power.

Approximately 21% of the electricity procured in 2020 came from renewable sources. Nice, Cannes and St Tropez airports, which are managed by ACA Aéroports de la Côte d'Azur, use electricity entirely generated from certified renewable sources. Thanks to an ambitious energy policy, the French company is moving rapidly towards decarbonisation by 2030, with an emission level for Nice's largest airport of only 101 grams of CO_2 per passenger, more than 90% lower than the average for European airports.

As part of our infrastructure development, maintenance and operating activities, the Group uses water and raw materials, and semi-finished and finished products, and is constantly seeking circular solutions to limit our impact on the environment.

For example, during the year over 1.3 million tonnes of excavated material was directly reused and subsequently used in various applications, such as morphological modelling, noise abatement dunes and rehabilitation of abandoned quarries. Also, in the motorway sector, around 559,000 tonnes of milled asphalt from the maintenance of damaged road pavements was directly recovered.

Another virtuous practice is the design of new infrastructure in accordance with international sustainability certification standards. This is the case with the LEED protocol, which includes a number of virtuous environmental requirements, such as recovering almost all demolition waste and feeding it back into the production/construction process, and promoting the use of local (regional) resources, thereby also reducing the environmental impacts of transport.[21]

In the field of materials management, research and innovation play a key role. Fiumicino airport is the first airport in the world to trial an asphalt made from recycled plastic and graphene, laid over a 100-metre section (Gipave). Another trial has involved some of the Group's motorway companies in testing the use of end-of-life tyres in pavements, thus facilitating recovery of this type of waste. The commitment to reuse waste products as much as possible in new processes, and to make waste ready for use by third parties in recovery and recycling processes, means that on average 10% of waste has been sent to landfill over the last five years (24% in 2020).

Most of the Group's waste arises from construction and maintenance work, resulting in the production of mixed waste from demolition and construction activities (1 million tonnes, or 56% of the total), bituminous mixtures (620,000 tonnes, or 34% of the total) and soil and rock (43,000 tonnes, or 2% of the total).

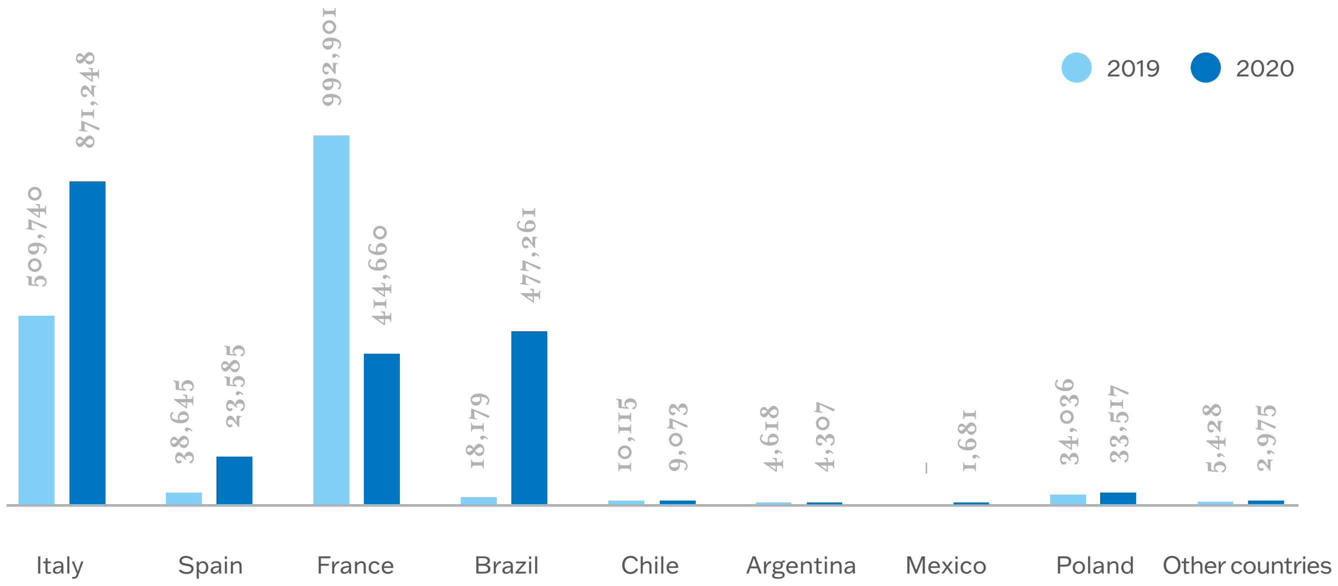
Waste produced

Type of waste	2019	2020	% recycled 2019	% recycled 2020
Waste from works (tonnes)	1,516,156	1,745,271	89%	77%
Waste from operations (tonnes)	97,506	93,038	51%	54%
Total	1,613,662	1,838,308	87%	75%

In 2020, the amount of waste produced was up 14%, due to motorway maintenance and upgrade work in Italy and Brazil.

[21] *The new departure area A at Fiumicino, the General Aviation area built at Ciampino airport and the future Hubtown (Rome Business City) are all projects that meet the highest sustainability standards recognised by LEED certification.https://www.adr.it/web/aeroporti-di-roma-en-/commitment-to-the-region*

Waste produced by country (tonnes)



Water stress map – WRI (2020)		
India	4.12	Critical
Brazil	0.78	Low
Italy	3.01	High
Spain	3.74	High
France	2.19	High to medium
Poland	1.48	Low to medium
Chile	**3.98**	**High**
Puerto Rico	**No data**	
Argentina	**1.31**	**Low to medium**
Mexico	**3.86**	**High**

Baseline Water Stress

Low	**Low-medium**	**Medium-high**	**High**	**Extremely-high**
(0-1)	(1-2)	(2-3)	(3-4)	(4-5)

The management of water consumption also requires special monitoring as Atlantia operates in countries such as Spain, Italy, Chile, Mexico and India which are subject to a high level of water stress[22].

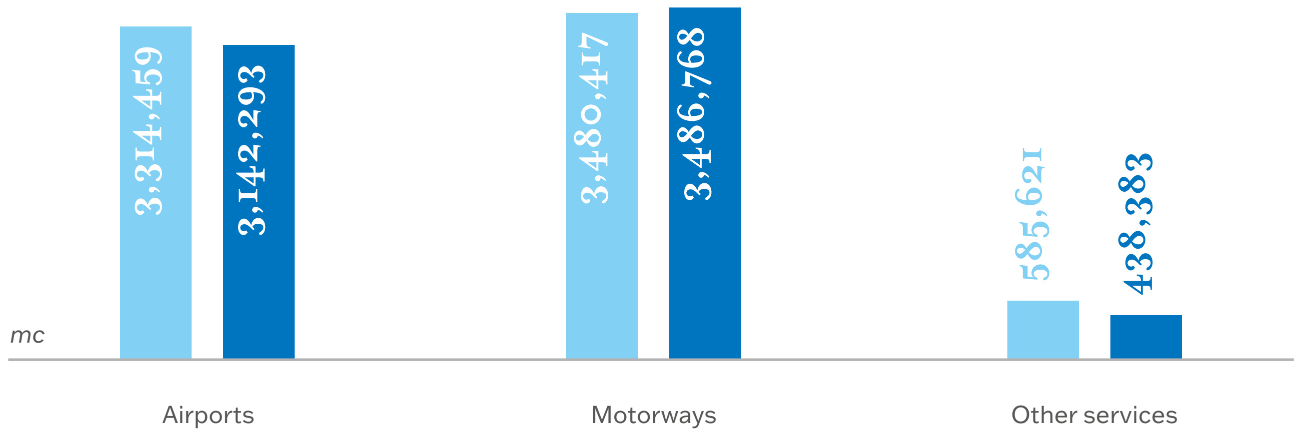
Therefore, the approach taken is to optimise consumption and maximise water recovery and recycling. A great deal of attention is paid to the monitoring and purification of wastewater, and to the recovery and storage of water from treatment processes or rainwater for subsequent use in industrial, (e.g. plant cooling, firefighting, etc.) civil and irrigation applications.

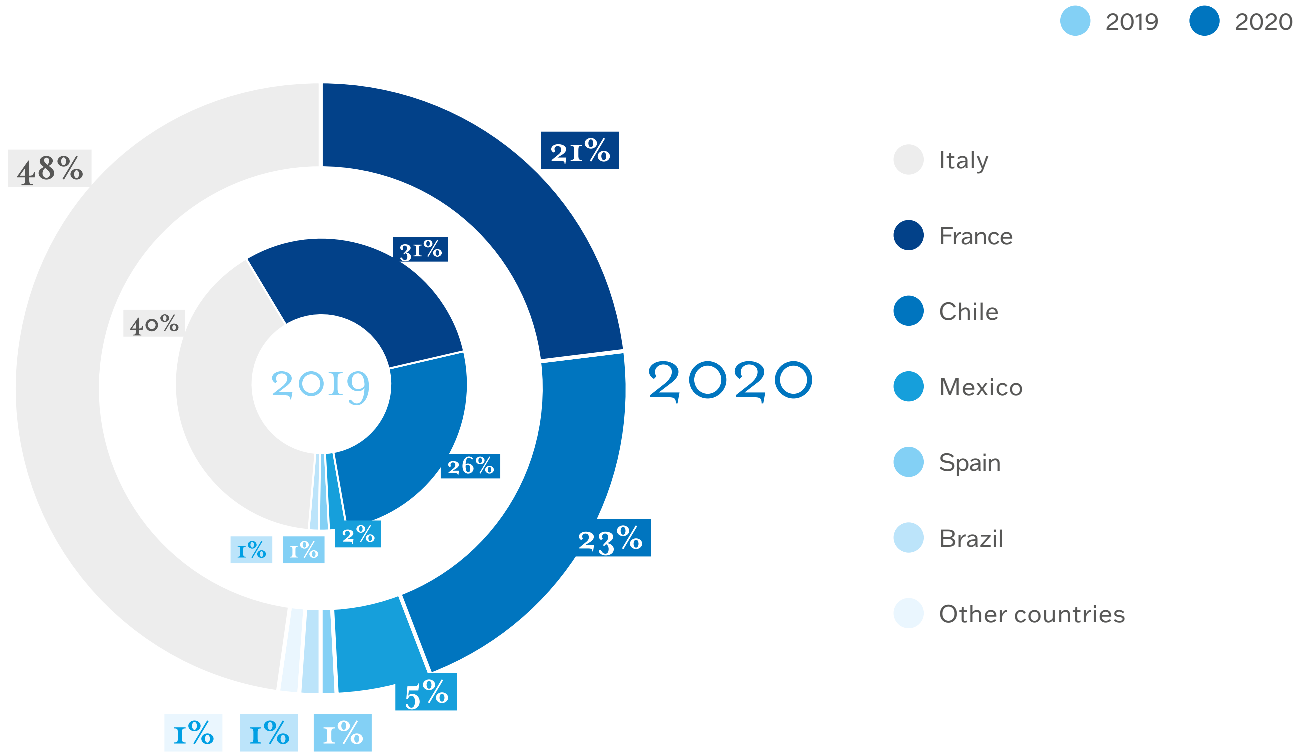
Approximately 7 million cubic metres of water were withdrawn in 2020, of which 59% was so-called "fresh water"[23], which may be used for end purposes without needing treatment. Water withdrawal as a proportion of turnover, which over the last five years has fallen by 21% to 635 m3 per €m, rose to 853 due to the substantial reduction in revenue, which means that the indicator is not comparable with the trend.

[22] *Baseline water stress measures the ratio of total water abstractions to available renewable surface and groundwater resources. Water abstractions include domestic, industrial, irrigation and livestock uses. https://www.wri.org/applications/aqueduct/country-rankings/*

[23] *As defined in the GRI 303 Water and Effluents 2018 guidelines: "water with a fixed residue concentration below 1,000 mg/l".*

Distribution of water withdrawals by segment and country





The three countries with the largest water withdrawal are Italy (48%), Chile (23%) and France (21%). In Italy and France, the largest share of consumption mainly derives from the airport sector, and in Chile from the maintenance of green areas adjacent to the infrastructure managed by operating companies under concession agreements. As water is a precious resource, its management is optimised in terms of consumption, reuse and the quality of waste water. For example, at Rome's airports water consumption in litres/passenger has fallen by 30% at Ciampino and 16% at Fiumicino over the last five years.

Focus on

In Chile, the Costanera Group and its operating companies manage more than 150 hectares of green spaces, most of which are urban parks used by the Santiago community, and have great social and environmental value. Incorporating them within the urban fabric requires a higher level of maintenance than is standard for suburban motorways, as well as adequate irrigation due to the low rainfall that prevails in the Santiago area. With the aim of reducing water consumption as much as possible, the Costanera Group has set up a new digitalised irrigation system to optimise supply and maximise efficiency. For example, the company Costanera Norte consumes an average of 2.4 litres/m^2 per day to irrigate its green spaces, peaking at 4.6 litres/m^2 for the Kennedy axis (the area with the highest concentration of green space in Santiago), compared, for example, with the average consumption of 5 litres/m^2 for public management of the park on the south bank of the Mapocho river.

Noise abatement

Transport infrastructure and related traffic are the main sources of environmental noise and noise impact in urban areas. Therefore, the issue is particularly experienced and monitored at local level.

Group companies implement various noise abatement programmes, including:

- periodic and prompt analysis of noise impact in neighbouring areas affected by infrastructure;
- direct intervention at the noise source, such as the laying of draining asphalt;
- interventions along the noise propagation path from the source to the receptor, such as natural or artificial noise barriers that are blended into the environment to reduce their visual impact whenever possible;
- interventions at noise receptors.

1,147 km
of noise barriers installed
on motorways

The Group's motorway companies carry out regular noise impact monitoring and draw up maps that define the noise footprint of their motorway networks. These lists are made available to the public and give interested parties the opportunity to see what sound pressure range they are in, as well as any planned interventions.

Regarding airports, the issue of noise is highly regulated, and constant relations are maintained with authorities, local communities and airlines.

In order to reduce noise impact, various initiatives are implemented, both direct, such as the construction of barriers to contain noise within the airport boundary or installation of power supply and pre-conditioning systems for aircraft to prevent the ignition of engines during the pre-take-off phase, and operational, such as interventions relating to taxi-in-and-out procedures, modifications to take-off and landing trajectories, and in some cases the closure of specific runways at night.

Airports have a monitoring system that regularly detects any exceedances of airport noise zoning limits, and links them with the data and trajectory of the aircraft that generated them.

8.7 Tax transparency

The Atlantia Group promotes, in all the jurisdictions in which it operates, a tax culture inspired by the **values** of honesty and integrity and pursues a behaviour conducive to compliance with tax legislation and transparency towards tax authorities, not resorting, both in domestic and international transactions, to aggressive tax planning schemes.

In order to fully implement these principles, the Atlantia Group has started the progressive implementation in the Group companies of a special system that ensures control of the risk of non-compliance with the tax laws (so-called **Tax Control Framework**), integrated into the Company's internal control system

In this context, on 11 May 2018, the Board of Directors of Atlantia S.p.A. approved the **tax strategy**, inspired by the values recognised in the Code of Ethics and aimed at explaining exactly:

- the strategic objectives and principles adopted by Atlantia S.p.A. in tax management;
- the guidelines for the relevant implementation.

The tax strategy is published on the Atlantia website (https://www.atlantia.it/en/corporate-governance/strategia-fiscale), it is one of the pillars of the Tax Control Framework[24] - as it expresses the Board's involvement in the supervision of tax risks (i.e. Tone-at-the-Top principle) - and is progressively adopted by all the most important subsidiaries, both abroad and in Italy (Abertis Group[25], Autostrade per l'Italia S.p.A., Aeroporti di Roma S.p.A., Telepass S.p.A., Autostrade dell'Atlantico S.r.l., Azzurra Aeroporti S.r.l.).

In keeping with the guidelines set out in the Tax Strategy, Atlantia pursues the objective of proactively managing tax risk, ensuring, through **the Tax Control Framework** (TCF), timely detection, correct measurement and control.

The TCF is included in the Internal Control and Risk Management System **(ICRMS)** and, in particular, in the control system for accounting and financial reporting purposes. In addition, the TCF includes the safeguards provided for by the organisation, management and control model in accordance with Legislative Decree No. 231 of 8 June 2001 for criminal tax offences

Roles and **responsibilities** in the management and control of tax risk are formalized in the "Tax Compliance Model" approved by the Atlantia Board of Directors.

[24] *OECD Report, 2016, Co-operative Tax Compliance, Building Better Tax Control Frameworks*

[25] *The Abertis Group, controlled by Atlantia, also adopts and publishes on its company website the tax strategy based on transparency and the application of tax legislation in a responsible and prudent way (https://www.abertis.com/en/the-group/financial-information/fiscal-transparency)*

In the context of this model, the **Board of Directors** of Atlantia is responsible for ensuring the implementation and functioning of the internal control system on tax risk. To this end, it receives the support of internal control departments and the Tax Affairs department, which guarantees compliance with tax legislation, ensuring the timely detection and assessment of tax risks and performing a role of direction, coordination and control over the Tax Control Framework of the Group entities

The activities to update and **monitor** the tax risk control and management system are carried out by the Tax Risk Officer who, with the support of Tax Affairs, prepares the annual report on the Tax Control Framework to be presented to the Control, Risk and Corporate Governance Committee and to the Board of Directors, after the validation of the Manager responsible for financial reporting. The annual report is then sent to the Italian tax authority under the cooperative compliance arrangement.

In the TCF adopted by Atlantia, two areas are identified in which the tax risk can materialise, each deserving a specific analysis for the purposes of risk control:

a. ***Processes and obligations*** **-** In this case the risk is associated with Company's business and tax function processes, and is monitored through internal procedures and the map of tax risks that define roles and responsibilities of line functions.

b. ***Interpretation of tax laws*** - In this case the risk is related (i) to the interpretative activity of the tax department, (ii) to the consulting activity in support of other business functions both with regard to routine operations carried out merely to fulfil obligations and with reference to non-routine operations. Interpretative risks are monitored through specific policies and procedures that define the mechanisms of internal decision-making escalation, external advice and interaction with the tax authority. Significant tax risks related to interpretative positions not shared with the tax authority are illustrated, and submitted for approval, to senior management.

The **documentation** that makes up the Tax Control Framework is published on the corporate intranet, which is accessible to all employees of the company. In addition, technological solutions are being implemented to foster the exchange of data and documents in the organisation, as well as the monitoring of processes on a global basis.

Specific **training** plans have been established for the staff involved in the management and control of tax risk in order to facilitate the reporting of possible violations or unethical conduct within the organisation, by anyone who becomes aware of them. To that effect, the Company has prepared and made accessible suitable tools to reach the Ethics Officer, which represent the recommended channel for the aforementioned reports and are indicated on the web page www.atlantia.it/en/corporate-governance/code-of-ethics.

Atlantia has encouraged adherence to **co-operative compliance** arrangements with the tax authorities, where contemplated by the applicable legislation of the countries in which the Group operates. With particular regard to Parent Company, the Italian tax authority, following its review, gave a favourable opinion on the soundness of Atlantia's Tax Control Framework model, issuing the measure of admission to the arrangement on 26 July 2019. To date, in Italy, Autostrade per l'Italia S.p.A. has also been admitted, on November 12, 2019, while the tax authority's assessment for the admission of Aeroporti di Roma S.p.A. is under way.

The Italian companies already admitted to the arrangement have started a process of constant and preventive **dialogues** with the tax authority, regarding significant tax risks, to find common ground on the cases that generate such risks.

In Spain, **Abertis** has voluntarily joined, since 2014, the "*Código de Buenas Prácticas Tributarias*", which contains recommendations agreed between the Spanish tax authorities and the Forum of Large Enterprises in the field of tax management.

The transparent relationship with the tax authority also inspires the conduct of all Group companies, even if they are not admitted to the cooperative compliance arrangement, according to a collaborative approach with the tax authorities implemented through the use of the tools provided for by the respective systems (e.g. inquiry, ruling).

Table. GRI 207- 4 Disclosure. 2019 Country-by-Country Report[(1)]

In keeping with the GRI 207- 4 Disclosure, as information relating to the most recent consolidated financial statements is not available, the information in this section refers to the year ended 31 December 2019, as the period to which the consolidated financial statements immediately preceding the most recent financial statements refer.

Tax jurisdiction (in €)	Number of employees [2]	External revenue [3]	Revenue from intercompany transactions with other tax jurisdictions [3]	Profit/(Loss) before tax [4 5]	Tangible assets other than cash and cash equivalents [4]	Income tax paid in accordance with the cash basis of accounting [6]	Income tax accrued on profit/losses [6]
Albania	-	507,000	-	193,000	-	-	-
Argentina	1,940	448,627,000	1,000	(90,824,000)	15,750,000	16,534,000	17,756,000
Armenia	-	1,447,000	-	787,000	-	-	-
Brazil	6,102	1,489,850,000	45,378,000	325,054,000	33,553,000	78,595,000	90,500,000
Canada	6	1,374,000	77,000	24,000	9,000	(18,000)	(6,000)
Chile	1,901	1,343,873,000	29,000	1,390,848,000	38,264,000	135,018,000	129,673,000
Croatia	45	2,597,000	954,000	604,000	124,000	86,000	113,000
France	3,075	2,410,580,000	33,282,000	1,456,475,000	245,390,000	307,321,000	292,100,000
Georgia	-	127,000	-	(361,000)	-	-	-
India	57	43,861,000	478,000	8,450,000	1,016,000	225,000	56,000
Ireland	90	25,080,000	922,000	1,427,000	660,000	175,000	244,000
Italy	12,465	6,061,439,000	7,167,000	779,724,000	683,869,000	407,475,000	452,219,000
Luxembourg	-	57,000	-	30,337,000	-	11,000	15,000
Madagascar	-	-	-	(6,000)	-	-	-
Mexico	-	3,448,000	41,000	131,000	-	96,000	39,000
Moldova	-	-	-	(7,000)	-	-	-
The Netherlands	1	5,590,000	14,284,000	155,000	-	74,000	29,000
Poland	346	89,788,000	2,525,000	30,724,000	12,597,000	607,000	9,743,000
Puerto Rico	80	170,055,000	952,000	24,642,000	36,536,000	67,000	105,000
Portugal	25	2,670,000	19,000	130,000	252,000	13,000	46,000
Qatar	-	34,000	34,000	26,000	9,000	-	3,000
United Kingdom	392	46,979,000	3,143,000	4,913,000	2,850,000	720,000	952,000
Romania	10	43,000	-	(223,000)	-	-	-
Spain	1,884	1,959,238,000	153,621,000	1,076,950,000	115,404,000	291,286,000	45,036,000
Switzerland	10	266,000	381,000	(190,000)	10,000	-	16,000
Tunisia	-	-	-	(3,000)	-	-	-
Hungary	10	686,000	599,000	71,000	-	-	29,000
U.S.A.	533	71,762,000	6,699,000	119,000	4,254,000	7,000	11,000
Total Country-by Country Report [7]	**28,972**	**14,179,978,000**	**270,586,000**	**5,040,170,000**	**1,190,547,000**	**1,238,292,000**	**1,038,679,000**

1. *The Table provides information on the Group entities included in the consolidated financial statements of Atlantia S.p.A. as at and for the year ended 31 December 2019 (hereinafter also "consolidated financial statements") according to either the line-by-line or the proportional method of consolidation. With regard to the names of the entities, the main activities and the tax jurisdictions in which the entities are resident, see Annex 1. Scope of Consolidation and Investment of the Atlantia Group as at and for the year ended 31 December 2019 of the 2019 Annual Report.*
2. *The number of employees is calculated on the basis of the Full Time Equivalent (FTE) method.*
3. *"External revenue" and "Revenue from intercompany transactions with other tax jurisdictions" include, in addition to the profit from ordinary operations, extraordinary and financial income. Dividends received from other Group entities are not included.*
4. *In line with the OECD principles on Country-by-Country Reporting, "Profit/(Loss) before tax" and "Property, plant and equipment" are shown on an aggregate basis, without considering consolidation adjustments.*
5. *"Profit/(Loss) before tax" includes the amounts of dividends received from other Group entities.*
6. *With regard to any differences between the income tax accrued on profits and the tax payable (GRI 207-4-b-x), see section 8.14 – "Income tax expense" in the Annual Report for 2019, which shows the reconciliation between theoretical tax expense and the effective amount reported in the income statement for the year to which this report refers. To the extent that it is of interest here, it should be pointed out that both accrued income taxes and taxes paid on the basis of the cash method of accounting in several countries - including Chile, Luxembourg, Spain and Italy - are affected by the significant dividends received from Group entities included in "Profit/(Loss) before tax". In keeping with most tax jurisdictions, these countries also provide for tax exemptions for dividends paid out of profit already taxed at the investee company. As far as Italy is concerned, it should be noted that the taxes accrued are affected by the inclusion of substantial non-deductible provisions made by Autostrade per l'Italia S.p.A. (see "Other provisions for risks and charges", section "7.14 Provisions for risks and charges" of Autostrade per l'Italia S.p.A.'s financial statements as at and for the year ended 31 December 2019).*
7. *When evaluating the data in this Table, the following should be considered:*
   - *The data in the Table are presented in an aggregated manner, without considering consolidation adjustments. Consequently:*
     - *the difference between "Profit/(Loss) before tax" in this section and the "Profit before tax from continuing operations" reported in the consolidated financial statements is mainly due to the consolidation adjustments made to prepare the consolidated financial statements in accordance with the IFRSs adopted by the Group;*
     - *the difference between "Tangible assets other than cash and cash equivalents" in this section and "Property, plant and equipment" in the consolidated financial statements refers mainly to (i) consolidation adjustments of €225 million relating to intercompany transactions, made to prepare the consolidated financial statements in accordance with the IFRS adopted by the Group, and (ii) to inventories and contract assets of €96 million and €32 million, respectively (see Section 7.7 of the consolidated financial statements).*
   - *The difference between "External revenue" in this section and "Total revenue" in the consolidated financial statements is mainly due to (i) financial income of €737 million and foreign exchange gains before losses of €314.5 million (see Section 8.12 of the consolidated financial statements), ii) use of the provisions for construction services required by contract of €423 million (see Section 8.10 of the consolidated financial statements).*
   - *The difference between "Income tax paid in accordance with the cash method of accounting" in this section and the "Income tax paid" reported in the consolidated financial statements refers mainly to taxes paid by the Group's Chilean entities.*
   - *The difference between "Income tax accrued on profits/losses" in this section and "Current income tax" reported in the consolidated financial statements relates mainly to the taxes accrued on the operating activities of the Hispasat subgroup, sold by the Group during 2019.*

8.8 Investor relations, financial ratings and ESG

Financial ratings

In response to the uncertain situation created following the adoption of Law Decree 162/2019 (the "*Milleproroghe* Decree"), later converted into law at the end of February 2020, at the beginning of January 2020, the rating of the subsidiary, Autostrade per l'Italia and, as a consequence, Atlantia's rating were downgraded to sub-investment grade by the leading rating agencies (together with Aeroporti di Roma's rating) and placed on rating watch negative.

Following the announcement, in July 2020, of a proposed agreement settling the dispute between Autostrade per l'Italia and the Italian Government, whilst awaiting its final approval, the outlook for Atlantia's and Autostrade per l'Italia's ratings was upgraded from "Rating watch negative" to "Developing/Evolving".

The rating agencies current ratings of Atlantia are as follows:

	Issuer rating	Rating of bonds issued by Atlantia (Holding)
	Rating and outlook	Rating and outlook
Fitch Rating	BB+[a]	BB Rating Watch Evolving
Moody's	Ba2[b] Developing outlook	Ba3 Developing outlook
Standard & Poor's	BB- Developing outlook	BB- Developing outlook

[a] *The Atlantia Group's "consolidated rating".*
[b] *The Atlantia Group's "corporate family rating".*

Atlantia S.p.A.'s loan agreements do not provide for early repayment in the event of a rating downgrade.

On the other hand, the downgrade of the rating to sub-investment grade could, were the EIB and CDP to exercise their right to request early repayment, result in early repayment of a portion of Autostrade per l'Italia's borrowings amounting to a total nominal value of €1.6 billion, including €1.3 billion backed by a guaranteed from Atlantia. At the date of preparation of this Integrated Annual Report for 2020, neither of the financial institutions has made any request for early repayment and, based on ongoing discussions with the banks, the parties are monitoring developments.

The rating agencies are continuing to monitor the performance of the business after 2020, a year in which the restrictions on movement imposed by the authorities in response to the spread of Covid-19 have hit the transport and infrastructure sector particularly hard, with a major impact on the levels of traffic and revenue registered by the Atlantia Group's principal subsidiaries. On the other hand, the agencies have noted that, between January 2020 and February 2021, the Group was able to boost its liquidity to support its business by accessing the capital markets through new long-term bond issues and the issue of hybrid bonds by Abertis.

Ratings of the Atlantia Group's principal subsidiaries

	Autostrade per l'Italia	Abertis	Aeroporti di Roma
Fitch Rating	BB+ Rating Watch Evolving	BBB Negative	BBB- Rating Watch Evolving
Moody's	Ba3 Developing outlook	n/a	Baa3 Negative
Standard & Poor's	BB- Developing outlook	BBB- Negative	BB- Developing outlook

Atlantia's ESG ratings

In terms of Atlantia's non-financial performance in 2020, the ratings published by the leading non-financial rating agencies are as follows:

	Scale	Atlantia score	vs. sector average
ISS ESG	*D- / A+*	C	^
MSCI ESG Rating	*CCC - AAA*	BB	=
FTSE RUSSEL	*0 -5*	4.1	^
CDP (Climate)	*D- / A*	B	^
SUSTAINALYTICS	*0 - 40+ (Negl- - severe risk)*	19.8 (low risk)	=

Investor relations

Atlantia engages in dialogue with investors and the entire stakeholder community based on the principles of fairness and transparency, in compliance with EU and Italian legislation and in line with international best practices.

These engagement activities are the responsibility of a specific department with the Company, the Corporate Finance and Investor Relations department, which reports directly to the Chief Executive Officer. This department is tasked with promptly providing the market with full and clear quantitative and qualitative information on the Group's strategies and operating results, overseeing all aspects of communication with the market (shareholders, bondholders, financial analysts and rating agencies).

Atlantia uses a range of forms of interaction with institutional investors in order to ensure effective, productive and secure dialogue.

In line with the recommendations in the Corporate Governance Code, the Company intends to adopt shareholder engagement policy in 2021, with the aim of developing and maintaining open, transparent and continuous forms of dialogue with all shareholders and stakeholders that guarantee equality of information. The adopted policy will be described in the corporate governance report and will be drawn up defining the relevant roles and functions and based on existing practices. The policy will take into account the engagement policies adopted by institutional investors and fund managers.

As part of the process embarked on, in 2020, the Company held regular meetings with investors.

In particular, in 2020, in response to the Covid-19 pandemic, engagement activities were conducted through digital means and virtual roadshows. The Company's website is way of communicating directly with the financial community and with all stakeholders in general. The website, which is always available and constantly updated, contains a specific section that can be easily identified and accessed in order to obtain key information about the Group of importance to stakeholders.

09. Non-financial statement

9.1	Methodology, the GRI content index and the table linking to Legislative Decree 254 and the Global Compact	200
9.2	Materiality matrix	217
9.3	ESG risks	218
9.4	Quantitative NFS tables	222
9.5	NFS report	234

9. Non-financial statement

9.1 Methodology

Atlantia S.p.A., as a public interest entity ("PIE"), meets its obligations under Legislative Decree 254/2016 by preparing a consolidated non-financial statement ("NFS") to the extent necessary to enable readers to gain an understanding of the company's activities, its performance, its results and its impact. It covers environmental and social aspects and those relating to people, respect for human rights and efforts to combat active and passive corruption, which are significant given the entity's activities and characteristics.

This Integrated Annual Report includes the consolidated non-financial statement required by law, as shown in the following table linking the Integrated Annual report with Legislative Decree 254/2016.

In order to ensure the comparability of data and information over time and an assessment of the Group's performance, the data shown covers a two-year period or, unless otherwise indicated, even longer periods.

Despite its new and enlarged format, the Integrated Annual Report for 2020 is Atlantia's ninth integrated report, prepared on the basis of the principles and content in the IR Framework drawn up by the Integrated Reporting Council (www.theiirc.org/international-ir-framework/). The NFS included in the Integrated Annual report has been prepared in conformity with the GRI Sustainability Reporting Standards published in 2016 and subsequently integrated and updated by the GRI – Global Reporting Initiative, in line with the "in accordance - core" option.

The topics and indicators dealt with were chosen on the basis of the materiality analysis conducted in 2019, as described in detail in the following section. The analysis aimed to identify significant topics for the Group, based on their impact on the business, their importance to stakeholders and the likelihood and magnitude of the related risks and opportunities.

This section includes a table linking the material topics identified with the GRI standards and the aspects covered in Legislative Decree 254/2016. As indicated in the above index, for certain information reference is made to other documents produced by the Company.

The integration of non-financial information within this Report was carried out through a Company-wide process coordinated by the Chief Sustainability Office (CSO) in close collaboration with the CFO's office and with the involvement of all Atlantia's departments. The CSO was above all responsible for gathering data, including through the CIR (Corporate Integrated Reporting) information system, and for managing the data/information on sustainability and collaborative disclosure management.

The Integrated Annual Report, and the content constituting the NFS, was approved by Atlantia S.p.A.'s Board of Directors on 11 March 2021. The NFS, with the exception of the information in the following table linking to the Global Compact principles, was covered by a limited assurance engagement, conducted in accordance with the criteria indicated in ISAE 3000 Revised, by the audit firm, Deloitte & Touche S.p.A.. The Report is published in Italian and English on Atlantia's website (www.atlantia.it/en/home).

GRI Content Index

GRI Standards		Description	Page reference	Notes/ Omissions
GENERAL DISCLOSURES				
Profile of the organisation	102-1	Name of the organisation	4	
	102-2	Activities, brands, products, and services	54	
	102-3	Location of headquarters	Rome: Via A. Nibby 20 – registered office Rome: Via A. Bergamini 50 Milan: Piazza Armando Diaz 2	
	102-4	Location of operations	15 - 17	
	102-5	Ownership and legal form	18, 72	
	102-6	Markets served	15 - 17	
	102-7	Scale of the organisation	14, 18, 55	
	102-8	Information on employees and other workers	170 - 171, 228 - 229	
	102-9	Supply chain	179, 222 - 233	
	102-10	Significant changes to the organization and its supply chain	179, 224	
	102-11	Precautionary principle	105 - 115, 218 - 221	
	102-12	External initiatives	4 - 5, 173, 185, 188, 200	
	102-13	Membership of associations	81	
Strategy	102-14	Statement from senior decision maker	4 - 5	
	102-15	Key impacts, risks and opportunities	105 - 117, 218 - 221	
Ethics and integrity	102-16	Values, principles, standards and norms of behaviour	40 - 41, 84, 94, 99 www.atlantia.it/en/corporate-governance	
	102-17	Mechanisms for advice and concerns about ethics	92 - 94	
Governance	102-18	Governance structure	75 - 76, 86 - 89	
	102-21	Consulting stakeholders on economic, environmental, and social topics	79 - 81, 216	
	102-22	Composition of the highest governance body and its committee	6 - See also the Report on corporate governance and ownership structures www.atlantia.it/en/corporate-governance	
	102-38	Annual total compensation ratio	The ratio is 14. The ratio is calculated on the basis of the Italian workforce	
	102-39	Percentage increase in annual total compensation ratio	The ratio is -78. The reduction is due to the decision not to award variable incentives and management's decision to waive a part of their pay. The Report on the Remuneration Policy for 2021 and Remuneration Paid in 2020 contains more details.	

GRI Standards		Description	Page reference	Notes/ Omissions
Stakeholder engagement	102-40	List of stakeholder groups	80 - 81	
	102-41	Collective bargaining agreements	206	
	102-42	Identifying and selecting stakeholders	80 - 81, 216	
	102-43	Approach to stakeholder engagement	80 - 81, 216	
	102-44	Key topics and concerns raised	216 - 217	
Reporting practices	102-45	Entities included in the consolidated financial statements	215	
	102-46	Defining report content and topic boundaries	200 - 217	
	102-47	List of material topics	216 - 217	
	102-48	Restatements of information	234 - 236	
	102-49	Changes in reporting	200, 216	
	102-50	Reporting period	200, 271	
	102-51	Date of most recent report	Published on www.atlantia.it/en/home on 29 April 2020	
	102-52	Reporting cycle	200, 271	
	102-53	Contact point for questions regarding the report	investor.relations@atlantia.com	
	102-54	Claims of reporting in accordance with the GRI Standards	200	
	102-55	GRI content index	201 - 209	
	102-56	External assurance	234 - 236	

GRI Standards		Description	Page reference	Notes/ Omissions
SPECIFIC STANDARDS				
MATERIAL TOPIC: ANTI-CORRUPTION AND BRIBERY				
Management approach (2016)	103-1	Explanation of the material topic and its boundaries	84, 92-94, 201 - 214	
	103-2	The management approach and its components		
	103-3	Evaluation of the management approach		
Anti-corruption (2016)	205-1	Operations assessed for risks related to corruption	107 - 109, 113 - 117, 221 Risk assessment concerning anti-corruption is carried out with reference to the Group as a whole.	
	205-2	Communication and training about anti-corruption policies and procedures	92 - 94, 233 The Anti-corruption Policy is communicated to all personnel and made available on the intranets of Group companies. The Group's Anti-corruption manager prepares six-monthly reports on their monitoring activity for Atlantia S.p.A.'s Supervisory Board, Atlantia S.p.A.'s Board of Statutory Auditors, Atlantia S.p.A.'s Audit, Risk and Corporate Governance Committee and the Group's Risk Management unit. These reports are also brough to the attention of the Board of Directors.	
	205-3	Confirmed incidents of corruption and actions taken	94 There were no cases of corruption in 2020.	
MATERIAL TOPIC: HEALTH, SAFETY AND WELLBEING				
Management approach (2016)	103-1	Explanation of the material topic and its boundaries	24 - 27, 174 - 176, 201 - 214	
	103-2	The management approach and its components		
	103-3	Evaluation of the management approach		
Occupational health and safety (2018)	403-1	Occupational health and safety management system	174 - 176, 220 - 233	
	403-2	Hazard identification, risk assessment, and incident investigation	174 - 176, 220 - 233	
	403-3	Occupational health services	174 - 176	
	403-4	Worker participation, consultation, and communication on occupational health and safety	174 - 176 72% of the Group's employees are represented by a Health and Safety Committee with joint participation by management and workers.	
	403-5	Worker training on occupational health and safety	174 - 176, 232	
	403-6	Promotion of worker health	174 - 176	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	174 - 176	
	403-8	Workers covered by an occupational health and safety management system	174 - 176	
	403-9	Work-related injuries	174 - 176, 232	

GRI Standards		Description	Page reference	Notes/ Omissions
MATERIAL TOPIC: PRODUCT AND SERVICE SAFETY				
Management approach (2016)	103-1	Explanation of the material topic and its boundaries	24 - 27, 42 - 44, 176 - 178, 201 - 214	
	103-2	The management approach and its components		
	103-3	Evaluation of the management approach		
Health and safety of customers (2016)	416-1	Assessment of the health and safety impacts of product and service categories	54 - 69	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and service	176 - 178	
MATERIAL TOPIC: ENERGY EFFICIENCY				
Management approach (2016)	103-1	Explanation of the material topic and its boundaries	24 - 27, 42 - 50, 183 - 189, 201 - 214	
	103-2	The management approach and its components		
	103-3	Evaluation of the management approach		
Energy (2016)	302-1	Energy consumption within the organization	183 - 189, 225	
	302-2	Energy consumption outside of the organisation	225	
	302-3	Energy intensity	186	
	302-4	Reduction of energy consumption	186 - 189	
MATERIAL TOPIC: CLIMATE CHANGE & AIR QUALITY				
Management approach (2016)	103-1	Explanation of the material topic and its boundaries	24 - 27, 50 - 51, 183 - 188, 201 - 214	
	103-2	The management approach and its components		
	103-3	Evaluation of the management approach		
Emissions (2016)	305-1	Direct (Scope 1) GHG emissions	186, 226	
	305-2	Indirect (Scope 2) GHG emissions from energy consumption	186, 226	
	305-3	Other indirect (Scope 3) GHG emissions	186, 226	
	305-4	GHG emissions intensity	186, 226	
	305-5	Reduction of GHG emissions	186, 226	
	305-7	Nitrogen oxides (NOX), sulphur oxides (SO2), and other significant air emissions	Due to their significance, emissions from the cogeneration plant in operation at Fiumicino airport are reported. Emissions in kg of: - NOx: 16,187 (2020) – 24,902(2019); - SOx: 60.6 (2020) - 761 (2019); - PM10: 76 (2020) -255 (2019); - other emissions (CO, NH3): 10,088 (2020) – 16,816 (2019). In terms of the Group's other activities, the quantity of the emissions in question are not material.	

GRI Standards		Description	Page reference	Notes/ Omissions
MATERIAL TOPIC: CUSTOMER PRIVACY & INFORMATION SECURITY				
Management approach (2016)	103-1	Explanation of the material topic and its boundaries	24 - 27, 201 - 214	
	103-2	The management approach and its components		
	103-3	Evaluation of the management approach		
Customer privacy (2016)	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	There have been no customer data losses or thefts. Four complaints have been received regarding breaches of customer privacy by one of the Group's overseas companies.	
MATERIAL TOPIC: LABOR RIGHTS				
Management approach (2016)	103-1	Explanation of the material topic and its boundaries	24 - 27, 201 - 214	
	103-2	The management approach and its components		
	103-3	Evaluation of the management approach		
Employment (2016)	401-1	New employee hires and employee turnover	173, 230 - 231	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	173, 233	
	401-3	Parental leave	233	
MATERIAL TOPIC: LABOUR RIGHTS				
Management approach (2016)	103-1	Explanation of the material topic and its boundaries	24 - 27, 173 - 176, 201 - 214	
	103-2	The management approach and its components		
	103-3	Evaluation of the management approach		
Labour/ management relations (2016)	402-1	Minimum notice periods regarding operational changes	The minimum notice period for a worker in the event of organisational changes is between 60 and 90 days for the Group's Italian and overseas motorway and airport companies and between 20 and 30 days for the operating companies that carry out engineering and construction/ maintenance activities. The minimum period is established in national collective agreements. At Abertis Group companies, the minimum notice period is 30 days in all countries except for Chile, where it is 45 days, and in France, where the period depends on the length of the consultation period with the relevant bodies. (to be updated)	
MATERIAL TOPIC: LABOUR RIGHTS				
Management approach (2016)	103-1	Explanation of the material topic and its boundaries	24 - 27, 201 - 214	
	103-2	The management approach and its components		
	103-3	Evaluation of the management approach		
Diversity and equal opportunities (2016)	405-1	Diversity of governance bodies and employees	88, 171 - 173, 229	
	405-2	Ratio of basic salary and remuneration of women to men	230	

GRI Standards		Description	Page reference	Notes/ Omissions
MATERIAL TOPIC: LABOUR RIGHTS				
Management approach (2016)	103-1	Explanation of the material topic and its boundaries	24 - 27, 201 - 214	
	103-2	The management approach and its components		
	103-3	Evaluation of the management approach		
Non-discrimination (2016)	406-1	Incidents of discrimination and corrective actions taken	94	
MATERIAL TOPIC: LABOR RIGHTS				
Management approach (2016)	103-1	Explanation of the material topic and its boundaries	24 - 27, 201 - 214	
	103-2	The management approach and its components		
	103-3	Evaluation of the management approach		
Freedom of association and collective bargaining (2016)	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	No at-risk situations have been identified. In 2020, 86.6% of the workforce were covered by collective agreements.	
MATERIAL TOPIC: TRANSPARENCY				
Management approach (2016)	103-1	Explanation of the material topic and its boundaries	24 - 27, 84, 201 - 214	
	103-2	The management approach and its components		
	103-3	Evaluation of the management approach		
Economic performance (2016)	201-1	Direct economic value generated and distributed	182 - 183	
	201-2	Financial implications and other risks and opportunities due to climate change	109 - 113, 185, 218	
	201-3	Defined benefit plan obligations and other retirement plans	233	
	201-4	Financial assistance received from government	Funding of approximately €34m were received from the government in the form of grants to finance investment, projects, incentives, subsidies and other smaller grants (€47.8m in 2019, €38.5m in 2018). In 2020, further sums were collected in the form of grants recognised in previous years, amounting to approximately €13m	The figure for Abertis is not included in 2020
Tax (2019)	207-1	Approach to tax	192 - 195	
	207-2	Tax governance, control and risk management		
	207-3	Stakeholder engagement and management concerns related to tax		
	207-4	Country-by-country reporting		
Political donations (2016)	415-1	Political donations	No political donations have been made	

GRI Standards		Description	Page reference	Notes/ Omissions
MATERIAL TOPIC: LONG-TERM VALUE AND BUSINESS DEVELOPMENT				
Management approach (2016)	103-1	Explanation of the material topic and its boundaries	24 - 27, 201 - 214 See general disclosures: 102-14, 102- 15	
	103-2	The management approach and its components		
	103-3	Evaluation of the management approach		
Indirect economic impacts (2016)	203-1	Infrastructure investments and services supported	54 - 129	
	203-2	Significant indirect economic impacts	179 - 183	
MATERIAL TOPIC: LONG-TERM VALUE AND BUSINESS DEVELOPMENT				
Management approach (2016)	103-1	Explanation of the material topic and its boundaries	24 - 27, 201 - 214	
	103-2	The management approach and its components		
	103-3	Evaluation of the management approach		
Procurement practices (2016)	204-1	Proportion of spending on local suppliers	224	
MATERIAL TOPIC: PEOPLE MANAGEMENT, DEVELOPMENT AND ATTRACTION				
Management approach (2016)	103-1	Explanation of the material topic and its boundaries	24 - 27, 201 - 214	
	103-2	The management approach and its components		
	103-3	Evaluation of the management approach		
Training and education (2016)	404-1	Average hours of training per year per employee	232 - 233	
	404-2	Programs for upgrading employee skills and transition assistance programs	174, 232	
	404-3	Percentage of employees receiving regular performance and career development review	174	
MATERIAL TOPIC: LOCAL COMMUNITY SUPPORT				
Management approach (2016)	103-1	Explanation of the material topic and its boundaries	24 - 27, 201 - 214	
	103-2	The management approach and its components		
	103-3	Evaluation of the management approach		
Local communities (2016)	413-1	Operations with local community engagement, impact assessments, and development programs	181 - 182	
	413-2	Operations with significant actual and potential negative impacts on local communities	176	

Material topics not related to specific GRI Standard disclosures				
GRI Standards		Description	Page reference	Notes/ Omissions
MATERIAL TOPIC: GOVERNANCE				
Management approach (2016)	103-1 103-2 103-3	Explanation of the material topic and its boundaries The management approach and its components Evaluation of the management approach	24 - 27, 72 - 75, 84, 201 - 214	
Tax (2019)	207-1 207-2 207-3 207-4	Approach to tax Tax governance, control and risk management Stakeholder engagement and management concerns related to tax Country-by-country reporting	192 - 195	
MATERIAL TOPIC: CUSTOMER SATISFACTION				
Management approach (2016)	103-1 103-2 103-3	Explanation of the material topic and its boundaries The management approach and its components Evaluation of the management approach	176 - 179	
MATERIAL TOPIC: INNOVATION AND DIGITALIZATION				
Management approach (2016)	103-1 103-2 103-3	Explanation of the material topic and its boundaries The management approach and its components Evaluation of the management approach	27, 33, 40 - 44	
MATERIALE TOPIC: NOISE POLLUTION				
Management approach (2016)	103-1 103-2 103-3	Explanation the material topic and its boundary The management approach and its components Evaluation of the management approach	192	

GRI Standards relating to immaterial topics				
GRI Standards		Description	Page reference	Notes/ Omissions
Materials (2016)	301-1	Materials used by weight or volume	227	
	301-2	Recycled input materials used	189	
Water and effluents (2018)	303-1	Interactions with water as a shared resource	190 - 191, 227	
	303-2	Management of water discharge-related impacts	190 - 191, 227	
	303-3	Water withdrawals	190 - 191, 227	
	303-4	Water discharge	190 - 191, 227	
	303-5	Water consumption	190 - 191, 227	
Effluents and waste (2016)	306-2	Waste by type and disposal method	189 - 190, 228	
	306-3	Significant spills	189	
	306-5	Water bodies affected by water discharges and/or runoff	190	
Supplier environmental assessment (2016)	308-1	New suppliers that were screened using environmental criteria	224	
	308-2	Negative environmental impacts in the supply chain and actions taken	179, 224	
Child labour (2016)	408-1	Operations and suppliers at significant risk for incidents of child labour	220 - 221	
Forced or compulsory labour (2016)	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	220 - 221 No instances to report.	
Security practices (2016)	410-1	Security personnel trained in human rights policies or procedures	233	
Supplier social assessment (2016)	414-1	New suppliers that were screened using social criteria	224	
	414-2	Negative social impacts in the supply chain and actions taken	179, 224	

Table linking to Legislative Decree 254/2016

Material topics (materiality matrix)	Leg. Dec. 254/ 2016 topic	GRI content index		Page reference	Internal scope of materiality	External scope of materiality	Type of impact
Anti-corruption and bribery	Combatting active and passive corruption	Anti-corruption (2016)	205-1 Operations assessed for risks related to corruption	107 - 109, 113 - 117, 221	Group	Investors and financial community Institutions	Direct – caused by Atlantia Group
			205-2 Communication and training about anti-corruption policies and procedures	92 - 94, 233			
			205-3 Confirmed incidents of corruption and actions taken	94			
Health & safety and wellbeing	Employee-related Respect for human rights	Occupational health & safety (2018)	403-1 Occupational health and safety management system	174 - 176, 220 - 233	Group	Suppliers	Direct – caused by Atlantia Group
			403-2 Hazard identification, risk assessment, and incident investigation	174 - 176, 220 - 233			
			403-3 Occupational health services	174 - 176			
			403-4 Worker participation, consultation, and communication on occupational health and safety	174 - 176, 203			
			403-5 Worker training on occupational health and safety	174 - 176, 232			
			403-6 Promotion of worker health	174 - 176			
			403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	174 - 176			
			403-8 Workers covered by an occupational health and safety management system	174 - 176			
			403-9 Work-related injuries	174 - 176, 232			
Product and service safety	Social	Customer health & safety (2016)	416-1 Assessment of the health and safety impacts of product and service categories	54 - 69	Operating companies	Communities and environment Customers Employees	Direct – caused by Atlantia Group, and indirect – linked to Atlantia Group's activities
			416-2 Incidents of non-compliance concerning the health and safety impacts of products and service	176 - 178			
Customer satisfaction	Social	Governance (2016) Stakeholder engagement (2016)	102-2 Activities, brands, products, and services	54	Atlantia Group	Communities and environment Customers Employees	Direct – caused by Atlantia Group, and indirect – linked to Atlantia Group's activities
			102-42 Identifying and selecting stakeholders	80 - 81, 216			
			102-43 Approach to stakeholder engagement	80 - 81, 216			
			102-44 Key topics and concerns raised	216 - 217			

Material topics (materiality matrix)	Leg. Dec. 254/ 2016 topic	GRI content index		Page reference	Internal scope of materiality	External scope of materiality	Type of impact
Governance	Combatting active and passive corruption	Governance (2016)	102-16 Values, principles, standards and norms of behaviour	40 - 41, 84, 94, 99 www.atlantia.it/en/corporate-governance	Atlantia Group	Communities and environment Customers Employees	Direct – caused by Atlantia Group
			102-17 Mechanisms for advice and concerns about ethics	92 - 94			
			102-18 Governance structure	75 - 76, 86 - 89			
			207-1 Approach to tax	192 - 195			
			207-2 Tax governance, control and risk management	192 - 195			
			207-3 Stakeholder engagement and management concerns related to tax	192			
			207-4 Country-by-country reporting	194 - 195			
Energy efficiency	Ambientali	Energia (2016)	302-1 Energy consumption within the organization	183 - 189 , 225	Atlantia Group	Institutions Communities and environment	Direct – caused by Atlantia Group
			302-2 Energy consumption outside of the organisation	225			
			302-3 Energy intensity	186			
			302-4 Reduction of energy consumption	186 - 189			
Innovation and digitalisation	Sociali Ambientali	Modalità di gestione (2016)	103 Management approach	27, 33, 40 - 44	Atlantia Group	Customers Communities and environment	Direct – caused by Atlantia Group
Tackling climate change and improving air quality	Ambientali	Emissioni (2016)	305-1 Direct (Scope 1) GHG emissions	186, 226	Atlantia Group	Institutions Communities and environment	Direct – caused by Atlantia Group, and indirect – linked to Atlantia Group's activities
			305-2 Indirect (Scope 2) GHG emissions	186, 226			
			305-3 Other indirect (Scope 3) GHG emissions	186, 226			
			305-4 GHG emissions intensity	186, 226			
			305-5 Reduction of GHG emissions	186, 226			
			305-7 Nitrogen oxides (NOX), sulphur oxides (SO2), and other significant air emissions	204			
Customer privacy & information security	Sociali Rispetto dei diritti umani"	Privacy dei clienti (2016)	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	205	Atlantia Group	Customers Communities and environment	Direct – caused by Atlantia Group

Material topics (materiality matrix)	Leg. Dec. 254/2016 topic	GRI content index			Page reference	Internal scope of materiality	External scope of materiality	Type of impact
Labour rights	Employee-related Respect for human rights	Employment (2016) Labour/management relations (2016) Diversity and equal opportunities (2016) Non-discrimination (2016)	401-1	New employee hires and employee turnover	173, 230 - 231	Atlantia Group	Employees	Direct – caused by Atlantia Group
			401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	173, 233			
			401-3	Parental leave	233			
			402-1	Minimum notice periods regarding operational changes	205			
			405-1	Diversity of governance bodies and employees	88, 171 - 173, 229			
			405-2	Ratio of basic salary and remuneration of women to men	230			
			406-1	Incidents of discrimination and corrective actions taken	94			
			407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	206			
Transparency	Combatting active and passive corruption	Economic performance (2016) Public policy (2016) Tax (2019)	201-1	Direct economic value generated and distributed	182 - 183	Atlantia Group	Employees Communities and environment Institutions Investors and financial community Suppliers Customers	Direct – caused by Atlantia Group
			201-2	Financial implications and other risks and opportunities due to climate change	109 - 113, 185, 218			
			201-3	Defined benefit plan obligations and other retirement plans	233			
			201-4	Financial assistance received from government	206			
			415-1	Political donations	206			
			207-1	Approach to tax	192 - 195			
			207-2	Tax governance, control and risk management	192 - 195			
			207-3	Stakeholder engagement and management concerns related to tax	192			
			207-4	Country-by-country reporting	194 - 195			
Long-term value and business development	Social	Indirect economic impacts (2016) Procurement practices (2016)	203-1	Infrastructure investments and services supported	54 - 129	Atlantia Group	Employees Investors and financial community	Direct – caused by Atlantia Group
			203-2	Significant indirect economic impacts	179 - 183			
			204-1	Proportion of spending on local suppliers	224			

Material topics (materiality matrix)	Leg. Dec. 254/2016 topic	GRI content index			Page reference	Internal scope of materiality	External scope of materiality	Type of impact
People management, development and attraction	Employee-related Respect for human rights	Training and education (2016)	404-1	Average hours of training per year per employee	232 - 233	Atlantia Group	Employees	Direct – caused by Atlantia Group
			404-2	Programs for upgrading employee skills and transition assistance programs	174, 232			
			404-3	Percentage of employees receiving regular performance and career development review	174			
Local community support	Social Respect for human rights	Local communities (2016)	413-1	Operations with local community engagement, impact assessments, and development programs	181 - 182	Atlantia Group	Communities and environment	Direct – caused by Atlantia Group
			413-2	Operations with significant actual and potential negative impacts on local communities	176			
Noise pollution	Environment	Management approach (2016)	103	Management approach	192	Atlantia Group	Communities and environment	Direct – caused by Atlantia Group
	Material topics (art. 3 para. 1)	Reporting practices	102-47	List of material topics	216 - 217			
			103	Management approach	216			
	Management & Oraganisational Model (art. 3, para. 1a)	Profile of the organisation	102-1	Name of the organisation	4			
			102-2	Activities, brands, products, and services	54			
			102-3	Location of headquarters	201			
			102-4	Location of operations	15 - 17			
			102-5	Ownership and legal form	18, 72			
			102-6	Markets served	15 - 17			
			102-7	Scale of the organisation	14, 18, 55			
			102-8	Information on employees and other workers	170 - 171, 228 - 229			
			102-9	Supply chain	179, 222, 233			
			102-10	Significant changes to the organization and its supply chain	179, 224			
			102-11	Precautionary principle	105 - 115, 218 - 221			
			102-12	External initiatives	4 - 5, 173, 185, 188, 200			
			102-13	Membership of associations	81			
		Strategy	102-14	Statement from senior decision maker	4 - 5			
			102-15	Key impacts, risks and opportunities	105 - 117, 218 - 221			

Material topics (materiality matrix)	Leg. Dec. 254/2016 topic	GRI content index			Page reference	Internal scope of materiality	External scope of materiality	Type of impact
	Company policies, results, indicators (art. 3, para. 1b)	Governance	102-22	Composition of the highest governance body and its committee	6			
			102-24	Nominating and selecting the highest governance body	86 - 91, see also the Report on corporate governance and ownership structures www.atlantia.it/en/corporate-governance			
		Disclosure	Reference to GRI standards linked to material topics as indicated in this table					
	Principal risks (art. 3, para. 1c)	Strategy	102-15	Key impacts, risks and opportunities	105 - 117, 218 - 221			
			103	Management approach	105			

Global Compact

Category	Global Compact principle	GRI disclosures
Human rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 405-1, 405-2, 406-1, 410-1, 413-1, 413-2, 418-1.
	Principle 2: Businesses should make sure that they are not complicit in human rights abuses	414-1, 414-2
Labour	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	102-41, 402-1, 407-1
	Principle 4: Businesses should eliminate all forms of forced and compulsory labour	409-1
	Principle 5: Businesses should effectively abolish child labour	408-1
	Principle 6: Businesses should eliminate all forms of discrimination in respect of employment and occupation	102-8, 401-3, 404-1, 404-2, 404-3, 405-1, 405-2, 406-1
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges	102-11, 201-2, 301-1, 302-1, 302-2, 302-3, 303-1, 305-1, 305-2, 305-3, 305-7
	Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility	301, 302, 303, 305, 306, 308
	Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies	302-4, 302-5
Combatting corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery	102-16, 102-17, 201-4, 205-1, 205-2, 205-3, 415-1

Methodological aspects

Compared with the NFS for 2019, the following material changes have occurred: 1) the acquisition, in the first half of 2020, in partnership with the Government of Singapore Investment Corporation, of a 72.3% interest in Red de Carreteras, which manages 876 km of motorway network between Mexico City and Guadalajara (included in the reporting scope); 2) the sale of Electronic Transaction Consultants in the United States; 3) the acquisition, at the end of 2020, of a 100% interest in Elizabeth River Crossings, the holder of the concession to operate 4 tunnels and a section of motorway in the area of Norfolk, Virginia (not included in the reporting scope).

Any further limits on the boundaries are clearly indicated in the text and do not compromise a full understanding of the Group's activities, as required by art. 3.c.1 of Legislative Decree 254/2016.

Where estimates are used, they are appropriately identified and the method of calculation is provided. Notes are provided where data is missing (due to the data being difficult or impossible to obtain or being insufficiently reliable), where there have been changes in the method of calculation/estimate used or changes in scope, etc..

In calculating direct and indirect CO_2 emissions (see the section, "Environmental capital"), in order to obtain the most up-to-date and accredited emission factors for each source of emissions, use was made of national and international bibliographies and the related databases and aggregators:

Source	Scope
• UNFCCC national inventory (average 2017-2019)	• Fixed and mobile sources and use of fuel
• UK Government GHG Conversion Factors for Company Reporting 2020	• Thermal energy purchased
• DEFRA 2020 Aggregator - UK Government conversion factor 2020 full set	• HGV transport • Vans • Transport of freight by train, air and ship • Transport of people for work (all means of transport)
• ISPRA – Report 317_2020	• Electricity grid losses
• EcoInvent 3.5 (in use on Sima Pro 9.0 software)	• Goods/materials purchased • Waste (disposal in landfill) • Waste (recovery and recycling)
• IGES list of Grid Emission Factors – vers. 10.9 • ISPRA – Report 317_2020 • National Center of Emission Balancing and Management (KOBIZE/NCEBM) 2019 • Governo do Brasil (2020). MCTIC. Arquivos dos fatores médios de emissão de CO_2 grid mês/ano • Energia abierta Chile • EPA 2018 • NEP (CEA governement of India) • MINEM (governement of Argentina) • http://www.puertoricosolarmap.org	• Emissions factors for the production of electricity for the country

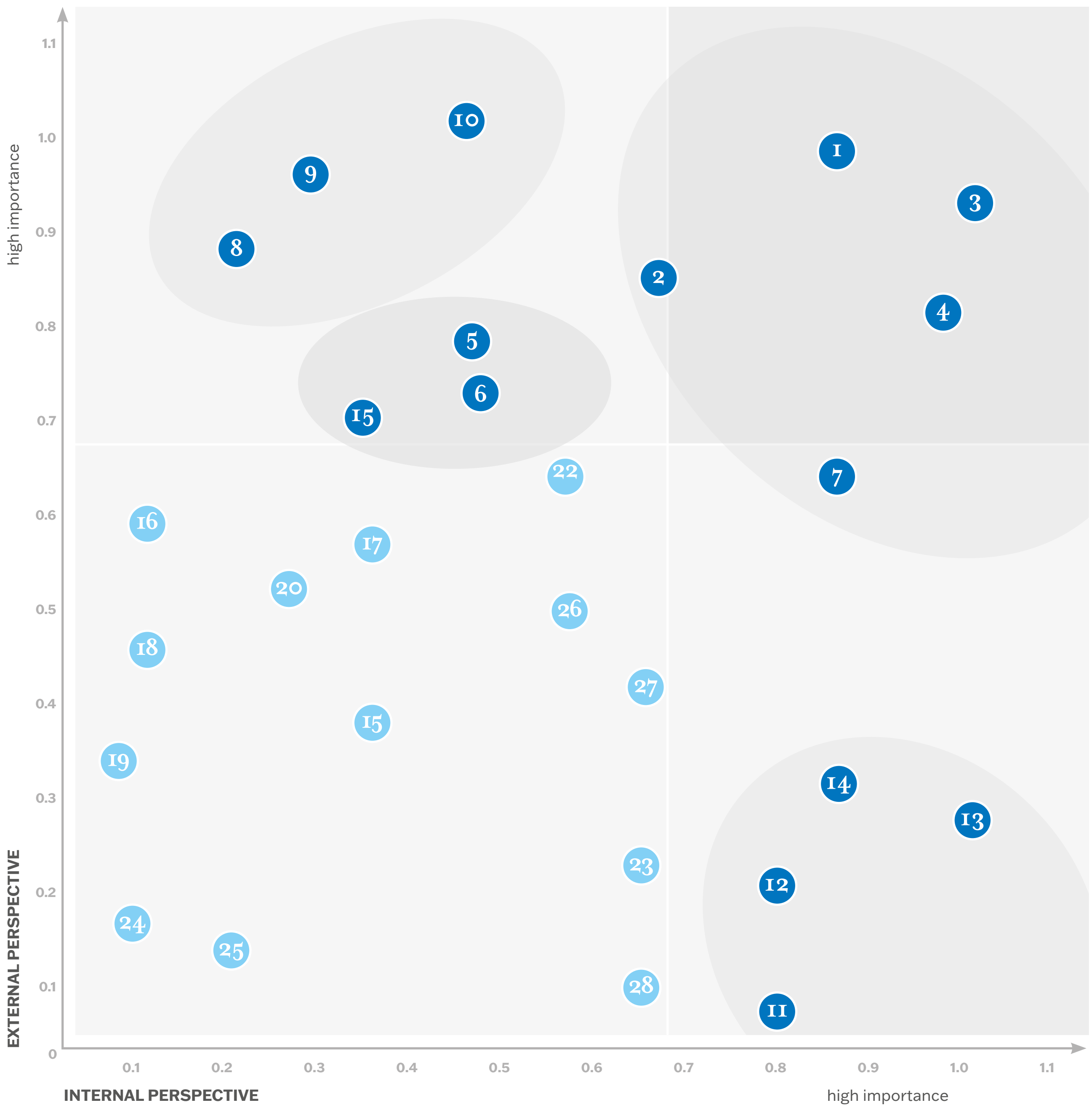
9.2 Materiality matrix

Atlantia periodically updates its materiality matrix, generally every two years, with the last update taking place in 2019 following the acquisition of the Abertis Group. In 2020, in view of the impact of the pandemic on stakeholders and the mobility sector, of the uncertainties in the operating environment and the shakeup of the Company's management team, it was decided not to update the materiality matrix, also in keeping with the timescale referred to previously.

However, considering stakeholder dialogue and engagement to be essential, the Company deemed it important to review materiality through a process of listening, consultation and market reconnaissance and benchmarking, involving external and internal stakeholders. The aim of the exercise was to identify any emerging topics to be taken into account or changes in the levels of priority assigned to material topics.

This activity involved both external stakeholders (investors, entities tasked with assessing ESG matters, academics with expertise in sustainability, companies in the infrastructure and other sectors, consulting firms who conduct international surveys on material topics and policymakers) and internal stakeholders (Atlantia's Board of Directors, senior management, the management of subsidiaries). The results of this activity are essential to focusing on the long-term priorities, priorities indicated that are described in the section, "1.1 Group highlights", and described in the section, "2.2 Strategic guidelines".

Materiality matrix 2020



Material Topics

1. Anti-corruption and bribery
2. Health & safety and wellbeing
3. Product and service safety
4. Customer satisfaction
5. Energy efficiency
6. Innovation & digitalization
7. Governance
8. Labor rights
9. Customer privacy & information security
10. Tackling climate change & improving air quality
11. Local community support
12. People management, development and attraction
13. Long term value and business
14. Transparency
15. Noise pollution

Other Topics

16. Waste management
17. Water management
18. Equal opportunity
19. Competitive pressure
20. Materials management
21. Geopolitical events
22. Land Protection
23. Stakeholder inclusion
24. Human rights
25. Responsible supply chain
26. Sustainable mobility
27. Responsable tax practice
28. Responsible investment

9.3 ESG risks

In addition to the information provided in section "7. Risk management", details of ESG risks are shown below, indicating the risk factors and the methods used to manage these risks.

Area of risk	Risk factors	Atlantia	Motorway sector	Airport sector	Mobility services	Management and control methods
Environmental	Waste management, soil, water and air contamination		X	X		• Code of Ethics, setting out guiding principles regarding the environment • Organisational, Management and Control Model (as per Legislative Decree 231) for Italian companies and Compliance Program for overseas companies • Training and awareness-raising for the Group's own personnel and that of contractors and sub-contractors • Environmental Management systems, organisational management and internal procedures of the operating companies in the Group, which have allowed some companies to obtain ISO 14001 and 50001 certification
	Depletion of energy and natural resources *(e.g. water resources)*		X	X		• Environmental, geotechnical and topographical monitoring systems, internal units and procedures within operating companies • Ad hoc inspections by relevant operational departments, in addition to those conducted by third parties for certification purposes • Energy saving policies, including the replacement of lighting with LED technology, and encouraging the use of less polluting vehicles
	Climate change *(e.g. GHG emissions, exceptional weather events)*	X	X	X		• Definition of environmental performance indicators, including carbon footprint, on the part of the main operating companies • In 2020, Abertis launched a global project to define and organise science-based carbon reduction targets (SBTs) • In 2020, ADR launched its plan to become "Carbon Neutral" by 2030. In addition, the company plans to reduce passenger waste by 10% and to recover all the waste produced by 2030 • Annual report "Corporate Responsibility for Safety at Work and Environmental Protection" examined by the main companies' boards of directors
	Biodiversity loss		X	X		• Abertis is implementing an offsetting system by replanting trees in both areas adjacent to motorways and in other suitable areas, with the aim of protecting biodiversity threatened by construction work • Strategies in accordance with the "United Nations Global Compact", which defines its own Code of Ethics including environmental issues
	Acoustic impact (e.g. noise pollution caused by motorway and airport traffic)		X	X		• "Environmental Policy" and annual environmental sustainability plans drawn up in accordance with the Sustainability Development Goals for Aeroporti di Roma • "Environmental Policy", "Environmental Charter", "Climate Change Strategy" drawn up by Aeroport de la Cote d'Azur, in addition to partnerships and involvement in the steering committee on biodiversity • Plans to install acoustic mitigation for motorway infrastructure and airports

Area of risk	Risk factors	Atlantia	Motorway sector	Airport sector	Mobility services	Management and control methods
Social	Risks related to the safety and security of users and infrastructure and to the handling of emergencies caused by phenomena such as natural events *(snowfall, floods, landslides and landslips)* and accidental events *(fires, accidents and structural collapse)* and spread of pandemics		X	X		• Internal procedures of operating companies in the Group, which involve regular checks and audits aimed at defining and conducting the necessary maintenance and other activities geared to preserving and improving the efficiency of infrastructure. (ISO 39001 certification for road safety management systems extended over a significant percentage of the Group's motorway network) • Asset Management systems designed to monitor and maintain infrastructure are being implemented on the Italian motorway network • Information and awareness-raising campaigns and projects, training of resources involved in the management of services for users on issues related to safety • Abertis Road Safety Program and Smart Risk Program to promote safer driving • On-going improvement of the service offered and of the processes that contribute to the design, implementation and safety of the service provided, also through certified systems (a number of companies have obtained ISO 9001 certification) • Emergency management systems for events liable to have an impact on users of motorways and airports (a number of companies in Chile have obtained ISO 22320 certification for their emergency and accident management, safety and resilience model) • Progress of the main compliance/adjustment plans, defined and agreed with the relevant departments • ADR has obtained Biosafety Certification from RINA for the correct application of the system designed to protect against infection by biological agents • Aéroports de la Côte d'Azur has obtained ACI Health Accreditation • Abertis has promoted communication campaigns informing motorway users about measures designed to prevent inflection with Covid-19 introduced by local authorities • Initiatives taken by Abertis to reduce social deprivation caused by Covid-19 (e.g. digitalization of the Progetto Escola in Brazil, with the aim of developing a hybrid form of education; steps taken in Spain, Italy and France to meet the needs of transport professionals)
	Consumer relations *(es. class actions / Privacy)*		X	X	X	• Code of Ethics and internal procedures adopted by companies in order to guarantee compliance with data protection legislation • Consultative and advisory groups set up at the main operating companies to identify quality improvement plans, also involving a number of different stakeholders (such as consumer associations in Italy) • Definition of specific indicators on the part of the main operating companies for monitoring service quality and identifying improvement initiatives • «Service charters» drawn up by the main companies, illustrating how users should submit any complaints • Periodic reports on the quality of the service provided, illustrated and shared in dedicated internal Committees and/or with the competent departments in the operating companies
	Systems failures/ malfunctions *(shutdown of operations)* and IT security *(cybercrime, loss of data)*	X	X	X	X	• Appointment of a Data Protection Officer (DPO) at Atlantia and at subsidiaries, where provided for, and cooperation with the Data Protection Authority for questions connected to the processing of personal data • Activation of dedicated communication channels for persons to exercise their rights with regard to the processing of personal data • Protocols to manage the security of information systems in order to protect personal data from potential attacks (ref. security plans, and disaster recovery and business continuity plans) • Periodic vulnerability assessments and penetration tests • Differentiated levels of service based on the critical importance of services • Certification (e.g. ISO 27001) for certain companies • Activation by ASPI of a Security Operations Centre (SOC), to continuously monitor, analyse and manage security events
	Nimby risk *(a form of protest by groups of people or local communities to oppose works and initiatives of public interest that will or could have a negative impact on the area in which they live)*		X	X		• Meetings / public debate / encounters with Centre the local communities involved, regarding the activities carried out by the operating companies, organised during both the planning and carrying out of the works • Communication campaigns (e.g. internet, brochures, billboards, etc.) and channels for ongoing dialogue with citizens ("Community engagement") aimed at maximising the social and economic benefits of the measures implemented locally and highlighting any measures that may be adopted to mitigate the possible impact on the population • As regards actions implemented in Italy, direct dialogue with the institutions, implementation of the Environmental Impact Assessment (VIA) procedure and approval from the Services Conference, as provided for by the regulations, of all projects involving the construction of new works • Management of stakeholder relations (e.g. citizens, authorities, etc.) by the relevant operating company departments, with a view to boosting consensus through engagement and in order to bring to light any disputes that could have a significant impact on the Group's reputation

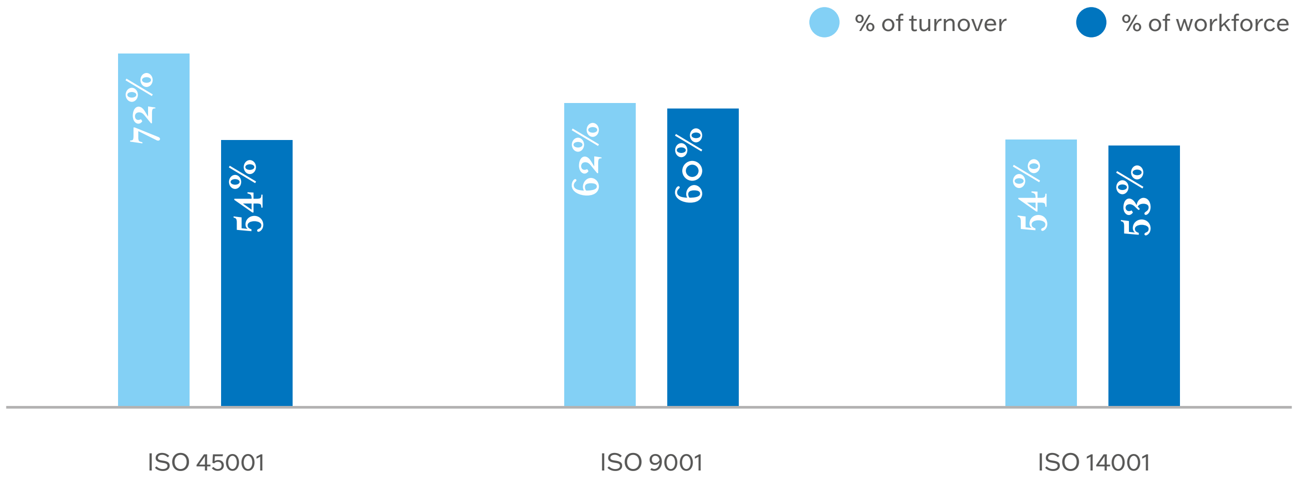
Area of risk	Risk factors	Atlantia	Motorway sector	Airport sector	Mobility services	Management and control methods
Personnel	Employee health and safety	X	X	X	X	• Organisational, Management and Control Model (as per Legislative Decree 231) for Italian companies and Compliance Program for overseas companies • Preventive and protective measures aimed at both the Group's own employees and those of the companies in the supply chain, especially those working on construction sites during the building and maintenance of infrastructure • Appropriate risk assessment methodologies • Training and awareness-raising for the Group's own personnel and that of contractors and sub-contractors • Health and safety management systems compliant with the ISO 45001:2018 or OHSAS 18001:2007 standards, implemented by a number of companies, which set forth procedures (activities and controls for the prevention or handling of emergencies), responsibilities, objectives and tools for the continual improvement of performance in this area • "Abertis Smart Risk Program" to guarantee procedures for health and safety prevention • Ad hoc inspections by relevant operational departments, in addition to those conducted by third parties for certification purposes • Internal Audit procedures within the companies to ensure correct implementation of all aspects linked to safety • Medical and specialist examinations to monitor suitability for work • Adoption of procedures and protocols to contain the risk of Covid-19 infection (e.g. remote working, periodic disinfection of workplaces, the distribution of PPE, specific measures to protect the health of employees and third parties at construction sites)
	HR management *(e.g. Behaviours not in line with the Code of Ethics, possible disputes, mobbing, failure to value talent, strikes and industrial action)*	X	X	X	X	• Code of Ethics and Code of Conduct to protect against discrimination and the dignity of the women and men who work for the Group • Organisational, Management and Control Model (as per Legislative Decree 231) for Italian companies and Compliance Program for overseas companies • Personnel selection procedures inspired by principles such ass transparency, traceability of the entire process, quality of the resources selected and objectivity of the selection, using internationally recognised tools and methods • Performance assessment tools, used by Atlantia and its subsidiaries at the various levels of seniority, with a view to guiding the behaviour of employees towards environmental, ethical and governance principles compliant with the highest standards • Yearly performance appraisals, as a basic element of talent management processes
	Diversity and equal opportunities	X	X	X	X	• Periodic relations with national and local union organisations • Extraordinary recruitment drives to expand the main areas of business and replace leavers

Area of risk	Risk factors	Atlantia	Motorway sector	Airport sector	Mobility services	Management and control methods
Human rights	Violation of human rights *(e.g. violation of workers' rights, illegal employment, freedom of association, disability)*	X	X	X	X	• Management of Group activities in compliance with universally recognised international standards, including the United Nations Universal Declaration of Human Rights • Adherence to the 10 "Global Compact" principles regarding human rights, working conditions, environment and the fight against corruption, with the principles incorporated into all aspects of business strategies, daily activities and the corporate culture (also in view of the fact that many principles, i.e. the protection of human rights and the prevention of corruption have the same roots). • Code of Ethics, Code of Conduct, Organisational, Management and Control Model (as per Legislative Decree 231 for the Italian companies and the Sapin Law for the French companies, and Compliance Program for overseas companies, which: - explicitly envisages respect for human rights, rejection of discrimination in any form, the development of people in the company and the promotion of the dignity of all workers - for all the Group's activities, demand ethical and professional integrity, correct conduct and full compliance with the laws and regulations applicable in all the countries in which the Group operates and with the principles of honesty, equality, individual enhancement, confidentiality, reliability, impartiality, loyalty, transparency, correctness and good faith - define controls regarding the risks related to crimes against the person • Recognition of freedom of association for workers and the right to collective bargaining • Protection of mental and physical well-being, by respecting individual personality and preventing any negative conditioning or upset • Prohibition of sexual harassment, meaning the subordination of professional growth opportunities to the provision of sexual favours, as well as any other conduct with sexual connotations or founded on belonging to a particular gender • Adoption by the operating companies of procedures designed to promote and respect the human rights of all workers and users • Offer of services to assist users with reduced mobility • Abertis's Corporate Social Responsibility master plan (CSR), covering the related ISO 26000 standard, company principles and human rights among other aspects • Corporate Diversity Charter signed in 2013 • Charter of Parenthood in Business signed in 2015 • Personalized Charter of the 15 commitments for the balance of life times by the members of the Executive Committee (COMEX) signed in 2019 • Procedures aimed at promoting an respecting the human rights of both workers and users, adopted by the operating companies
Corruption	Risk of both active and passive corruption between private individuals and the Public Administration	X	X	X	X	• Code of Ethics, which sets out guidelines for the prevention of corruption • Organisational, Management and Control Model (as per Legislative Decree 231) for Italian companies and Compliance Program for overseas companies, setting out the controls designed to prevent corruption offences falling within the scope of Legislative Decree 231 • Anti-corruption Policy, in line with the requisites of the ISO 37001 standard and in compliance with the Code of Ethics, which provides a structured framework for supplementing and reinforcing the existing rules for preventing and combating corruption • Anti-Corruption Officer appointed at Atlantia and all subsidiaries (all Abertis Group companies have a Chief Compliance Officer and a Local Ethics and Crime Prevention Committee) • Organisational procedures that comprise controls aimed at combating the risk of corruption deriving from direct processes (e.g. relations with the Public Administration) and instrumental processes (e.g. gifts, donations, etc.), which in some cases have allowed for the implementation of an Anti-Bribery Management System and the achievement of ISO 37001 certification on the part of the main subsidiaries • Inspections carried out by the relevant departments at the operating companies and on the part of the external certification body for certified companies, the outcomes of which - along with any actions for the improvement of the management system - are illustrated to or discussed with senior Management and the entity responsible for managing the system • Introduction of an organizational, management and control model based on the Sapin II Law and a Compliance Program for overseas companies, setting out the anti-corruption checks provided for in the legislation • Internal training and communication programmes designed to raise awareness among personnel of the risks, how to prevent corruption and the consequences of breaches of the Anti-corruption Policy and the Internal Control System in general (real and perceptible). • Clear messaging to third parties who have entered into or wish to enter into relations with Atlantia or subsidiaries regarding the consequences of breaches of the Group's ethical principles (i.e. via specific information brochures on the content of the Anti-corruption Policy and the inclusion of specific ethics clauses in contracts). • Participation in a series of national and international working groups (OECD events, B20, Business Integrity, etc…) to: i) communicate ASPI's new culture to external stakeholders and the steps taken to transform the Company as part its Strategic Plan, with regard to compliance and the prevention of corruption; ii) to adopt the relevant national and international best practices • The launch of "Compliance Academy" projects by activating networks/partnerships with universities

9.4 Quantitative NFS tables

Social capital

Certifications in 2020[26]



The table shows the degree to which the Group's activities are covered by management system certification as a percentage of turnover and the workforce. The following companies also have ISO 39001 Road Traffic Safety certification: Autostrade per l'Italia, Pavimental and, representing 32% of the Abertis Group's turnover, its Spanish, Chilean, Argentine and Brazilian subsidiaries.

Autostrade per l'Italia also has the following certifications:

- ISO 17020:2012 Conformity Assessment: Construction and civil engineering works in general and the related plant, environmental management and protection and green engineering works. Type B inspection body for design in the Construction sector, during and on completion of the design.
- ISO 27001:2014 for IT services provided by the centralised Data Centres.
- ISO 37001 for the anti-corruption management system, relating to the design, construction and management of: motorways; transport infrastructure bordering on the motorway network; parking and intermodal infrastructure and the related feeder network.

Aeroporti di Roma also has the following certifications:

- ISO 50001:2011 for the energy management system in operation at both Fiumicino and Ciampino airports.
- ACA Airport Carbon Accreditation for both Fiumicino and Ciampino airports.
- ISO 37001 for the anti-corruption management system relating to the design of airports.
- Biosafety Trust Certification for the prevention and control the spread of infections at Fiumicino and Ciampino airports, to minimise the risk of infection with identified diseases potentially as a result of the following activities: the management of airport services, including management and support services (first aid, terminal services, flight control, operational safety, de-icing activities and aircraft lifting, freight handling at the Cargo City), the operation and maintenance of plant and infrastructure, the management of ICT systems, retail sub-concessions and property leases, the coordination of engineering activities, procurement and the supervision of airport construction projects, assistance for passengers with reduce mobility, security checks, cleaning, disinfection and the maintenance of green spaces, mobility services and car parks.

Fiumicino Energy is EMAS certified for the production of electrical and thermal energy from a cogeneration plant.

Aeroporti della Costa Azzurra also has the following certifications:

- ISO 50001 for the energy management system used at Nice and Cannes airports.
- ACA Airport Carbon Accreditation for all the airports operated at Nice, Cannes Mandelieu and Golfe de Saint Tropez.

Handling of complaints regarding motorways

	2019	2020	% change
Total complaints handled	55,332	52,519	-5%
of which			
Traffic conditions, state of infrastructure and information	7,026	3,290	-53%
Service areas	434	221	-49%
Payments at toll stations	9,165	8,312	-9%
Violations of privacy	1	4	n/s

Handling of complaints regarding airports

	2019	2020	% change
Total complaints handled	5,741	4,090	-29%
of which			
Accessibility (connections, shuttle bus, car parks, etc.)	934	255	-73%
Handling (baggage, PMIs, information, etc.)	3,613	3,208	-11%
Security and passport controls and customs	404	130	-68%
Flights	225	77	-66%
Services and comfort (washrooms, retail outlets, infrastructure, etc.)	223	118	-47%
Check-in	63	30	-52%

[26] *ISO 45001: Occupational Health and Safety. The ISO 45001 standard has replaced the earlier BS OHSAS 18001 since 12 March 2018. BS OHSAS 18001 will no longer be valid from 12 March 2021. ISO 9001: Quality Management; ISO 14001: Environmental Management*

Table of supply chains (amount spent and distribution by country, supply assessment and audit)

Country	No. of active suppliers	Value of annual expenditure (€)
Italy	5,286	1,303,794,821
Spain	3,207	163,123,065
France	4,030	354,684,507
Brazil	3,986	551,366,921
Chile	2,274	95,940,697
Argentina	710	38,119,327
Poland	788	21,567,870
Puerto Rico	297	32,732,954
Mexico	390	56,630,747
India	82	816,485
Other	435	574,307,853
Total	21,485	3,193,085,246

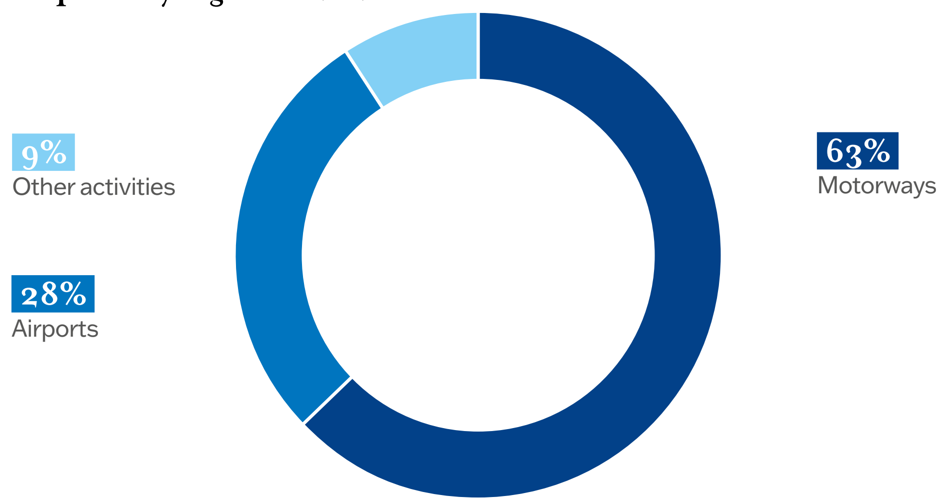
Entities in the supply chain (active during the year) at sustainability risk	298
of which: entities at high risk based on social criteria	275
of which: entities at high risk based on environmental criteria	265
of which: entities at high risk based on anti-corruption criteria	287

Environmental capital

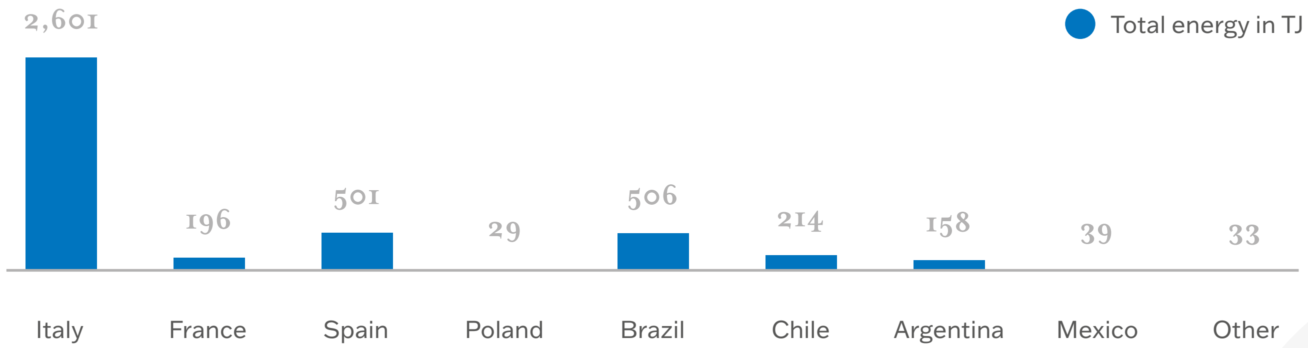
Energy consumption by type (TJoules)

	2019	2020	% change
Petrol	81	79	-2.5%
LPG	24	43	n/s
Diesel	1,055	976	-7.5%
Electricity	2,049	1,898	-7.4%
Natural/methane gas	1,470	1,136	-22.7%
Fuel oil	44	89	n/s
Thermal energy	6	-	n/s
Ethanol	59	56	-5.1%
Total	4,788	4,277	-10.7%
Cost of energy (€000)	155,967	143,120	-8.2%
% of operating costs	2.6	3.1	19.2%
Electricity produced from renewable sources (MWh)	14,059	14,530	3.3%
Renewable electricity purchased (MWh)	94,944	110,143	16%
Electricity produced from renewable sources for internal consumption/Wh)	5,342	5,438	1.8%

Energy consumption by segment 2020



Energy consumption by country 2020



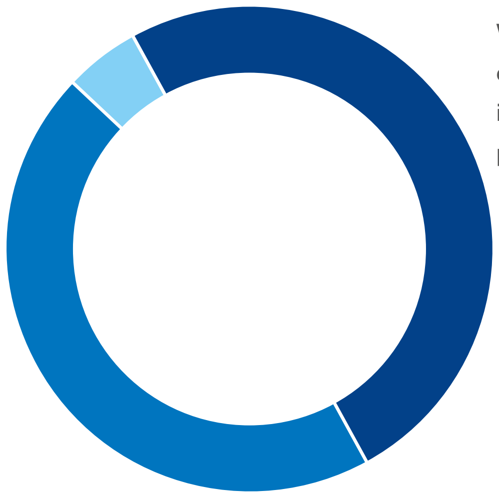
Carbon footprint (CO2 in tonnes)

Scope 1 and 2 emissions	2019[33]	2020	% change
Total direct emissions (Scope 1)	175,823	155,979	-11%
Total indirect emissions (Scope 2 – location-based)	157,206	140,220	-11%
Total indirect emissions (Scope 2 – market-based)	166,270	147,124	-12%
Location-based			
Total (Scope1+Scope2)	333,029	296,200	-11%
CO_2 emissions/turnover (g/euro)	28.6	35.8	25%
Market-based			
Total (Scope1+Scope2)	342,093	303,103	-11%
CO_2 emissions/turnover (g/euro)	29.4	36.6	24%

Scope 3 emissions	2019[9]	2020	% change
Motorway congestion	30,740	25,085	-18%
Fugitive emissions and T&D losses[10]	17,217	14,133	-18%
Purchase and transport of materials for works	1,098,409	1,659,688	51%
Purchase and transport of chlorides	48,384	26,059	-46%
CO_2 emissions during the LTO cycle[11]	585,432	274,190	-53%
Business trips	3,599	1,215	-66%
Treatment and transport of waste	31,205	36,020	15%
Total emissions (Scope 3)	1,814,986	2,036,389	12%

1 *Certain data for 2019 has been restated following consolidations after the date of publication of the non-financial statement for 2019 and revisions of the emission factors used.*
2 *Emissions linked to losses of methane gas and electricity during transport and delivery.*
3 *Airport emissions linked to aircraft maneuvers, landing, taxiing, takeoff and boarding.*

CO2 emissions avoided in 2020 (tonnes)



Work began in 2020 on a number of projects regarding conditioning systems, cogeneration and efficiency improvements to IT systems. The impact of these projects will be seen in 2021.

Consumption of key materials[27] (tonnes)

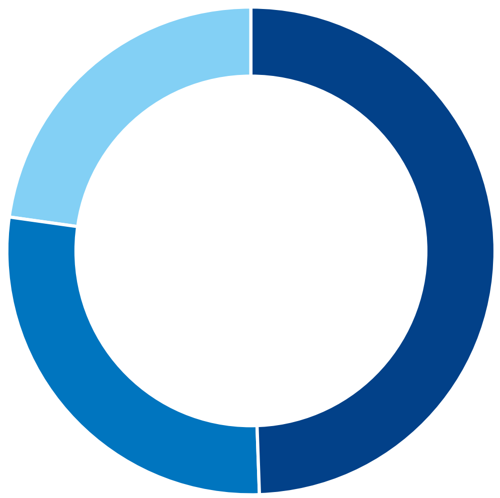
	2019	2020
Quarry materials	2,405,306	5,751,267
Asphalt concrete and bitumen purchased	2,157,192	2,395,612
Cement/concrete	313,687	953,244
Salt, chlorides and de/anti-icing products	95,122	50,506
Paints/solvents	15,578	7,776
Iron and steel	14,220	40,927
Plastic	600	494
Paper	633	511

Water withdrawals

Water withdrawals by country (m^3)	2019	2020	% change
Italy[12]	2,971,096	3,360,996	13%
Spain	77,915	64,635	-17%
France	2,261,529	1,508,719	-33%
Chile	1,902,975	1,650,671	-13%
Brazil	121,178	99,598	-18%
Mexico	-	348,946	NA
Other countries	45,804	33,878	-26%
Total	7,380,496	7,067,444	-4%

1 *The increase primarily reflects non-routine maintenance linked to the tunnel upgrade plan and the production of saline solution for use in winter operations.*

Water sources in 2020



27 *The increase in quarry materials, cement and iron reflects motorway maintenance and construction work in Italy and Brazil.*

Production of waste by country (tonnes)

Country	2019		2020	
	Waste produced	Hazardous waste	Waste produced	Hazardous waste
Italy	509,740	1,073	871,248	1,645
France	992,901	115	414,660	132
Spain	38,645	260	23,585	186
Brazil	18,179	665	477,261	791
Chile	10,115	34	9,073	15
Poland	34,036	-	33,517	3
Argentina	4,618	21	4,307	4
Mexico	-	-	1,681	24
Other countries	5,428	-	2,975	1
Total	1,613,662	2,169	1,838,308	2,801

Human capital

Average workforce and breakdown

	2019	2020	% change
Average workforce (including agency workers)	29,025	29,017	0.0%
Net staff costs (€m)	1,482	1,286	-13.2%
Hours of training	531,880	552,813	3.9%
of which in health and safety	185,195	157,213	-15.1%
Full-time personnel[1]	86%	89%	3.5%
Average age of personnel	43	42	-2.3%

1 *This figure takes into account a scope covering 98% of the Group's total workforce, as described in the section, "Methodology".*

Workforce by contract category, gender and geographical area[28]

		2019		2020	
		Men	Women	Men	Women
Italy	Permanent	9,533	3,145	9,478	3,266
	Temporary	535	443	483	148
Mexico	Permanent			829	636
	Temporary				
Spain	Permanent	1,309	683	993	497
	Temporary				
France	Permanent	2,111	1,162	2,061	1,121
	Temporary	4	2	1	2
Brazil	Permanent	3,381	2,759	3,480	2,630
	Temporary			1	
Chile	Permanent	1,434	380	1,419	378
	Temporary	93	55	56	51
Argentina	Permanent	1,208	854	1,180	800
	Temporary				
Poland	Permanent	154	138	188	155
	Temporary	22	62	35	41
Puerto Rico	Permanent	42	15	47	15
	Temporary				
Other countries	Permanent	266	176	55	11
	Temporary				
TOTAL		20,092	9,874	20,306	9,751

28 *This figure takes into account a scope covering 98% of the Group's total workforce, as described in the section, "Methodology".*

Gender pay ratio

Category	Basic pay		Total remuneration	
	Italy	Group	Italy	Group
Senior managers	93%	88%	87%	89%
Middle managers	103%	97%	98%	94%
Admin. staff 1[1]	97%	94%	94%	88%
Operational personnel	93%	92%	85%	86%
Toll collectors	98%	92%	98%	95%

[1] *The figure for the Abertis Group's workforce in 2019 and 2020 is distributed by Senior managers, middle managers and administrative staff alone.*

The table shows the gender pay ratio in 2020 by category in Italy and within the Group.

Turnover: Hires and leavers during the year

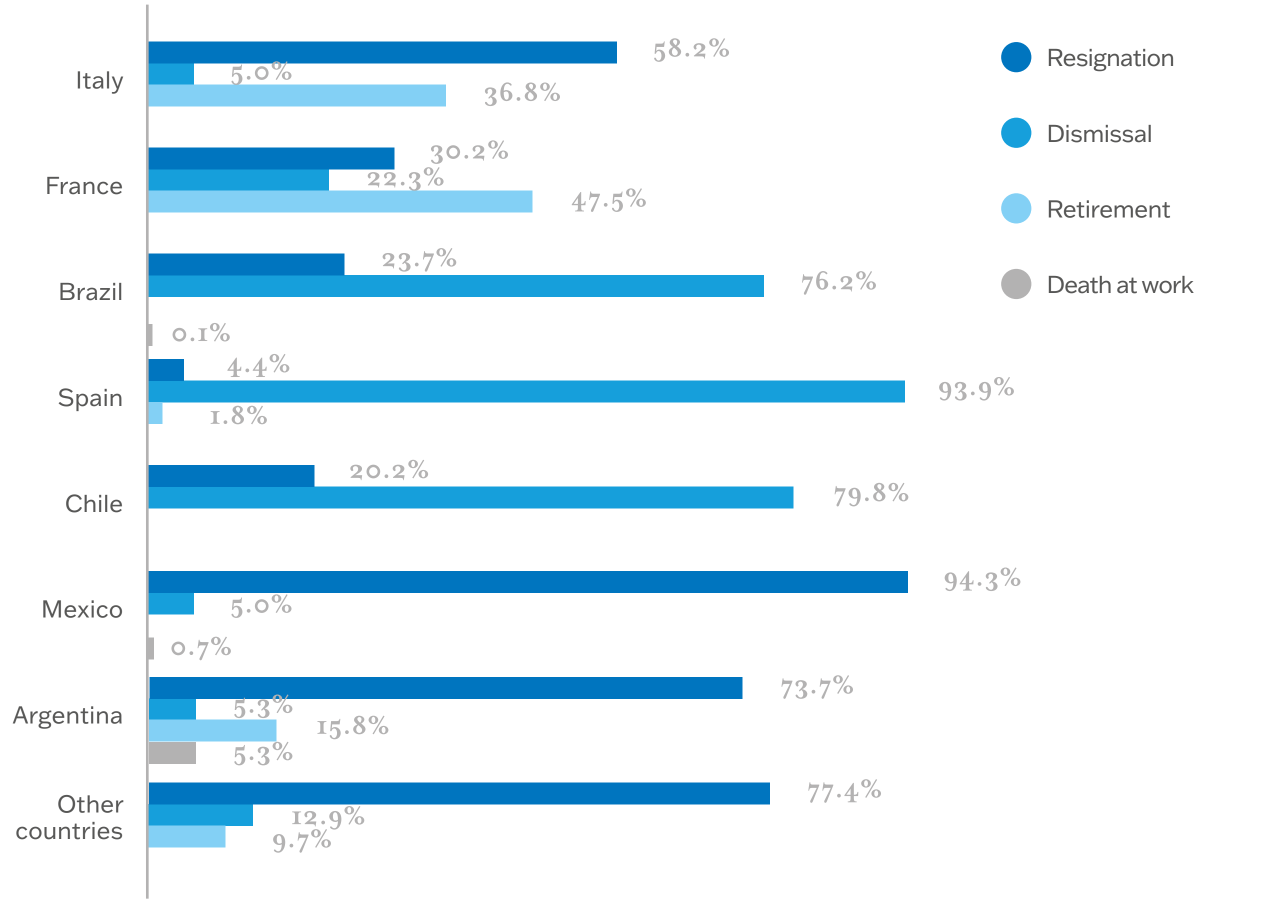
Total hires during the year	Aged up to 30		Aged 31 to 50		Over 50		Total		
	Men	Women	Men	Women	Men	Women	Men	Women	Total
New hires of external staff	541	400	1.100	423	175	30	1,816	853	2,669
Transfers from temporary to permanent contracts	80	34	175	64	54	15	309	113	422
Total							2,125	966	3,091

Total leavers during the year	Aged up to 30		Aged 31 to 50		Over 50		Total		
	Men	Women	Men	Women	Men	Women	Men	Women	Men
Resignation	259	178	339	233	298	37	896	448	1,344
Dismissal	228	212	557	367	281	69	1,066	648	1,714
Retirement			2		319	47	321	47	368
Death at work						5	5	-	5
Total							2,288	1,143	3,431

Turnover[29]: Hires and leavers during the year by gender, age[30] and country

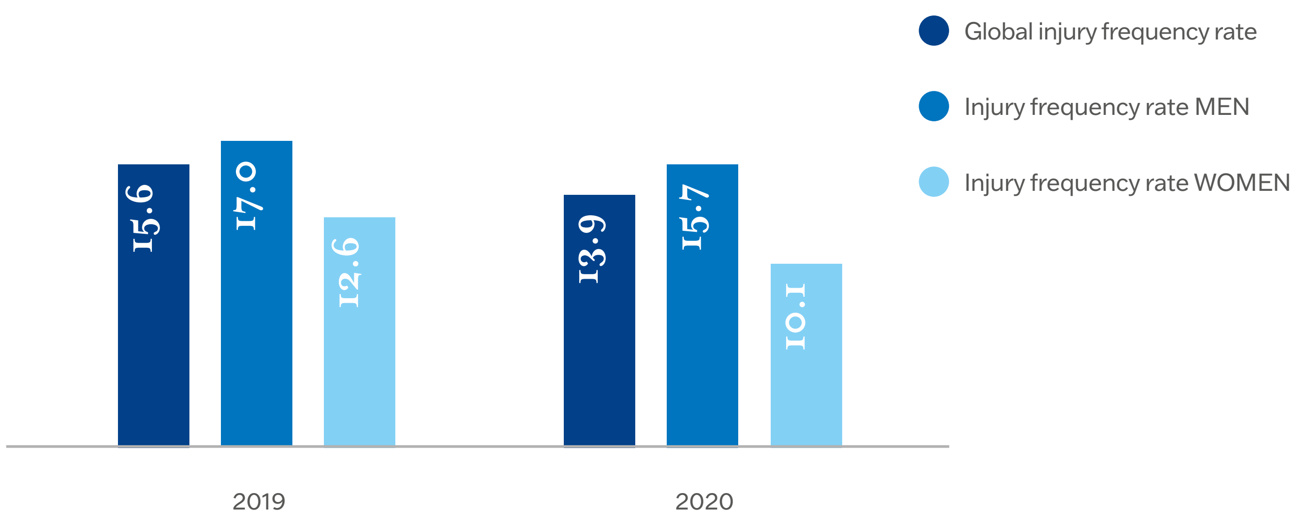
	Hires	%	Leavers	%
Men	2,125.0	10.8%	2,288.0	11.6%
Women	966.0	10.2%	1,143.0	12.0%
	Hires	**%**	**Leavers**	**%**
aged up to 30	1,055.0	29.4%	877.0	24.5%
aged 30-50	1,762.0	10.9%	1,511.0	9.4%
over 50	274.0	2.9%	1,038.0	10.9%
	Hires	**%**	**Leavers**	**%**
Italy	711.0	5.6%	741.0	5.8%
France	118.0	3.7%	179.0	5.6%
Spain	49.0	3.3%	228.0	15.3%
Brazil	1,389.0	22.7%	1,321.0	21.6%
Chile	481.0	26.8%	489.0	27.2%
Argentina		0.0%	19.0	1.0%
Mexico	237.0	16.2%	423.0	28.9%
Poland	99.0	28.9%	25.0	7.3%
Other countries	7.0	5.5%	6.0	4.7%

Turnover: Causes of termination of employment in 2020[31]



[29] *The percentages indicate the quotients for leavers and hires calculated on the basis of the permanent workforce by gender and country and by age range.*
[30] *The breakdown by age range excludes 5 deaths at work as the figure cannot be disaggregated.*
[31] *The figures regard personnel on permanent contracts and the percentages are calculated on the basis of total leavers in the respective countries.*

Group injury rates



Injury rates by country[32]

	Women	Men	Total
Italy	11.6	14.1	13.5
Mexico	13.0	9.1	10.8
Spain	9.7	20.6	17.3
France	9.2	26.5	20.6
Brazil	3.2	12.8	8.4
Chile	-	14.6	11.7
Argentina	28.9	24.0	25.9
Poland	-	24.8	13.5
Other countries	11.7	23.3	19.7

Training in 2020

	Senior managers		Middle managers		Admin. staff1[5]		Operational personnel		Total		
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Total
Total hours of training provided	6,671	970	35,748	14,676	329,862	120,723	39,441	4,722	411,722	141,091	552,813
of which in health and safety	884	108	6,861	1,990	80,664	36,033	29,192	1,481	117,601	39,612	157,213
Average hours of training		19.3		25.9		19.9		8.8	20.3	14.5	18.4

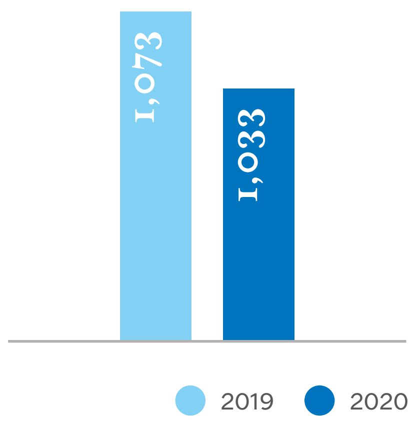
1 *In the table, the column "Admin. staff" also includes the roll collectors who work for the Group's motorway companies. In the Abertis Group's case, this item also includes operational personnel.*

32 *The rate is based on the number of injuries resulting in absence from work and hours worked in the year (amounting to over 49 million), per one million.*

Specialist "security" training continued in 2020, with 817 hours of training provided to internal personnel and 21 to external personnel. Atlantia also provided over 1,100 hours of training to business partners, primarily in health and safety. Finally, during the year, the following personnel were trained:

- 10,318 employees in anti-corruption matters;
- 5.197 employees in matters relating to the Code of Ethics;
- 192 employees in behaviour and the internal code of conduct.

Workers belonging to protected categories



Initiatives designed to promote wellbeing

These initiatives[33] primarily regard three areas:

Healthcare: initiatives promoting health and wellbeing

- Supplementary health insurance
- Life insurance and professional and non-professional insurance
- Free preventive medical examinations and screening
- Flu vaccinations
- Corporate Wellness initiatives

33 *All the initiatives are available to both full-time and part-time personnel.*

People care

- Agreements and other forms of income support
- Intranet/internet portals dedicated to publicising organisational and work-related information to employees
- Legal and tax advice
- Engagement initiatives and active participation in the promotion of charitable, voluntary and wellbeing initiatives
- Discounts for public transport, carpooling and company carsharing
- Canteens and/or luncheon vouchers
- Flexible benefits (structured welfare plans offering customized services)

Family care: initiatives for the family

- Innovative initiatives and services to promote a better work-life balance
- Supplementary pension funds offering special rates
- Third-party liability insurance for family members
- Summer camps for children
- Forms of flexible working to support parents and the return to work after giving birth[34]
- Creches and special agreements with schools
- School and university guidance for the children of employees and scholarships
- Personalised counselling for employees returning after a lengthy absence (due to illness, maternity, etc.) and/or to improve organisational wellbeing
- Family days

34 *510 people took parental leave in 2020 (336 women and 174 men). All personnel have access to forms of parental leave. The average return rate, calculated as the percentage of employees who return to work after taking leave during the year, was 81%. The job retention rate (return to work in a position comparable to or at a higher level than prior to taking leave) after 12 months is 68%.*

9.5 NFS report

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**INDEPENDENT AUDITOR'S REPORT
ON THE CONSOLIDATED NON-FINANCIAL STATEMENT PURSUANT TO ARTICLE 3, PARAGRAPH 10 OF LEGISLATIVE DECREE No. 254 OF DECEMBER 30, 2016 AND ART. 5 OF CONSOB REGULATION N. 20267/2018**

To the Board of Directors of
Atlantia S.p.A.

Pursuant to article 3, paragraph 10, of the Legislative Decree no. 254 of December 30, 2016 (hereinafter "Decree") and to article 5 of the CONSOB Regulation n. 20267/2018, we have carried out a limited assurance engagement on the Consolidated Non-Financial Statement of Atlantia S.p.A. and its subsidiaries (hereinafter the "Group") as of December 31, 2020 prepared on the basis of art. 4 of the Decree, and approved by the Board of Directors on March 11, 2021 (hereinafter "NFS").

Responsibility of the Directors and the Board of Statutory Auditors for the NFS

The Directors are responsible for the preparation of the NFS in accordance with articles 3 and 4 of the Decree and "*Global Reporting Initiative Sustainability Reporting Standards*" established by GRI – *Global Reporting Initiative* (hereinafter "GRI Standards"), which they have identified as reporting framework.

The Directors are also responsible, within the terms established by law, for such internal control as they determine is necessary to enable the preparation of NFS that is free from material misstatement, whether due to fraud or error.

The Directors are moreover responsible for defining the contents of the NFS, within the topics specified in article 3, paragraph 1, of the Decree, taking into account the activities and characteristics of the Group, and to the extent necessary in order to ensure the understanding of the Group's activities, its trends, performance and the related impacts.

Finally, the Directors are responsible for defining the business management model and the organisation of the Group's activities as well as, with reference to the topics detected and reported in the NFS, for the policies pursued by the Group and for identifying and managing the risks generated or undertaken by the Group.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the compliance with the provisions set out in the Decree.

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Auditor's Independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the *International Ethics Standards Board for Accountants*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Our auditing firm applies *International Standard on Quality Control 1* ("*ISQC Italia 1*") and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the NFS with the Decree and the GRI Standards. We conducted our work in accordance with the criteria established in the "*International Standard on Assurance Engagements ISAE 3000* (*Revised*) – *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*" (hereinafter "*ISAE 3000 Revised*"), issued by the *International Auditing and Assurance Standards Board* (IAASB) for limited assurance engagements. The standard requires that we plan and perform the engagement to obtain limited assurance whether the NFS is free from material misstatement. Therefore, the procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures performed on NFS are based on our professional judgement and included inquiries, primarily with company personnel responsible for the preparation of information included in the NFS, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically we carried out the following procedures:

1. Analysis of relevant topics with reference to Group's activities and characteristics disclosed in the NFS, in order to assess the reasonableness of the selection process in place in light of the provisions of article. 3 of the Decree and taking into account the adopted reporting standard.

2. Analysis and assessment of the identification criteria of the consolidation area, in order to assess its compliance with the Decree.

3. Comparison between the financial data and information included in the NFS with those included in the consolidated financial statements of the Group.

4. Understanding of the following matters:

   - business management model of the Group's activities, with reference to the management of the topics specified by article 3 of the Decree;
   - policies adopted by the entity in connection with the topics specified by article 3 of the Decree, achieved results and related fundamental performance indicators;
   - main risks, generated and/or undertaken, in connection with the topics specified by article 3 of the Decree.

Deloitte.

Moreover, with reference to these matters, we carried out a comparison with the information contained in the NFS and the verifications described in the subsequent point 5, letter a) of this report

5. Understanding of the processes underlying the origination, recording and management of qualitative and quantitative material information included in the NFS.

   In particular, we carried out interviews and discussions with the management of Atlantia S.p.A. and with the employees of Autostrade per l'Italia S.p.A, Tangenziale di Napoli S.p.A. and Aeroporti di Roma – ADR S.p.A, and we carried out limited documentary verifications, in order to gather information about the processes and procedures which support the collection, aggregation, elaboration and transmittal of non-financial data and information to the department responsible for the preparation of the NFS.

   In addition, for material information, taking into consideration the Group's activities and characteristics:

   - at the parent company's and subsidiaries' level:

     a) with regards to qualitative information included in the NFS, and specifically with reference to the business management model, policies applied and main risks, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence;
     b) with regards to quantitative information, we carried out both analytical procedures and limited verifications in order to ensure, on a sample basis, the correct aggregation of data.

   - for the following subsidiaries, Autostrade per l'Italia S.p.A, Tangenziale di Napoli S.p.A., Aeroporti di Roma – ADR S.p.A. and Abertis infraestructuras, SA which we selected based on their activities, their contribution to the performance indicators at the consolidated level and their location, we carried out site visits/remote meetings, during which we have met their management and have gathered supporting documentation with reference to the correct application of procedures and calculation methods used for the indicators.

Conclusion

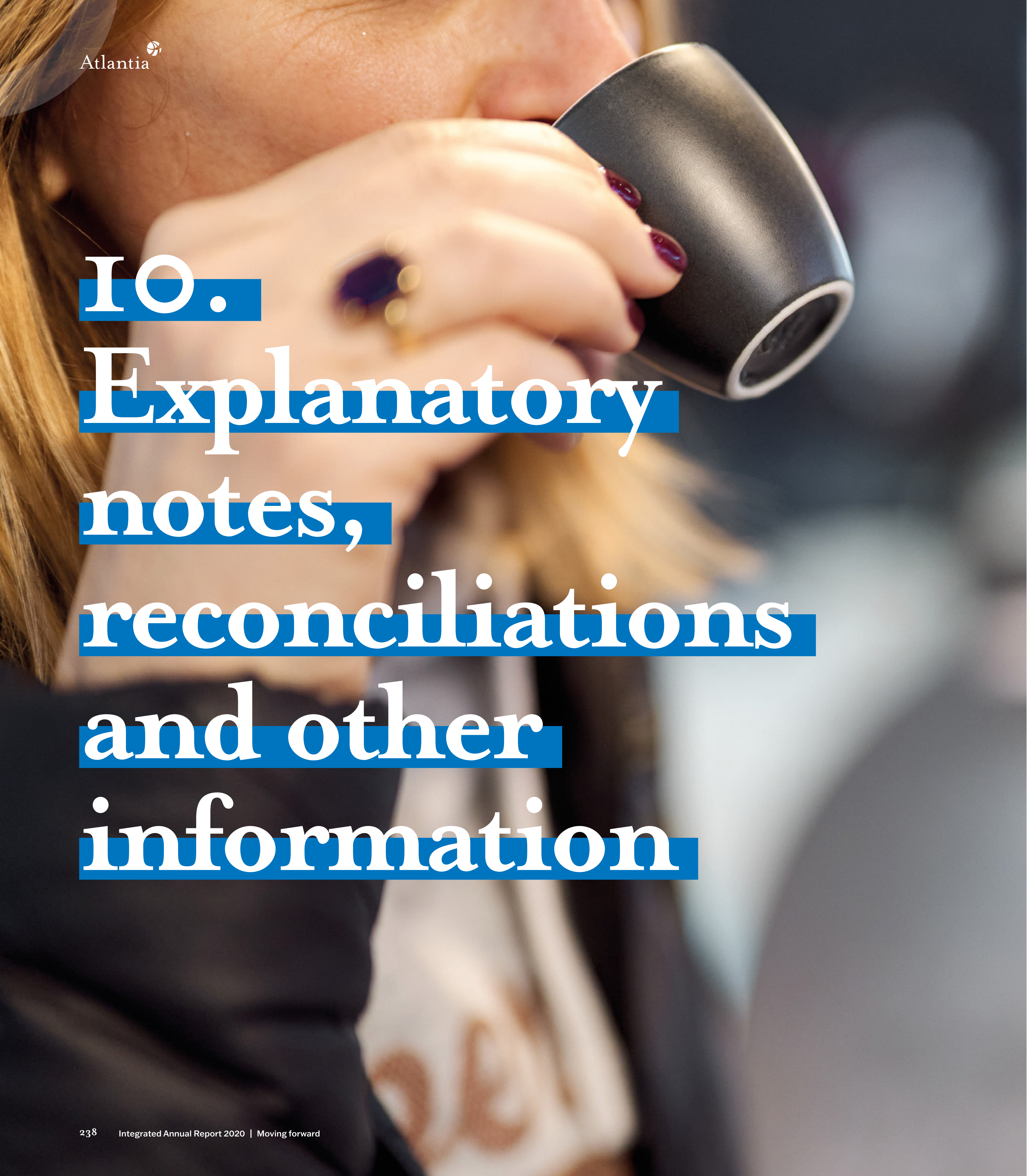
Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of the Group as of December 31, 2020 is not prepared, in all material aspects, in accordance with articles 3 and 4 of the Decree and GRI Standards.

DELOITTE & TOUCHE S.p.A.

Signed by
Francesco Legrottaglie
Partner

Rome, Italy
April, 2 2021

This report has been translated into the English language solely for the convenience of international readers.



10. Explanatory notes, reconciliations and other information

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10. Explanatory notes, reconciliations and other information

10.1 Alternative performance indicators ("APIs")

In application of the CONSOB Ruling of 3 December 2015, governing implementation in Italy of the guidelines issued by the European Securities and Markets Authority (ESMA), the basis used in preparing the for alternative performance indicators ("APIs") published by the Atlantia Group and Atlantia S.p.A. is described below.

The APIs shown in this Integrated Annual Report are deemed relevant to an assessment of the performance based on the results of the Atlantia Group and the Company as a whole, of the operating segments and of individual consolidated companies.

Specifically, we believe that the APIs provide a further important measure to be used by management in assessing the performance of the Group and the Company, as they enable it to monitor the operating and financial performance. In addition, the APIs provide an improved basis for comparison of the results over time, even if they are not a replacement for or an alternative to the results determined applying the international financial reporting standards ("IFRS") used by the Group and the Company and described in "Atlantia's consolidated financial statements as at and for the year ended 31 December 2020" and in "Atlantia S.p.A.'s financial statements as at and for the year ended 31 December 2020" (the "statutory financial statements").

With regard to the APIs, the "Financial review for the Atlantia Group" and the "Financial review for Atlantia S.p.A." include reclassified financial statements that differ from the statutory financial statements. In addition to amounts from the income statement and statement of financial position measured and presented under IFRS, these reclassified financial statements present a number of indicators and items derived from them, even when they are not required by the above standards and are, therefore, identifiable as APIs. The reconciliation of the APIs with the most directly reconcilable line item, subtotal or total in the statutory financial statements is provided below.

The APIs shown in this Integrated Annual Report are unchanged with respect to those use in the Annual Report for the year ended 31 December 2019.

A list of the APIs used, together with a brief description of the composition, and their reconciliation with the corresponding reported amounts in the statutory financial statements, is provided below:

a) **"Operating revenue"** includes toll revenue, aviation revenue and other operating income, and differs from revenue in the statutory consolidated income statement in that revenue from construction services, recognised in accordance with IFRIC 12 on the basis of the cost of materials and external services, service costs, staff costs, other operating costs and financial expenses relating to construction services incurred, is presented in the reclassified income statement as a reduction in the respective items under operating costs and financial expenses;

b) **"Gross operating profit/(loss) (EBITDA)[35]"** is the synthetic indicator of gross profit from operations, calculated by deducting operating costs, with the exception of amortisation, depreciation, impairment losses and reversals of impairment losses, provisions for the renewal of assets held under concession and other adjustments, from operating revenue;

c) **"Operating profit/(loss) (EBIT)"** is the indicator that measures the operating return on the capital invested in the business, calculated by deducting amortisation, depreciation, impairment losses and reversals of impairment losses, provisions for the renewal of assets held under concession and other adjustments from EBITDA. Like EBITDA, EBIT does not include the capitalised component of financial expenses relating to construction services, which is shown in a specific item under financial income and expenses in the reclassified statement. This component is, however, included in revenue in the statutory income statement, thereby representing the sole difference with respect to operating profit;

d) **"Net invested capital"**, showing the total value of non-financial assets, after deducting non-financial liabilities;

[35] *In the "Financial review for Atlantia S.p.A.", this is indicated with the term "Profit/(Loss) from operations (EBITDA)"*

e) **"Net financial debt"** is a synthetic indicator of the Group's financial structure and is based on the nominal redemption value of bond issues, medium/long-term and short-term borrowings, including bank overdrafts repayable on demand, and after deducting cash;

f) **"Net debt"**, being the indicator of the portion of net invested capital funded by net financial liabilities, which consist of "Current and non-current financial liabilities" after deducting "Current and non-current financial assets" and "Cash and cash equivalents";

g) **"Capital expenditure"**, being the indicator of the total amount invested in development of the Atlantia Group's and Atlantia S.p.A.'s businesses, and reflecting cash used in investment in assets held under concession and in other property, plant and equipment and intangible assets, not including investments in investees;

h) **"Operating cash flow"**, being the indicator of cash generated by or used in operating activities. Operating cash flow is calculated as profit for the period + amortisation/depreciation +/- impairments/reversals of impairments of assets +/- provisions/releases of provisions in excess of requirements and uses of provisions + other adjustments + financial expenses from discounting of provisions + dividends received from investees accounted for using equity method +/- the share of profit/(loss) of investees accounted for using equity method in profit or loss +/- (losses)/gains on sale of assets +/- other non-cash items +/- deferred tax assets/liabilities recognised in profit or loss.

10.2 Atlantia Group

Reconciliation of key indicators included in the reclassified consolidated income statement

Components in the reclassified consolidated income statement, unless otherwise indicated, are reconciled with the most directly reconcilable line item, subtotal or total presented in the consolidated income statement.

€m

EBITDA/EBIT	Ref.	2020	2019
PROFIT/(LOSS) FOR THE YEAR		-1,641	357
Profit/(loss) from discontinued operations		-1	7
Tax benefit/(expense)		-524	107
Share of (profit)/loss of investees accounted for using the equity method		19	-21
Net financial expenses	(a)	1,662	1,216
Operating profit/(loss) (EBIT)		-485	1,666
Amortisation and depreciation		3,581	3,907
(Impairment losses)/Reversals of impairment losses		522	63
Provisions for renewal of assets held under concession	(b)	83	91
Gross operating profit/(loss) (EBITDA)		3,701	5,727

Total operating revenue	Ref.	2020	2019
TOTAL REVENUE		9,051	12,615
Revenue from construction services		-769	-989
Revenue from construction services provided by sub-operators	(c)	2	4
Total operating revenue		8,284	11,630

Total operating costs	Ref.	2020	2019
TOTAL COSTS		-9,510	-10,920
Revenue from construction services - government grants and cost of materials and external services	(c)	698	906
Capitalised staff costs - construction services for which additional economic benefits are received	(c)	43	50
Provisions for renewal of assets held under concession	(b)	83	91
Amortisation and depreciation		3,581	3,907
(Impairment losses)/Reversals of impairment losses		522	63
Total operating costs		-4,583	-5,903

Notes:
[a] the reconciliation of net financial expenses is shown below:

Net financial expenses	Ref.	2020	2019
Financial income/(expenses)		1,688	1,245
Revenue from construction services: capitalization of financial expenses	(c)	-26	-29
Net financial expenses	(a)	1,662	1,216

[b] the reconciliation of "Provisions for renewal of assets held under concession" is provided in note 7.14 in the consolidated financial statements as at and for the year ended 31 December 2020.
[c] the reconciliation of the items, "Revenue from construction services provided by sub-operators", "Revenue from construction services - government grants and cost of materials and external services" and "Capitalised staff costs - construction services for which additional economic benefits are received" is provided in note 8.4 in the consolidated financial statements as at and for the year ended 31 December 2020.

Reconciliation of the reclassified consolidated statement of financial position

Components in the reclassified consolidated statement of financial position, unless otherwise indicated, are reconciled with the most directly reconcilable line item, subtotal or total presented in the consolidated statement of financial position.

€m

	Ref.		31 December 2020		31 December 2019
Intangible assets deriving from concession rights			49,229		46,500
Goodwill			12,785		12,426
Property, plant and equipment and other intangible assets			1,257		1,366
Property, plant and equipment		*774*		*820*	
Other intangible assets		*483*		*546*	
Investments			2,841		3,662
Working capital (net current provisions)			307		507
Trading assets		*2,438*		*2,575*	
Current tax assets		*404*		*1,006*	
Other current assets		*668*		*565*	
Non-financial assets and liabilities held for sale and discontinued operations		*23*		*4*	
Trading liabilities		*-2,160*		*-2,243*	
Current tax liabilities		*-89*		*-283*	
Other current liabilities		*-977*		*-1,117*	
Provisions and commitments			-8,789		-8,388
Provisions for construction services required by contract	*(a)*	*-2,977*		*-3,044*	
Other provisions	*(b)*	*-5,812*		*-5,344*	
Deferred tax assets/(liabilities), net			-3,868		-4,167
Deferred tax assets		*2,469*		*2,113*	
Deferred tax liabilities		*-6,337*		*-6,280*	
Other non-current assets and liabilities, net			-260		-281
Other non-current assets		*38*		*77*	
Other non-current liabilities		*-298*		*-358*	

€m

	Ref.		31 December 2020		31 December 2019
NET INVESTED CAPITAL			53,502		51,625
Total equity			14,264		14,903
Bond issues	(c)		31,673		28,499
Medium/long-term borrowings	(c)		18,690		16,452
Other financial liabilities			3,283		3,095
Non-current derivative liabilities		*1,134*		*1,301*	
Other non-current financial liabilities		*744*		*693*	
Current derivative liabilities		*68*		*42*	
Short-term borrowings		*349*		*391*	
Bank overdrafts repayable on demand		*67*		*30*	
Current portion of medium/long-term financial liabilities	(c)	*787*		*501*	
Other current financial liabilities		*134*		*137*	
Financial assets deriving from concession rights	(d)		-3,484		-3,568
Cash and cash equivalents			-8,385		-5,232
Other financial assets			-2,539		-2,524
Non-current derivative assets		*-431*		*-245*	
Financial assets deriving from government grants	(d)	*-233*		*-277*	
Term deposits	(d)	*-640*		*-754*	
Other non-current financial assets		*-963*		*-995*	
Current portion of other medium/long-term financial assets		*-123*		*-136*	
Other current financial assets		*-141*		*-117*	
Financial assets and liabilities held for sale and discontinued operations		*-8*		*-*	
Net debt			39,238		36,722
NET DEBT AND EQUITY			53,502		51,625

Notes:
a) the reconciliation of provisions for construction services required by contract is provided in note 7.13 in the consolidated financial statements as at and for the year ended 31 December 2020.
b) the reconciliation of other provisions is provided in note 7.14 in the consolidated financial statements as at and for the year ended 31 December 2020.
c) the reconciliation of bond issues, borrowings and the item "Current portion of medium/long-term financial liabilities" is provided in note 7.15 in the consolidated financial statements as at and for the year ended 31 December 2020.
d) the reconciliation of the items "Financial assets deriving from concession rights", "Financial assets deriving from government grants" and "Term deposits" is provided in note 7.4 in the consolidated financial statements as at and for the year ended 31 December 2020.

Reconciliation of the statement of changes in consolidated net debt and the consolidated statement of cash flows

Key APIs have been reconciled with the most directly reconcilable line item, subtotal or total presented in the consolidated statement of cash flows.

€m

	2020	2019
Net cash generated from/(used in) operating activities	2,435	4,662
Net cash from/(used in) investment in non-financial assets (A)	-5,861	-456
Net financial liabilities assumed, excluding cash and cash equivalents acquired	2,858	64
Net financial liabilities transferred, excluding cash and cash equivalents transferred	-33	-287
Net change in current and non-current financial assets	-141	-542
Differences relating to cash generated from/(used in) investing activities (B)	**2,684**	**-765**
Net cash generated from/(used in) investing activities (C=A+B)	-3,177	-1,221
Net equity cash inflows/(outflows) (D)	649	-1,658
Dividends declared net of dividends paid by Group companies to non-controlling shareholders	32	-11
Issuance of bonds	4,970	7,434
Increase in medium/long term borrowings (excluding lease liabilities)	6,314	3,583
Increase in lease liabilities	-	-
Bond redemptions	-2,889	-1,990
Repayments of medium/long term borrowings (excluding lease liabilities)	-5,525	-10,530
Repayments of lease liabilities	-35	-39
Net change in other current and non-current financial liabilities	393	-77
Accrued interest on equity instruments	4	-
Differences relating to cash generated from/(used in) financing activities (E)	**3,264**	**-1,630**
Net cash generated from/(used in) financing activities (F=D+E)	3,913	-3,288
Increase/(decrease) in net debt for the year	-2,516	2,069
Differences relating to cash generated from/(used in) investing activities (B)	2,684	-765
Differences relating to cash generated from/(used in) financing activities (E)	3,264	-1,630
Other changes in net debt	-261	479
Effect of foreign exchange rate movements on cash and cash equivalents	-55	-24
Increase in net cash and cash equivalents during the year	3,116	129

10.3 Operating segments

The Atlantia Group's operating segments are identified based on the information provided to and analysed by Atlantia's Board of Directors, which represents the Group's chief operating decision maker, when taking decisions regarding the allocation of resources and assessing performance.

With regard to the presentation of operating segments as at 31 December 2019, it should be noted that, as a result of the development of Telepass's business, partly as a result of the sale of a 49% stake to Partners Group (expected to be completed in 2021), the Telepass Group (previously included in the "Atlantia and other activities" segment) is now classified in its own segment as its performance is assessed by the Atlantia Group's chief operating decision maker.

The descriptions of the following operating segments have also changed, without affecting their composition: "Autostrade per l'Italia Group", previously "Italian motorways"; "Other overseas motorways", previously "Overseas motorways"; "Aeroporti di Roma Group", previously "Italian airports"; "Aéroports de la Côte D'Azur Group", previously "Overseas airports".

Finally, in addition to the indicators presented as at 31 December 2019, "net financial debt" has been included as being key to an assessment of the financial strength of the individual operating segments.

The following table shows operating revenue, EBITDA, operating cash flow, capital expenditure and net financial debt by operating segment.

€M	Autostrade per l'Italia Group		Abertis Group		Other overseas motorways		Aeroporti di Roma Group		Aéroports de la Côte D'azur Group		Telepass Group		Atlantia and other activities		Consolidation adjustments		Total Atlantia Group	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
REPORTED AMOUNTS																		
External revenue	2,970	4,012	4,054	5,361	470	694	271	952	134	290	213	198	172	123	-	-	8,284	11,630
Intersegment revenue	60	71	-	-	1	1	1	1	-	-	21	23	450	433	-533	-529	-	-
Total operating revenue	3,030	4,083	4,054	5,361	471	695	272	953	134	290	234	221	622	556	-533	-529	8,284	11,630
EBITDA	629	710	2,627	3,735	327	522	28	596	20	122	118	124	-24	-69	-24	-13	3,701	5,727
Operating cash flow	517	1,435	1,608	2,566	302	392	-4	437	-17	90	100	101	-219	-50	-19	-2	2,268	4,969
Capital expenditure	575	559	537	701	104	112	154	258	43	70	88	81	16	27	17	-14	1,534	1,794
Net financial debt	8,557	8,392	23,805	21,500	-636	-687	1,426	1,120	976	882	557	592	4,612	5,022	-59	-99	39,238	36,722

Like-for-like performance indicators by operating segment

This paragraph presents the reconciliation of like-for-like amounts for operating revenue, gross operating profit/(loss) (EBITDA) and operating cash flow with the corresponding amounts shown in the paragraph, "Operating segments".

A number of APIs are presented after making certain adjustments in order to ensure a consistent basis for comparison over time, deemed to be more effective in describing the Group's operating and financial performance.

Operating revenue

2020

€M	Note	Autostrade per l'italia Group	Abertis Group	Other overseas motorways	Aeroporti di Roma Group	Aéroports de la Côte D'azur Group	Telepass Group	Atlantia and other activities	Consolidation adjustments	Total Atlantia Group
Reported amounts (A)		3,030	4,054	471	272	134	234	622	-533	8,284
Adjustments for non like-for-like items										
Change in scope of consolidation and other minor changes	(1)		360					58		418
Exchange rate movements and impact of hyperinflation	(2)		-228	-98				-		-326
Impact connected with collapse of a section of the Polcevera road bridge	(3)	-44								-44
Sub-total (B)		-44	132	-98	-	-	-	58	-	48
Like-for-like amounts (C)= (A)-(B)		3,074	3,922	569	272	134	234	564	-533	8,236

2019

€M	Note	Autostrade per l'italia Group	Abertis Group	Other overseas motorways	Aeroporti di Roma Group	Aéroports de la Côte D'azur Group	Telepass Group	Atlantia and other activities	Consolidation adjustments	Total Atlantia Group
Reported amounts (A)		4,083	5,361	695	953	290	221	556	-529	11,630
Adjustments for non like-for-like items										
Change in scope of consolidation and other minor changes	(1)		523					69		592
Impact of hyperinflation	(2)		26							26
Impact connected with collapse of a section of the Polcevera road bridge	(3)	19								19
Sub-total (B)		19	549	-	-	-	-	69	-	637
Like-for-like amounts (C)= (A)-(B)		4,064	4,812	695	953	290	221	487	-529	10,993
Like-for-like change		*-990*	*-890*	*-126*	*-681*	*-156*	*13*	*77*	*-4*	*-2,757*
% like-for-like change		*-24%*	*-18%*	*-18%*	*-71%*	*-54%*	*6%*	*16%*	*n.s.*	*-25%*

EBITDA

€M	Note	Autostrade per l'Italia Group	Abertis Group	Other overseas motorways	Aeroporti di Roma Group	Aéroports de la Côte D'azur Group	Telepass Group	Atlantia and other activities	Consolidation adjustments	Total Atlantia Group
2020										
Reported amounts (A)		629	2,627	327	28	20	118	-24	-24	3,701
Adjustments for non like-for-like items										
Change in scope of consolidation and other minor changes	(1)		260					28		288
Exchange rate movements and impact of hyperinflation	(2)		-142	-69						-211
Impact connected with collapse of a section of the Polcevera road bridge	(3)	-250						-3		-253
Change in discount rate applied to provisions	(4)	-67								-67
Sub-total (B)		-317	118	-69	-	-		25	-	-243
Like-for-like amounts (C)= (A)-(B)		946	2,509	396	28	20	118	-49	-24	3,944
2019										
Reported amounts (A)		710	3,735	522	596	122	124	-69	-13	5,727
Adjustments for non like-for-like items										
Change in scope of consolidation and other minor changes	(1)		426					9		435
Impact of hyperinflation	(2)		-13							-13
Impact connected with collapse of a section of the Polcevera road bridge	(3)	-1,499						-9		-1,508
Change in discount rate applied to provisions	(4)	-20								-20
Sub-total (B)		-1,519	413	-	-	-	-	0	-	-1,106
Like-for-like amounts (C)= (A)-(B)		2,229	3,322	522	596	122	124	-69	-13	6,833
Like-for-like change		*-1,283*	*-813*	*-126*	*-568*	*-102*	*-6*	*20*	*-11*	*-2,889*
% like-for-like change		*-58%*	*-24%*	*-24%*	*-95%*	*-84%*	*-5%*	*-29%*	*n.s.*	*-42%*

Operating cash flow

€M	Note	Autostrade per l'Italia Group	Abertis Group	Other overseas motorways	Aeroporti di Roma Group	Aéroports de la Côte D'azur Group	Telepass Group	Atlantia and other activities	Consolidation adjustments	Total Atlantia Group
2020										
Reported amounts (A)		517	1,608	302	-4	-17	100	-219	-19	2,268
Adjustments for non like-for-like items										
Change in scope of consolidation and other minor changes	(1)		100					26		126
Exchange rate movements and impact of hyperinflation	(2)		-123	-58						-181
Impact connected with collapse of a section of the Polcevera road bridge	(3)	-209						-3		-212
Sub-total (B)		-209	-23	-58	-	-	-	23	-	-267
Like-for-like amounts (C)= (A)-(B)		726	1,631	360	-4	-17	100	-242	-19	2,535
2019										
Reported amounts (A)		1,435	2,566	392	437	90	101	-50	-2	4,969
Adjustments for non like-for-like items										
Change in scope of consolidation and other minor changes	(1)		423					5		428
Exchange rate movements and impact of hyperinflation	(2)									-
Impact connected with collapse of a section of the Polcevera road bridge	(3)	-234						-8		-242
Sub-total (B)		-234	423	-	-	-	-	-3	-	186
Like-for-like amounts (C)= (A)-(B)		1,669	2,143	392	437	90	101	-47	-2	4,783
Like-for-like change		*-943*	*-512*	*-32*	*-441*	*-107*	*-1*	*-195*	*-17*	*-2,248*
% like-for-like change		*-57%*	*-24%*	*-8%*	*n.s.*	*n.s.*	*-1%*	*n.s.*	*n.s.*	*-47%*

Notes:

(1) for 2020, the contribution of the Mexican operator, RCO, acquired in the first half of 2020; for 2019, the contributions of the Brazilian operator, Autovias, and the Spanish operator, Aumar, which terminated their concession arrangements in July and December 2019, respectively; for both comparative periods, the contribution of the Brazilian operator, Centrovias, which terminated its concession arrangement in May 2020 and whose concession was expanded in July 2019 to include Via Paulista, a company that began operating in January 2019, and Electronic Transaction Consultants (ETC), sold in July 2020;

(2) the difference between foreign currency amounts for 2020 for companies with functional currencies other than the euro, converted at average exchange rates for 2020 and the matching amounts converted using average exchange rates for 2019, and the impact of application of accounting standard IAS 29 – Financial Reporting in Hyperinflationary Economies in response to inflation in Argentina;

(3) for both comparative periods, the reduction in toll revenue and increase in operating costs resulting from the collapse of a section of the Polcevera road bridge. The insurance proceeds connected with this event have also been eliminated from 2019;

(4) for both comparative periods, the impact of the difference in the discount rates applied to the provisions accounted for among the Atlantia Group's liabilities.

Reconciliation of net financial debt with net debt

Net financial debt is presented below as a synthetic indicator of the financial structure and is based on the sum of the nominal redemption value of bond issues, medium/long-term and short-term borrowings, including bank overdrafts repayable on demand, after deducting cash.

The statement has been prepared to enable readers to assess the Group's financial structure, distinguishing between financial liabilities in the form of bank borrowings, and thus in the form of borrowing in the financial market in general, from other types of financial asset and liability.

€M	31 December 2020	31 December 2019	Increase/ (Decrease)
Bond issues (nominal value)	28,616	26,586	2,030
Bank borrowings (nominal value)	15,400	14,694	706
Non-current debt, gross (A)	**44,016**	**41,280**	**2,736**
Bond issues (nominal value)	3,110	1,875	1,235
Bank borrowings (nominal value)	2,713	1,192	1,521
Short-term borrowings and bank overdrafts repayable on demand	416	421	-5
Current debt, gross (B)	**6,239**	**3,488**	**2,751**
Cash (C)	**-8,385**	**-5,232**	**-3,153**
Net financial debt (D=A+B+C)	**41,870**	**39,536**	**2,334**
Amortised cost and fair value of financial liabilities included in gross debt (E)	146	208	-62
Other current and non-current financial liabilities (F)(1)	1,667	1,331	336
Other borrowings (G)(2)	376	396	-20
Derivative liabilities (H)(3)	1,202	1,343	-141
Derivative assets (I)(3)	-431	-245	-186
Financial assets deriving from concession rights and other current and non-current financial assets (J)(4)	-5,584	-5,847	263
Net debt related to assets held for sale (K)(5)	-8	-	-8
Net debt (L=D+E+F+G+H+I+J+K)	**39,238**	**36,722**	**2,516**

(1) *See note 7.15 in the "Consolidated financial statements as at and for the year ended 31 December 2020".*
(2) *See note 7.15 in the "Consolidated financial statements as at and for the year ended 31 December 2020".*
(3) *See note 9.2 in the "Consolidated financial statements as at and for the year ended 31 December 2020".*
(4) *This item essentially includes financial assets deriving from concession rights (€3,484 million as at 31 December 2020) regarding the concessions held by the Group in Spain, Chile and Argentina and Autostrade Meridionali's takeover rights (€411 million as at 31 December 2020). The other financial assets included in this item primarily regard term deposits and government grants to fund construction work.*
(5) *Includes cash and current financial liabilities related to assets held for sale, as reported in note 7.11 in the "Consolidated financial statements as at and for the year ended 31 December 2020".*

Reconciliation of Atlantia S.p.A.'s equity and profit with the corresponding consolidated amounts

€M	Equity as at 31 december 2020	Results for 2020
Amounts in financial statements of Atlantia S.p.A.	**10,458**	**-29**
Recognition in consolidated financial statements of equity and profit/(loss) for the year of consolidated investments	16,643	-1,259
Recognition of goodwill and the related impairment losses	12,770	-102
Elimination of after-tax intercompany profits	-4,361	-14
Elimination of carrying amount of consolidated investments	-22,699	-
Elimination of impairment losses (less reversals of impairment losses) on consolidated investments	1,396	1,222
Elimination of intercompany dividends	-	-1,426
Measurement of investments using the equity method	-71	-19
Other consolidation adjustments	128	-14
Elimination of equity and profit/(loss) for the year attributable to non-controlling interests	-8,074	464
Consolidated carrying amounts (attributable to owners of the parent)	**6,190**	**-1,177**

10.4 Atlantia S.p.A.

Reconciliation of key indicators included in the reclassified income statement

Components in the reclassified income statement, unless otherwise indicated, are reconciled with the most directly reconcilable line item, subtotal or total presented in the income statement.

€m

Profit/(Loss) from operations (EBITDA)	Ref.	2020	2019
(LOSS)/PROFIT FOR THE YEAR		-29	427
Net loss from discontinued operations		4	5
Tax benefits		-102	-40
Impairment losses on financial assets and investments		219	39
Amortisation and depreciation		2	1
Profit/(loss) from financial activities	(b)	358	115
Profit/(loss) from investments	(a)	-502	-636
Profit/(Loss) from operations (EBITDA)		-50	-89

Profit/(Loss) from operations (EBITDA)	2020	2019
TOTAL COSTS	-56	-93
Operating revenue	4	3
Amortisation and depreciation	2	1
Profit/(Loss) from operations (EBITDA)	-50	-89

[a] *The reconciliation of the "Profit/(Loss) from investments" is provided in note 6.6. in the separate financial statements in the item, "Dividends from investees".*
[b] *The reconciliation of "Financial income/(expenses)" is shown below:*

Profit/(loss) from financial activities (b)	2020	2019
FINANCIAL (EXPENSES)/INCOME	-75	482
Profit/(loss) from investments	-502	-636
Impairment losses on financial assets and investments	219	39
Profit/(loss) from financial activities	-358	-115

Reconciliation of the reclassified statement of financial position

Components in the reclassified statement of financial position, unless otherwise indicated, are reconciled with the most directly reconcilable line item, subtotal or total presented in the statement of financial position.

€M	Ref.	31 December 2020		31 December 2019	
Property, plant and equipment and other intangible assets			12		20
Property, plant and equipment		*12*		*20*	
Investments			14,708		15,521
Working capital (net of current provisions)			53		30
Trading assets		*8*		*9*	
Current tax assets		*79*		*88*	
Other current assets		*14*		*18*	
Investments held for sale and discontinued operations		*24*		*-*	
Trading liabilities		*-14*		*-16*	
Current tax liabilities		*-40*		*-35*	
Other current liabilities		*-17*		*-33*	
Current provisions		*-1*		*-1*	
Deferred tax assets/(liabilities), net			127		60
Deferred tax assets, net		*127*		*60*	
Other non-current liabilities, net			-7		-21
Other non-current liabilities, net		*-7*		*-21*	
NET INVESTED CAPITAL			14,893		15,610
Total equity			10,458		10,809
Bond issues			1,738		1,736
Medium/long-term borrowings			5,234		3,986
Other financial liabilities			409		381
Non-current derivative liabilities		*205*		*246*	
Current derivative liabilities		*-*		*1*	
Intercompany current account payables due to related parties		*-*		*6*	
Current portion of medium/long-term financial liabilities		*204*		*48*	
Other current financial liabilities		*-*		*80*	
Cash and cash equivalents			-2,261		-597
Other financial assets			-685		-705
Non-current derivative assets		*-387*		*-208*	
Other non-current financial assets		*-292*		*-478*	
Current portion of other medium/long-term financial assets		*-1*		*-1*	
Current derivative assets		*-*		*-1*	
Other current financial assets		*-5*		*-17*	
Net debt		4,435		4,801	
NET DEBT AND EQUITY		14,893		15,610	

Reconciliation of the statement of changes in net debt and the statement of cash flows

Key APIs have been reconciled with the most directly reconcilable line item, subtotal or total presented in the statement of cash flows.

€m

	2020	2019
Net cash generated from/(used in) operating activities	180	489
Net cash (used in)/from investment in non-financial assets	-6	462
Net change in current and non-current financial assets	196	21
Differences relating to cash generated from/(used in) investing activities (B)	**196**	**21**
Net cash generated from/(used in) investing activities (C=A+B)	190	483
Net equity cash inflows/(outflows) (D)	-	-735
Increase in medium/long term borrowings (excluding lease liabilities)	3,250	732
Increase in lease liabilities	5	1
Repayments of medium/long term borrowings (excluding lease liabilities)	-2,000	-675
Repayments of lease liabilities	-1	-
Net change in other current and non-current financial liabilities	46	17
Differences relating to cash generated from/(used in) financing activities (E)	**1,300**	**75**
Net cash generated from/(used in) financing activities (F=D+E)	1,300	-660
Decrease/(increase) in net debt for the year	366	138
Differences relating to cash generated from/(used in) investing activities (B)	196	21
Differences relating to cash generated from/(used in) financing activities (E)	1,300	75
Other changes in net debt	-192	78
Increase/(decrease) in net cash and cash equivalents during the year	1,670	312

Reconciliation of net financial debt with net debt

Atlantia S.p.A.'s net financial debt is presented below as a synthetic indicator of the financial structure and is based on the sum of the nominal redemption value of bond issues, medium/long-term and short-term borrowings, including bank overdrafts repayable on demand, after deducting cash.

The statement has been prepared to enable readers to assess the Company's financial structure, distinguishing between financial liabilities in the form of bank borrowings, and thus in the form of borrowing in the financial market in general, from other types of financial asset and liability.

There has been a reduction (€420 million) in net financial debt compared with 31 December 2019, essentially linked to the collection of amounts relating to the following:

a) dividends from investees (€502 million);

b) the sale to third parties, completed in January 2020, for a consideration of €278 million, of the amount receivable on sterling-denominated bonds issued by Aeroporti di Roma;

c) partial repayment, totalling €76 million, in July 2020 of the loan granted to Autostrade dell'Atlantico (the balance as at 31 December 2020 is €126 million, falling due in 2022);

partially offset by payments for:

d) operating and financial expenses incurred (€220 million);

e) the establishment of a cash collateral for a part of the Forward-Starting Interest Rate Swaps held (€165 million);

f) f)full repayment, in August 2020, of the cash deposit of €80 million made by Telepass.

€M	31 December 2020	31 December 2019	Increase/ (Decrease)
Bond issues (nominal value)	1,750	1,750	-
Bank borrowings (nominal value)	5,252	4,002	1,250
Non-current debt, gross (A)	7,002	5,752	1,250
Bond issues (nominal value)	-	-	-
Bank borrowings (nominal value)	-	-	-
Current debt, gross (B)	-	-	-
Net cash (C)	-2,261	-591	-1,670
Net financial debt (D=A+B+C)	4,741	5,161	-420
Amortised cost of gross debt (E)	-34	-43	9
Other current and non-current financial liabilities (F)	208	141	67
Derivative liabilities (G)	205	247	-42
Derivative assets (H)	-387	-209	-178
Other current and non-current financial assets (I)	-298	-496	198
Net debt (L= D+E+F+G+H+I)	4,435	4,801	-366

10.5 Disclosures pursuant to art. 114, paragraph 5 of Legislative Decree 58/1998 (the "CFA")

Requirement to provide additional disclosures pursuant to art. 114, paragraph 5 of Legislative Decree 58/1998 (the "CFA")

This section provides the additional disclosures required by the CONSOB pursuant to art. 114 of Legislative Decree 58/1998 (the "CFA").

a) The net debt or net funds of the Company and the Group it controls, with short-term components shown separately from medium/long-term components

The following tables show the Company's and the Group's net debt or net funds as at 31 December 2020 and 31 December 2019, as required by CONSOB Ruling DEM/6064293 of 28 July 2006 and in compliance with the European Securities and Markets Authority – ESMA Recommendation of 20 March 2013, which does not permit the deduction of non-current financial assets from debt.

Atlantia S.p.A.'s net debt

€M	31 December 2020	31 December 2019	Increase/ (Decrease)
Cash	1,686	551	1,135
Cash equivalents	575	-	575
Intercompany current account receivables due from related parties	-	46	-45
Cash and cash equivalents (A)	2,261	597	1,664
Current financial assets (B)	6	19	-13
Intercompany current account payables due to related parties	-	6	-6
Current portion of medium/long-term financial liabilities	204	48	157
Current derivative liabilities	-	1	-1
Other current financial liabilities	-	80	-80
Current financial liabilities (C)	204	135	69
Current net debt/(net funds) (D=A+B+C)	2,063	481	1,582
Medium/long-term borrowings	5,234	3,986	1,248
Bond issues	1,738	1,736	2
Non-current derivative liabilities	205	246	-42
Non-current financial liabilities (E)	7,177	5,968	1,208
Net debt/(net funds) as defined by ESMA recommendation (F=D+E)	5,114	5,487	-373
Non-current financial assets (G)	679	686	-6
Net debt/(net funds) (H=F+G)	4,435	4,801	-366

As at 31 December 2020, Atlantia S.p.A. has net debt of €4,435 million, down €366 million compared with 31 December 2019 (€4,801 million).

Non-current financial liabilities of €7,177 million as at 31 December 2020 are up €1,208 million compared with 31 December 2019 (€5,968 million), essentially due to use of the full amount available under revolving credit facilities, amounting to €3,250 million in January 2020, of which €2,000 million was repaid in November 2020.

Correspondingly, current net funds of €2,063 million as at 31 December 2020 are up €1,582 million compared with 31 December 2019 (€481 million), due to the above use of revolving credit facilities, and collection of the proceeds from the assignment, completed in January 2020 for a sum of €278 million, of receivables due on sterling-denominated bonds issued by Aeroporti di Roma. As at 31 December 2019, these receivables were accounted for in non-current financial assets at a value of €277 million.

The Group's net debt

€M	31 December 2020	31 December 2019	Increase/ (Decrease)
Cash	6,633	4,172	2,461
Cash equivalents	1,752	1,060	692
Cash and cash equivalents (A)	8,385	5,232	3,153
Current financial assets (B)	1,274	1,308	-34
Current account overdrafts repayable on demand	67	30	37
Current portion of medium/long-term financial liabilities	6,819	3,620	3,199
Other financial liabilities	551	570	-19
Current financial liabilities (C)	7,437	4,220	3,217
Current net debt (D=A+B-C)	2,222	2,320	-98
Bond issues	28,454	26,628	1,826
Medium/long-term borrowings	15,877	15,204	673
Other non-current financial liabilities	1,878	1,994	-116
Non-current financial liabilities (E)	46,209	43,826	2,383
(Net funds) / Net debt as defined by ESMA recommendation (F=E-D)	43,987	41,506	2,481
Non-current financial liabilities (G)	4,749	4,784	-35
Net debt (H=F-G)	39,238	36,722	2,516

As at 31 December 2020, the Atlantia Group has net debt of €39,238 million, up €2,516 million compared with 31 December 2019 (€36,722 million). This essentially reflects the acquisitions of the RCO Group and the ERC Group, amounting to €4,679 million, partially offset by operating cash flow after capital expenditure (€734 million), and the issue of hybrid bonds by Abertis Infraestructuras (€1,250 million).

Non-current financial liabilities of €46,209 million are up €2,383 million compared with 31 December 2019 (€43,826 million). This is primarily due to the bond issues carried out by Abertis Infraestructuras, Autostrade per l'Italia, HIT (the French holding company that controls the operators, Sanef and Sapn), Azzurra Aeroporti (the Italian holding company that controls Aereoport de la Cote d'Azur) and Aeroporti di

Roma, amounting to €4,970 million, new borrowings obtained by Abertis Infraestructuras, Aeroporti di Roma and Autostrada A4 Brescia- Padova (€3,054 million), non-current financial liabilities resulting from the acquisition and subsequent consolidation of the Mexican RCO Group (amounting to €2,037 million) and of ERC (amounting to €910 million) by the subsidiary, Abertis Infraestructuras, and the above partial use of revolving credit facilities by Atlantia S.p.A., totalling €1,250 million. These movements were partially offset by the reclassification to the current portion of borrowings of Autostrade per l'Italia's borrowings from the EIB and CDP, amounting to €2,003 million, solely for the purposes of paragraph 69 of IAS 1, as described in greater detail in the Integrated Annual Report for the year ended 31 December 2020, by the repayment of borrowings and bonds (totalling €1,573 million), the fall in the value of the Brazilian real and the Chilean peso against the euro (€456 million), and other reclassifications to short-term of borrowings and bond issues.

Current net funds of €2,222 million are down €98 million compared with 31 December 2019 (current net funds of €2,320 million), primarily due to a combination of reclassifications of the current portions and repayments of medium/long-term borrowings, bonds issues (including the above hybrid bonds) and, to a lesser extent, operating cash flow after capital expenditure during the period.

b) Past due payables of the Company and the Group it controls by category (financial, trade, tax, social security, due to employees) and the related actions taken by creditors (reminders, injunctions, suspensions of supply, etc.)

A summary of Atlantia S.p.A.'s payables as at 31 December 2020 is provided below by category, showing past due amounts.

Atlantia S.p.A.

€M	31 December 2020	*of which past due*
Financial liabilities	7,381	-
Trading liabilities	14	1
Tax liabilities	40	-
Amounts payable to staff	15	-
Social security contributions payable	2	-
Other liabilities	7	-
Total liabilities	7,459	1

As at 31 December 2020, Atlantia S.p.A. does not report any past due payables as a result of insufficient financial resources or action taken by creditors involving material amounts or items deemed critical with regard to the Company's operations.

A summary of the Group's payables as at 31 December 2020 is provided below by category, showing past due amounts.

Atlantia Group

€M	31 December 2020	*of which past due*
Financial liabilities	53,646	-
Trading liabilities	2,160	162
Tax liabilities	89	-
Amounts payable to staff	187	-
Social security contributions payable	57	-
Other liabilities	1,031	4
Total liabilities	57,170	166

The Group's past due payables as at 31 December 2020 primarily regard trade payables for the most part reflecting non-payment within the usual contractual or commercial terms of payment, disputes over the services received, suppliers involved in insolvency proceedings awaiting settlement, the seizure of amounts due to suppliers and amounts to be offset against receivables due from the same party. None of the items is past due as a result of insufficient financial resources on the part of the Group.

No action has been taken by the creditors of Group companies as at 31 December 2020 involving material amounts or items deemed critical with regard to the operations of such companies.

c) ***Main changes in related party transactions involving the Company and Group it controls, compared with the latest annual or half-year report approved pursuant to art. 154-ter of the CFA***

The following information is provided on the main changes during 2020 in Atlantia S.p.A.'s related party transactions:

a) the above reduction of €277 million in receivables due on sterling-denominated bonds issued by Aeroporti di Roma (accounted for in other non-current financial assets as at 31 December 2019) following their assignment to third parties;

b) repayment in full (€80 million) of the deposited in a current account with the Company by Telepass (accounted for in other current financial liabilities);

c) partial collection (€76 million) of the loan (classified in non-current financial assets) granted to Autostrade dell'Atlantico (falling due in 2022).

In the Atlantia Group's case, compared with 31 December 2019, there has been a €14 million reduction in trading assets due from Autogrill (€21 million as at 31 December 2020), primarily due to the impact of the decline in turnover resulting from the restrictions on movement introduced in response to the spread of the Covid-19 pandemic.

d) Any breaches of covenants, negative pledge provisions or any other provisions attaching to the Group's borrowings, resulting in restrictions on the use of cash, with an up-to-date indication of the degree to which the provisions have been complied with

With respect to compliance with covenants, negative pledge provisions and other provisions involving restrictions on the use of cash by Group companies, following the downgrade of its ratings to below investment grade by two out of three rating agencies on 8 January 2020, a number of loan agreements entered into by Autostrade per l'Italia S.p.A. with the EIB and CDP may trigger requests for early repayment. At the date of preparation of this document, neither the EIB nor CDP has called for the application of any contractual rights and/or remedies.

Furthermore, with regard to the two committed lines of credit amounting to €1.3 billion obtained by Autostrade per l'Italia from Cassa Depositi e Prestiti, the latter has so far not made any disbursement in response to a request to draw down €200 million of the Revolving Credit Facility.

Finally, as a result of the negative impact of Covid-19 on the operating results and financial position of Group companies, a number of them (Atlantia, Autostrade per l'Italia, Aeroporti di Roma, Aéroports de la Côte D'Azur, A4 Holding and Nascentes das Gerais) have, on a preventive, precautionary basis, agreed covenant holidays with their lenders at the measurement date of 31 December 2020 and, where suitable, at subsequent measurement dates. The assessment carried out on the basis of the actual operating results and financial position has, in any event, subsequently shown that the financial covenants provided for in the loan agreements of the Parent Company, Atlantia, have been complied with.

e) The state of progress in implementing the Financial Plan, highlighting any differences between actual and expected performance

Details of the impact of the spread of the Covid-19 pandemic on traffic figures are provided in the section 8.1, "Financial review for the Atlantia Group" in this Integrated Annual Report. Section 1.4, "Outlook", reports on the sensitivity analysis conducted in order to assess the potential impact on revenue and operating cash flow in 2021.

10.6 Other information

Pursuant to CONSOB Ruling DEM/6064293 of 28 July 2006, there were no non-recurring, atypical or unusual transactions, either with third or related parties, in either of the comparative periods.

The international financial reporting standards (IFRS) endorsed by the European Commission and in effect as at 31 December 2020 were used in the preparation of the Atlantia Group's consolidated financial statements and Atlantia S.p.A.'s financial statements for 2020.

In this regard, transactions are defined as such when due to their significance/importance, the nature of the counterparties, the subject of the transaction, the method of determining the transfer price and the timing of its occurrence may give rise to doubts about the fairness and/or completeness of the disclosure, conflicts of interest, the protection of the entity's assets or protections for non-controlling shareholders. Further information is provided in the content available for consultation on Atlantia's website at https://www.atlantia.it/en/corporate-governance/regulated-information.

As at 31 December 2020, Atlantia S.p.A. holds 6,959,693 treasury shares, equal to 0.84% of the issued capital and represented by no par shares (following the shareholder resolution of 30 October 2020). Atlantia does not own, either directly or indirectly through trust companies or proxies, shares or units issued by parent companies. No transactions were carried out during the period involving shares or units issued by parent companies.

During the year, 47,578 phantom share options awarded under share-based incentive plans for certain of the Group's managers were exercised. No phantom share grants were converted.

Atlantia does not operate branch offices. It has administrative offices at via Alberto Bergamini, 50 - 00159 Rome and Piazza Diaz, 2 -20123 Milan.

With reference to CONSOB Ruling 2423 of 1993, regarding criminal proceedings or judicial investigations, the Group is not involved in proceedings, other than those described in note 10.7, "Significant legal and regulatory aspects", that may result in charges or potential liabilities with an impact on the consolidated financial statements.

Since 2013, the Board of Directors has elected to apply the exemption provided for by article 70, paragraph 8 and article 71, paragraph 1-*bis* of the CONSOB Regulations for Issuers (Resolution 11971/99, as amended). The Company therefore exercises the exemption from disclosure requirements provided for by Annex 3B of the above Regulations in respect of significant mergers, spin-offs, capital increases involving contributions in kind, acquisitions and disposals.

Accounts of Non-EU companies (in accordance with art. 15 of the CONSOB Regulation on Markets)

With regard to the requirements of art. 15 of the CONSOB Regulation on Markets, setting out conditions for the listing of shares of parent companies that control companies incorporated under and regulated by the law of countries other than EU Member States, the Group is required to apply the above article. The Group has thus adopted the procedures necessary to ensure compliance with the regulation. As at 32 December 2020, the related requirements apply to the following subsidiaries: Sociedad Concesionaria Costanera Norte SA, Sociedad Concesionaria Autopista Nueva Vespucio Sur SA, Grupo Costanera S.p.A., Sociedad Concesionaria Autopista Central SA, Vías Chile SA, Rodovias das Colinas SA, AB Concessões SA, Triangulo do Sol Auto-Estradas SA, Arteris SA, Autopista Litoral Sul SA, Autopistas Metropolitanas de Puerto Rico LLC, Red de Carreteras de Occidente, SAB. de C.V. and Infraestructuras Viarias Mexicanas, SA de C.V..

As required by the regulation in question, information on the above companies is made available to the public at the administrative offices of the Parent Company, Atlantia in Via Alberto Bergamini, 50, Rome (given the fact that the emergency situation does not permit access to the registered office).

Related party transactions

Related party disclosures are provided in the notes on "Related party transactions" in note 10.5 in the consolidated financial statements and note 8.2 in the separate financial statements.

Disclosure on financial instruments

With regard to the disclosure on financial instruments required by art. 2428, paragraph 2.6-*bis* of the Italian Civil Code, reference should be made to note 5.4, "Financial assets", note 5.13, "Financial liabilities", and note 7.2 "Financial risk management" in the financial statements.

Financial statements

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11. Consolidated financial statements as at and for the year ended 31 December 2020

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of financial position

€M	Note	31 December 2020	*Of which related party transactions*	31 December 2019	*Of which related party transactions*
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	7.1	774		820	
Property, plant and equipment		773		819	
Investiment property		1		1	
Intangible assets	7.2	62,497		59,472	
Intanible assets deriving from concession rights		49,229		46,500	
Goodwill		12,785		12,426	
Other intangible assets		483		546	
Investments	7.3	2,841		3,662	
Investments accounted for at fair value		1,442		2,044	
Investments accounted for using the equity method		1,399		1,618	
Non-current financial assets	7.4	4,749		4,784	
Non-current financial assets deriving from concession rihts		2,931		3,009	
Non-current financial assets deriving from government grants		175		214	
Non-current term deposits		249		321	
Non-current derivative assets		431		245	
Other non-current financial assets		963	*19*	995	*19*
Deferred tax assets	7.5	2,469		2,113	
Other non-current assets	7.6	38		77	
TOTAL NON-CURRENT ASSETS		73,368		70,928	
CURRENT ASSETS					
Trading assets	7.7	2,438		2,575	
Inventories		114		96	
Contract assets		48		32	
Trade receivables		2,276	*29*	2,447	*47*
Cash and cash equivalents	7.8	8,385		5,232	
Cash		6,633		4,172	
Cash equivalents		1,752		1,060	
Other current financial assets	7.4	1,266		1,308	
Current financial assets deriving from concession rights		553		559	
Current financial assets deriving from government grants		58		63	
Current term deposits		391		433	
Current portion of medium/long-term financial assets		123		136	
Other current financial assets		141		117	
Current tax assets	7.9	404	*8*	1,006	*7*
Other current assets	7.10	668		565	
Assets held for sale and related to discontinued operations	7.11	31		4	
TOTAL CURRENT ASSETS		13,192		10,690	
TOTAL ASSETS		86,560		81,618	

Consolidated statement of financial position

€M	Note	31 December 2020	*Of which related party transactions*	31 December 2019	*Of which related partiy transactions*
EQUITY AND LIABILITIES					
EQUITY					
Equity attributable to owners of the parent		6,190		7,408	
Issued capital		826		826	
Reserves and retained earnings		6,691		6,612	
Treasury shares		-150		-166	
Profit/(Loss) for the period		-1,177		136	
Equity attributables to non-controlling interests		8,074		7,495	
Issued capital and reserves		8,540		7,284	
Profit/(Loss) for the period net of interim dividends		-466		211	
TOTAL EQUITY	7.12	14,264		14,903	
NON-CURRENT LIABILITIES					
Non-current portion of provisions for construction services required by contract	7.13	2,161		2,473	
Non-current provisions	7.14	2,850		2,694	
Non-current provisions for employee benefits		219		291	
Non-current provisions for repair and replacement obligations		1,775		1,599	
Non-current provisions for renewal of assets held under concession		341		303	
Other non-current provisions		515		501	
Non-current financial liabilities	7.15	46,209		43,826	
Bond issues		28,454		26,628	
Medium/long-term borrowings		15,877	*8*	15,204	9
Non-current derivative liabilities		1,134		1,301	
Other non-current financial liabilities		744		693	
Deferred tax liabilities	7.5	6,337		6,280	
Other non-current liabilities	7.16	298	2	358	19
TOTAL NON-CURRENT LIABILITIES		57,855		55,631	
CURRENT LIABILITIES					
Trading liabilities	7.17	2,160		2,243	
Contract liabilities		-		1	
Trade payables		2,160	*7*	2,242	5
Current portion of provisions for construction services required by contract	7.13	816		571	
Current provisions	7.14	2,962		2,650	
Current provisions for employee benefits		98		47	
Current provisions for repair and replacement of motorway infrastructure		995		915	
Current provisions for renewal of assets held under concession		77		79	
Other current provisions		1,792		1,609	
Current financial liabilities	7.15	7,437		4,220	
Bank overdrafts repayable on demand		67		30	
Short-term borrowings		349		391	
Current derivative liabilities		68		42	
Current portion of medium/long-term financial liabilities		6,819		3,620	
Other current financial liabilities		134		137	
Current tax liabilities	7.9	89		283	
Other current liabilities	7.18	977	*11*	1,117	*23*
Liabilities related to assets held for sale and discontinued operations	7.11	-		-	
TOTAL CURRENT LIABILITIES		14,441		11,084	
TOTAL LIABILITIES		72,296		66,715	
TOTAL EQUITY AND LIABILITIES		86,560		81,618	

Consolidated income statement

€M	Note	2020	*Of which related party transactions*	2019	*Of which related party transactions*
REVENUE					
Toll revenue	8.1	6,870		9,256	
Aviation revenue	8.2	244		826	
Revenue from construction services	8.3	769		989	
Other revenue	8.4	1,168	50	1,544	*136*
TOTAL REVENUE		**9,051**		**12,615**	
COSTS					
Raw and consumable materials	8.5	**-336**		**-537**	
Service costs	8.6	**-2,846**	***-7***	**-2,782**	***-3***
Gains/(losses) on sale of elements of property, plant and equipment		**1**		**1**	
Staff costs	8.7	**-1,393**	***-34***	**-1,605**	***-59***
Other operating costs	8.8	**-823**		**-1,003**	
Concession fees		-444		-609	
Lease expense		-29		-34	
Other		-352		-361	
Other capitalised costs		2		1	
Operating change in provisions	8.9	**-429**		**-1,447**	
Provisions/(Uses of provisions) for repair and replacement of motorway infrastructure		-153		125	
(Provisions)/Uses of provisions for renewal of assets held under concession		-33		-21	
Provisions for risks and charges		-243		-1,551	
Use of provisions for construction services required by contract	8.10	**419**		**423**	
Amortisation and depreciation		**-3,581**		**-3,907**	
Depreciation of property, plant and equipment	7.1	-187		-200	
Amortisation of intangible assets deriving from concession rights	7.2	-3,258		-3,585	
Amortisation of other intangible assets	7.2	-136		-122	
(Impairment losses)/Reversals of impairment losses	8.11	**-522**		**-63**	
TOTAL COSTS		**-9,510**		**-10,920**	
OPERATING PROFIT/(LOSS)		**-459**		**1,695**	
Financial income		**1,018**		**737**	
Financial income accounted for as an increase in financial assets deriving from concession rights and government grants		263		259	
Dividends received from investees measured at fair value		70		73	
Other financial income		685	5	405	6
Financial expenses		**-2,714**		**-2,110**	
Financial expenses from discounting of provisions for construction services required by contract and other provisions		-48		-78	
Other financial expenses		-2,666		-2,032	
Foreign exchange gains/(losses)		**8**		**128**	
FINANCIAL INCOME/(EXPENSES)	8.12	**-1,688**		**-1,245**	
Share of (profit)/loss of investees accounted for using the equity method	8.13	**-19**		**21**	
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		**-2,166**		**471**	
Income tax benefit/(expense)	8.14	**524**		**-107**	
Current tax expense		-321		-1,034	
Differences on tax expense for previous years		7		23	
Deferred tax income and expense		838		904	
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		**-1,642**		**364**	
Profit/(Loss) from discontinued operations	8.15	**1**		**-7**	
PROFIT/(LOSS) FOR THE YEAR		**-1,641**		**357**	
of which:					
Profit/(Loss) for the year attributable to owners of the parent		**-1,177**		**136**	
Profit/(Loss) for the year attributable to non-controlling interests		**-464**		**221**	

€M		2020	2019
Basic earnings/(loss) per share attributable to owners of the parent	8.16	**-1.44**	**0.17**
of which:			
- continuing operations		-1.44	0.17
- discontinued operations		-	-
Diluted earnings/(loss) per share attributable to owners of the parent	8.16	**-1.44**	**0.17**
of which:			
- continuing operations		-1.44	0.17
- discontinued operations		-	-

Consolidated statement of comprehensive income

€M		2020	2019
Profit/(Loss) for the year	(A)	-1,641	357
Fair value gains/(losses) on cash flow hedges		-166	-507
Fair value gains/(losses) on net investment hedges		49	-25
Gains/(Losses) from translation of assets and liabilities of consolidated companies denominated in functional currencies other than the euro		-742	-325
Other comprehensive income of investments accounted for using the equity method		-44	-84
Other fair value gains/(losses)		-	-4
Tax effect		32	129
Other comprehensive income/(loss) for the year reclassifiable to profit or loss	(B)	**-871**	**-816**
Losses from actuarial valuations of provisions for employee benefits		-2	-7
Losses on fair value measurement of investments		-588	-67
Gains on fair value meaasurement of fair value hedges		169	101
Tax effect		12	4
Other comprehensive income/(loss) for the year not reclassifiable to profit or loss	(C)	**-409**	**31**
Reclassifications of other comprehensive income to profit or loss for the year	(D)	**128**	**80**
Tax effect of reclassifications of other comprehensive income to profit or loss for the year	(E)	**-26**	**-9**
Total other comprehensive income/(loss) for the year	(F=B+C+D+E)	**-1,178**	**-714**
of which relating to discontinued operations		**6**	**6**
Comprehensive income/(loss) for the year	(A+F)	**-2,819**	**-357**
Of which attributable to owners of the parent		*-1,823*	*-278*
Of which attributable to non-controlling interests		*-996*	*-79*

Statement of changes in consolidated equity

€M	Issued capital	Treasury shares	Cash flow hedge reserve	Net investment hedge reserve	Reserve for translation differences on translation of foreign currency financial statements	Reserve for gains/(losses) on fair value measurement of equity instruments	Other reserves and retained earnings	Profit/ (loss) for period	Total equity attributable to owners of the parent	Equity attributable to non-controlling interests	Total equity attributable to owners of the parent and to non-controlling interests
	Equity attributable to owners of the parent										
			Reserves and retained earnings								
Balance as at 1 January 2019	826	-167	-185	-26	-460	-422	8,050	775	8,391	8,477	16,868
Comprehensive income/(loss) for the period	-	-	-252	-13	-115	-67	33	136	-278	-79	-357
Owner transactions and other changes											
Atlantia SpA's final dividend (€0,90 per share)	-	-	-	-	-	-	-	-736	-736	-	-736
Transfer of profit/(loss) for previous period to retained earnings	-	-	-	-	-	-	39	-39	-	-	-
Dividends paid by other Group companies to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-457	-457
Share-based payments	-	1	-	-	-	-	-	-	1	-	1
Monetary revaluation (IAS 29)	-	-	-	-	-	-	20	-	20	86	106
Distributions and returns of capital paid to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-466	-466
Changes in scope of consolidation	-	-		-	-	-	-3	-	-3	-49	-52
Reclassifications and other changes	-	-	1	11	3	-	-2	-	13	-17	-4
Balance as at 31 December 2019	826	-166	-436	-28	-572	-489	8,137	136	7,408	7,495	14,903
Comprehensive income/(loss) for the period	-	-	19	18	-248	-574	139	-1,177	-1,823	-996	-2,819
Owner transactions and other changes											
Appropriation of profit/(loss) for previous year	-	-	-	-	-	-	136	-136	-	-	-
Dividends paid by other Group companies to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-90	-90
Changes in equity instruments issued	-	-	-	-	-	-	612	-	612	626	1,238
Share-based payments	-	16	-	-	-	-	-27	-	-11	1	-10
Monetary revaluation (IAS 29)	-	-	-	-	-	-	8	-	8	35	43
Distributions and returns of capital paid to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-447	-447
Changes in scope of consolidation	-	-	-	-	6	-	4	-	10	1,428	1,438
Reclassifications and other changes	-	-	-	-	-	8	-22	-	-14	22	8
Balance as at 31 December 2020	826	-150	-417	-10	-814	-1,055	8,987	-1,177	6,190	8,074	14,264

Consolidated statement of cash flows

€M	Note	2020	*Of which related party transactions*	2019	*Of which related party transactions*
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES					
Profit/(Loss) for the year		-1,641		357	
Adjusted by:					
Amortisation and depreciation		3,581		3,907	
Operating change in provisions (*)		424		1,400	
Financial expenses from discounting of provisions for construction services required by contract and other provisions		48		78	
Impairment losses/(Reversals of impairment losses) on financial assets and investments ccounted for at fair value	8.12	285		175	
Dividends received and share of (profit)/loss of investees accounted for using the equity method		19		25	
Impairment losses/(Reversals of impariment losses) and adjustments of current and non-current assets		522		63	
(Gains)/Losses on sale of non-current assets		-29		-1	
Net change in deferred tax (assets/(liabilities) through profit or loss		-838		-904	
Other non-cash costs (income)		-103		-131	
Change in trading assets and liabilities and other non-financial assets and liabilities		167	-10	-307	20
Net cash generated from/(used in) operating activities [a]	9.1	2,435		4,662	
NET CASH FROM/(USED IN) INVESTMENT IN NON-FINANCIAL ASSETS					
Investment in assets held under concession	7.2	-1,235		-1,479	
Purchase of property, plant and equipment	7.1	-177		-207	
Purchase of other intangible assets	7.2	-122		-108	
Government grants related to assets held under concession		5		8	
Increase in financial assets deriving from concession rights (related to capital expenditure)		65		84	
Purchase of investments		-		-4	
Investment in consolidated companies net of cash acquired		-1,783		52	
Porceeds from sale of property, plant and equipment, intangible assets and unconsolidated investments		167		23	
Proceeds from sale of consolidated companies, net of cash and cash equivalents transferred		19		904	
Net change in other non-current assets		25		48	
Net change in current and non-current financial assets		-141	-1	-542	13
Net cash generated fron/(used in) investing activities [b]	9.1	-3,177		-1,221	
NET EQUITY CASH INFLOWS/(OUTFLOWS)					
Dividends declared by Atlantia		-		-736	
Dividends paid by Group companies to non-controlling shareholders		-57		-468	
Distribution of reserves and returns of capital to non-controlling shareholders	7.12	-447		-466	
Transactions with non-controlling shareholders		-53		-	
Issue of equity instruments		1,242		-	
Proceeds from exercise of rights under share-based incentive plans		-		1	
Issuance of bonds	7.15	4,970		7,434	
Increase in medium/long term borrowings (excluding lease liabilities)	7.15	6,314		3,583	
Redemption of bonds	7.15	-2,889		-1,990	
Repayments of medium/long term borrowings (excluding lease liabilities)	7.15	-5,525		-10,530	
Repayments of lease liabilities	7.15	-35		-39	
Net change in other current and non-current financial liabilities		393		-77	
Net equity cash inflows/(outflows) [c]	9.1	3,913		-3,288	
Net effect of foreign exchange rate movements on net cash and cash equivalents equivalenti [d]		-55		-24	
Increase/(Decrease) in cash and cash equivalents during year [a+b+c+d]		3,116		129	
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		5,202		5,073	
NET CASH AND CASH EQUIVALENTS AT END OF YEAR		8,318		5,202	

(*) *This item does not include uses of provisions for the renewal of assets held under concession and includes uses of provisions for risks and charges.*

Additional information on the consolidated statement of cash flows

€M	2020	2019
Income taxes paid/(refunded)	-238	1,032
Interest and other financial income collected	172	146
Interest and other financial expenses paid	1,640	1,425
Dividends received	70	118
Foreign exchange gains collected	8	27
Foreign exchange losses incurred	9	17

Reconciliation of net cash and cash equivalents

€M	Note	2020	2019
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		5,202	5,073
Cash and cash equivalents		5,232	5,032
Bank overdrafts repayable on demand		-30	-
Cash and cash equivalents related to assets held for sale and discontinued operations		-	41
NET CASH AND CASH EQUIVALENTS AT END OF YEAR		8,318	5,202
Cash and cash equivalents	7.8	8,385	5,232
Bank overdrafts repayable on demand	7.15	-67	-30

Notes

1. Introduction

The core business of the Atlantia Group (the “Group”) is the operation of motorways and airports and the provision of mobility services.

The Parent Company is Atlantia SpA (“Atlantia” or the “Company” or the “Parent Company”), a holding company listed on the screen-based trading system (*Mercato Telematico Azionario*) operated by Borsa Italiana SpA and is, therefore, subject to supervision by the CONSOB (the *Commisione Nazionale per le Società e la Borsa*, Italy’s Securities and Exchange Commission).

The Company’s registered office is in Rome, at Via Antonio Nibby, 20. The Company does not have branch offices. The duration of the Company is currently until 31 December 2050.

Atlantia is not subject to management and coordination by another entity: Sintonia SpA (hereinafter also the “significant shareholder” and in turn a subsidiary of Edizione Srl) is the shareholder that holds a relative majority of the issued capital of Atlantia.

These consolidated financial statements as at and for the year ended 31 December 2020 were approved by Atlantia’s Board of Directors at their meeting held on 11 March 2021.

2. Going concern assumption and basis of preparation

Going concern assumption

The Annual Report for the year ended 31 December 2019 highlighted the presence of certain material uncertainties casting significant doubt on use of the going concern assumption. This was primarily linked to the potential for an agreed settlement of the dispute over alleged serious breaches of the concession arrangement of the subsidiary, Autostrade per l’Italia (the latest developments are described below in note 10.7, “Significant legal and regulatory aspects”), and this company’s and Atlantia’s exposure to liquidity and financial risk, in part as a result of the spread of the Covid-19 pandemic.

Based on developments regarding the above material uncertainties, Atlantia’s Board of Directors considered the risk factors and uncertainties present at the date of preparation of the consolidated financial statements as at and for the year ended 31 December 2020 to be surmountable and concluded that the going concern assumption had been satisfied by the Parent Company. This took into account the actions taken and to be taken by Atlantia and its subsidiaries, including those aimed at mitigating the impact of the continuing Covid-19 pandemic.

Assessment of whether the going concern assumption is appropriate requires a judgement, at a certain time, of the future outcome of events or circumstances that are by nature uncertain. Whilst taking due account of all the available information at that time, this judgement is, therefore, susceptible to change as developments occur, should events that were reasonably foreseeable at the time of the assessment not occur, or should facts or circumstances arise that are incompatible with such events, and that are currently not known or, in any event, not reasonably estimable at the date of preparation of the Integrated Annual Report for the year ended 31 December 2020.

Further details on the going concern assessment carried out are provided in section 8.3 of the Integrated Annual Report for 2020.

Basis of preparation

The consolidated financial statements as at and for the year ended 31 December 2020, have been prepared:

a) in accordance with articles 2 and 3 of Legislative Decree 38/2005 and art. 154-*ter* “Financial reporting” in the Consolidated Finance Act (“CFA”), as amended;

b) in compliance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), as endorsed by the European Commission. For the sake of simplicity, all the above standards and interpretations are hereinafter referred to as “IFRS”; and

c) implementing the measures introduced by the CONSOB, in application of paragraph 3 of article 9 of Legislative Decree 38/2005, relating to the preparation of financial statements.

In compliance with IAS 1 – Presentation of financial statements, the consolidated financial statements consist of the following consolidated accounts:

a) the statement of financial position based on the format that separately discloses current and non-current assets and liabilities;

b) the income statement, in which costs are classified by nature of expense ;

c) the statement of comprehensive income;

d) the statement of changes in equity;

e) the statement of cash flows prepared in application of the indirect method; and

f) these notes.

The historical cost convention has been applied in the preparation of the consolidated financial statements, with the exception of those items that are required by IFRS to be recognised at fair value, as explained in the accounting policies for individual items in note 3 “Accounting standards and policies applied”.

IFRS have been applied in accordance with the indications provided in the “Conceptual Framework for Financial Reporting”, and no events have occurred that would require exemptions pursuant to paragraph 19 of IAS 1.

CONSOB Resolution 15519 of 27 July 2006 requires that, in addition to the specific requirements of IAS 1 and other IFRS, financial statements must, where material, include separate sub-items providing (i) disclosure of amounts deriving from related parties transactions; and, with regard to income statement, (ii) separate disclosure of income and expenses deriving from events and transactions that are non-recurring in nature or transactions or events that do not occur on a frequent basis in the normal course of business.

In this regard, it should be noted that:

a) no non-recurring, atypical or unusual transactions, having a material impact on the Atlantia Group’s income statement and statement of financial position, were entered into in 2020, either with third or related parties. As a result, the consolidated financial statements therefore show material amounts relating to related party transactions during the reporting period;

b) the consolidated financial statements as at and for the year ended 31 December 2020 (like those for the previous year) include the impact on profit or loss and on the financial position of the non-recurring event that took place in August 2018, relating to the collapse of a section of the Polcevera road bridge on the A10 Genoa-Ventimiglia motorway operated by Autostrade per l’Italia, as described in greater detail in note 8.17.

Finally, the notes have been supplemented, where relevant, with descriptions of the current and expected impact of the Covid-19 pandemic on the Group’s statement of financial position, the operating performance and cash flows, as required by the ESMA Public Statement of 28 October 2020, and by Warning Notices 8/2020 and 1/2021 issued by the CONSOB on 16 July 2020 and 16 February 2021, respectively.

All amounts are shown in millions of euros, unless otherwise stated. The euro is both the functional currency of the Parent Company and its principal subsidiaries and the presentation currency for these consolidated financial statements.

Each component of the consolidated financial statements is compared with the corresponding amount for the comparative reporting period.

3. Accounting standards and policies applied

A description follows of the more important accounting standards and policies used in the consolidated financial statements as at and for the year ended 31 December 2020. These accounting standards and policies are consistent with those applied in preparation of the consolidated financial statements for the previous year, with the exception of the changes to IFRS effective from 2020, details of which are provided in the following section and which have not had an impact on financial statement items.

Property, plant and equipment

Property, plant and equipment is stated at cost. Cost includes expenditure that is directly attributable to the acquisition of the items and financial expenses incurred during construction of the asset.

The cost of assets with finite useful lives is systematically depreciated on a straight-line basis applying rates that represent the expected useful life of the asset. Each component of an asset with a cost that is significant in relation to the total cost of the item, and that has a different useful life, is accounted for separately. Land, even if undeveloped or annexed to residential and industrial buildings, is not depreciated as it has an indefinite useful life.

Investment property, which is held to earn rentals or for capital appreciation, or both, is recognised at cost measured in the same manner as property, plant and equipment. The relevant fair value of such assets has also been disclosed.

The bands of annual rates of depreciation used in 2020, are shown in the table below by asset class:

Property, plant and equipment	Rate of depreciation
Buildings	2.5% - 33.33%
Leased buildings	Lease term
Plant and machinery	10% - 33%
Industrial and business equipment	4.5% - 40%
Other assets	8.6% - 33.33%

Right-of-use relating to tangible assets are initially accounted for as property, plant and equipment, and the underlying liability recorded in the statement of financial position, at an amount equal to the relevant fair value or, if lower, the present value of the minimum payments due under the contract. Lease payments are apportioned between the interest element, which is charged to the income statement as incurred, and the capital element, which is deducted from the financial liability.

Property, plant and equipment is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, as described below in the paragraph, “Impairment of assets and reversals”.

Property, plant and equipment is derecognised on disposal. Any gains or losses (determined as the difference between disposal proceeds, less costs to sell, and the carrying amount of the asset) are recognised in the income statement for the year in which the asset is sold.

Intangible assets

Intangible assets are identifiable assets without physical substance, controlled by the entity and from which future economic benefits are expected to flow, and purchased goodwill. Identifiable intangible assets are those purchased assets that, unlike goodwill, can be separately distinguished. This condition is normally met when: (i) the intangible asset arises from a legal or contractual right, or (ii) the asset is separable, meaning that it may be sold, transferred, licensed or exchanged, either individually or as an integral part of other assets. The asset is controlled by the entity if the entity has the ability to obtain future economic benefits from the asset and can limit access to it by others.

Internally developed assets are recognised as assets to the extent that: (i) the cost of the asset can be measured reliably; (ii) the Group has the intention, the available financial resources and the technical expertise to complete the asset and either use or sell it; (iii) the Group is able to demonstrate that the asset is capable of generating future economic benefits.

Intangible assets are stated at cost which, apart from concession rights, is determined in the same manner as the cost of property, plant and equipment. The cost of concession rights is recovered in the form of payments received from road users and may include one or more of the following:

a) the fair value of construction and/or upgrade services carried out on behalf of the Grantor (measured as described in the note on “Revenue”), less finance-related amounts, consisting of (i) the amount funded by government grants, (ii) the amount that will be unconditionally paid by replacement operators on termination of the concession (so-called “takeover rights”), and/or (iii) any minimum level of tolls or revenue guaranteed by the Grantor. In particular, the following give rise to intangible assets deriving from concession rights:

i. rights received as consideration for specific obligations to provide construction services for road widening and improvement for which the operator does not receive additional economic benefits. These rights are initially recognised at the fair value of the construction services to be provided in the future (equal to their present value, less the portion covered by grants, and excluding any financial expenses that may be incurred during provision of the services), with a contra entry of an equal amount in "Provisions for construction services required by contract", accounted for in liabilities in the statement of financial position. In addition to the impact of amortisation, the initial value of the rights changes over time as a result of periodic reassessment of the fair value of the part of the construction services still to be rendered at the end of the reporting period (equal to their present value, less the portion covered by grants, and excluding any financial expenses that may be incurred during provision of the services);

ii. rights received as consideration for construction and/or upgrade services rendered for which the operator receives additional economic benefits in the form of specific toll increases and/or significant increases in the expected number of users as a result of expansion/upgrade of the infrastructure;

iii. rights to infrastructure constructed and financed by service area concession holders which will revert free of charge to Group companies on expiry of the related concessions;

b) rights acquired from third parties, to the extent costs were incurred to acquire concessions from the Grantor or from third parties (the latter relating to the acquisition of control of a company that holds a concession).

Concession rights, on the other hand, are amortised over the concession term in a pattern that reflects the estimated manner in which the economic benefits embodied in the right are consumed. Amortisation rates are, consequently, determined taking, among other things, any significant changes in traffic volumes during the concession term into account. Amortisation is charged from the date on which economic benefits begin to accrue. In the case of concession rights deriving from construction and/or upgrade services for which additional economic benefits are received, amortisation is charged from the date on which application of the related toll increase is applied, or from the date on which the infrastructure is opened to users (if the additional economic benefit is represented by expectations of a significant increase in the number of users).

In contrast, amortisation of other intangible assets with finite useful lives begins when the asset is ready for use, in relation to their residual useful lives.

The bands of annual rates of amortisation used in 2020 are shown in the table below by asset class:

Intangible assets	Rate of amortisation
Concession rights	On the commencement of generation of economic benefits for the entity, based on the residual term of the concession or, when significant, traffic projections
Development costs	4.8% - 33.33%
Industrial patents and intellectual property rights	5% - 55%
Licences and similar rights	7.7% - 33.33%
Other assets	3.3% - 33.33%

Intangible assets are tested for impairment, as described below in the note on "Impairment of assets and reversals (impairment testing)", whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable.

Gains and losses on the disposal of intangible assets are determined as the difference between the disposal proceeds, less costs to sell, and the carrying amount of the asset and then recognised in profit or loss on disposal.

Business combinations and goodwill

Acquisitions of companies or business units are accounted for using the acquisition method, as required by IFRS 3. For this purpose, the identifiable assets acquired and liabilities assumed through business combinations are measured at their respective fair values at the acquisition date. The cost of an acquisition is measured as the fair value, at the date of exchange, of the assets acquired, liabilities assumed and any equity instruments issued by the Group in exchange for control.

Ancillary costs directly attributable to the business combination are recognised as an expense in the income statement when incurred.

In compliance with IFRS 3, goodwill is initially measured as the positive difference between:

a) the sum of:

i. the acquisition cost;

ii. the fair value at the acquisition date of any previous non-controlling interests held in the acquiree;

iii. the value of non-controlling interests held by third parties in the acquiree (at fair value or prorated to the current net asset value of the acquiree), and the fair value of the net assets acquired; and

b) the fair value, at the acquisition date, of the net assets acquired.

The goodwill, as measured at the acquisition date, is allocated to each of the substantially independent cash generating units or groups of cash generating units which are expected to benefit from the synergies of the business combination. If the expected benefits regard several CGUs, goodwill is allocated to the relevant group of CGUs.

A negative difference between the amounts referred to in points a) and b) above is recognised as income in profit or loss in the year of acquisition.

Goodwill of non-controlling interests is included in the carrying amount of the relevant investments.

If the Group is not in possession of all the information necessary to determine the fair value of the assets acquired and the liabilities assumed, these are recognised on a provisional basis in the year in which the business combination is completed and retrospectively adjusted within twelve months of the acquisition date.

After initial recognition, goodwill is no longer amortised and is carried at cost less any accumulated impairment losses, determined as described in the note on impairment testing.

IFRS 3 was applied to acquisitions completed from 1 January 2004, the Parent Company's IFRS transition date, whilst, in the case of acquisitions dated prior to this date, the carrying amount of goodwill continues to be that determined under Italian GAAP, which is the net carrying amount at this date, subject to impairment testing and the recognition of any impairment losses.

Investments

Investments in associates and joint ventures are accounted for using the equity method. The Group's share of post-acquisition profits or losses is recognised in the income statement for the accounting period to which they relate, with the exception of the effects deriving from other changes in the equity of the investee, excluding any owner transactions, when the Group's share is recognised directly in comprehensive income. In addition, when measuring the value of the investment, this method is also used to recognise the fair value of the investee's assets and liabilities and any goodwill, determined with reference to the acquisition date. Such assets and liabilities are subsequently measured in future years on the basis of the standards and accounting policies described in this note.

Provisions are made to cover any losses of an associate or joint venture exceeding the carrying amount of the investment, to the extent that the investor is required to comply with actual or constructive obligations to cover such losses.

Investments in unconsolidated subsidiaries and other companies, which qualify as equity instruments as defined by IFRS 9, are initially accounted for at cost at the settlement date, in that this represents fair value, plus any directly attributable transaction costs.

After initial recognition, these investments are measured at fair value through profit or loss, with the exception of investments not held for trading and for which, as permitted by IFRS 9, the Group has exercised the option, at the time of purchase, to designate the investment at fair value through other comprehensive income.

Inventories

Inventories, primarily consisting of stocks and spare parts used in the maintenance and assembly of plant, are measured at the lower of purchase or conversion costs and net realisable value obtained on their sale in the ordinary course of business. The purchase cost is determined using the weighted average cost method.

Financial instruments

Financial instruments include cash and cash equivalents, derivative financial instruments and financial assets and liabilities (as defined by IFRS 9 and including, among other things, trade receivables and payables). Financial instruments are recognised when the Group becomes a party to the contractual provisions of the instrument.

Cash and cash equivalents

Cash and cash equivalents is recognised at face value. They include highly liquid demand deposits or very short-term instruments subject to an insignificant risk of changes in value.

Derivative financial instruments

All derivative financial instruments are recognised at fair value at the end of the year.

As required by IFRS 9, derivatives are designated as hedging instruments when the relationship between the derivative and the hedged item is formally documented and the periodically assessed effectiveness of the hedge is high.

Changes in the fair value of cash flow hedges hedging assets and liabilities (including those that are pending and highly likely to arise in the future) are recognised in the statement of comprehensive income. The gain or loss relating to the ineffective portion is recognised in profit or loss. Accumulated changes on fair value taken to the cash flow hedge reserve are reclassified in profit or loss in the year in which the hedging relationship ceases.

Changes in the fair value of fair value hedges are recognised in profit or loss for the period. Accordingly, the hedged assets and liabilities are also measured at fair value through profit or loss.

If an entity enters into a fair value hedge to hedge the exposure to changes in the fair value of an asset and/or liability whose changes in fair value are recognised in other comprehensive income, in keeping with the changes in the fair value of the derivative instrument, these changes are also recognised in other comprehensive income for the period.

Since derivative contracts deemed net investment hedges in accordance with IFRS 9, because they were concluded to hedge the risk of unfavourable movements in the exchange rates used to translate net investments in foreign operations, are treated as cash flow hedges, the effective portion of fair value gains or losses on the derivatives is recognised in other comprehensive income, thus offsetting changes in the foreign currency translation reserve for net investments in foreign operations. Accumulated fair value gains and losses, recognised in the net investment hedge reserve, are reclassified from comprehensive income to profit or loss on the disposal or partial disposal of the foreign operation.

Changes in the fair value of derivative instruments that do not qualify for hedge accounting are recognised in profit or loss.

Financial assets

The classification and related measurement are driven by both the business model in which the financial asset is held and the contractual cash flow expected from the asset.

The financial asset, initially recognized at fair value, is subsequently evaluated using the amortized cost method if both of the following conditions are met:

a) the asset is held in conjunction with a business model whose objective is to hold assets in order to collect contractual cash flows; and

b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Receivables measured at amortised cost are initially recognised at the fair value of the underlying asset, after any directly attributable transaction proceeds. The receivables are measured at amortised cost using the effective interest method, less provisions for impairment losses (recognised in profit or loss) for amounts considered uncollectible. Amounts considered uncollectible are estimated on the basis of the method described in the section, “Impairment of financial assets”. Impairment losses are reversed in future periods if the circumstances that resulted in the loss no longer exist. In this case, the reversal is accounted for in the income statement and may not in any event exceed the amortised cost of the receivable had no previous impairment losses been recognised.

Trade receivables subject to normal commercial terms and conditions, or that do not include significant financial components, are not discounted to present value.

Financial assets measured at amortised cost include the following receivables arising from assets held under concession:

a) “takeover rights”, being the amount that will be unconditionally paid by an incoming operator on termination of the concession;

b) the present value of the minimum tolls guaranteed by the Grantor, representing an unconditional right to receive contractually guaranteed cash payments regardless of the extent to which the public uses the service;

c) amounts due from public entities as grants or similar compensation relating to the construction of infrastructure (construction and/or upgrade services.

The financial asset is measured at fair value through other comprehensive income if the objectives of the business model are to hold the financial asset to collect the contractual cash flows, or to sell it, and the contractual terms of the financial asset give rise, on specified dates, to cash flows that solely represent a return on the financial asset.

Finally, any remaining financial assets, other than those described above, are classified as held for trading and measured at fair value through profit or loss.

No financial instruments were reclassified from one of the above categories to another in 2020.

Impairment of financial assets

Assessment of the recoverability of financial assets that are debt instruments measured at amortised cost is conducted by estimating expected credit losses (ECLs), based on expected cash flows. These flows, taking into account the estimated probability of a default occurring, are determined in relation to the expected time needed to recover the amount due, the estimated realizable value, any guarantees received, and the costs that the Group expects to incur in recovering the amounts due. In the case of trade and other receivables, the probability of a default is determined on the basis of internal customer ratings, which are periodically reviewed, including with reference to historical information.

In the case of amounts due from counterparties where there has not been a significant increase in risk, ECLs are determined on the basis of expected losses in the 12 months after the reporting date. In other cases, the expected losses are estimated through to the end of the financial instrument’s life.

Financial liabilities

Financial liabilities are initially recognised at fair value, after any directly attributable transaction costs. After initial recognition, financial liabilities are measures at amortised cost using the effective interest method, with the exception of those for which the Group irrevocably elects, at the time of recognition, to measure at fair value through profit or loss, so as to eliminate or reduce the accounting mismatch at the time of measurement or recognition, compared with an asset also measured at fair value.

Trading liabilities subject to normal commercial terms and conditions, or that do not include significant financial components, are not discounted to present value. If there is a modification of one or more terms of an existing financial liability (including as a result of its novation), it is necessary to conduct a qualitative and quantitative assessment in order to decide whether or not the modification is substantial with respect to the existing contractual terms. In the absence of substantial modifications, the difference between the present value of the modified cash flows (determined using the instrument’s effective interest rate at the date of modification) and the carrying amount of the instruments is accounted for in profit or loss. As a result, the value of the financial liability is adjusted and the instrument's effective interest rate recalculated. If the modifications are substantial, the existing instrument is derecognised and the fair value of the new instrument is recognised, with the related difference recognised in profit or loss.

Derecognition of financial instruments

Financial instruments are derecognised in the financial statements when, following their sale or settlement, the Group is no longer involved in their management and has transferred all the related risks and rewards of ownership and, therefore, no longer has the right to receive cash flows from the financial asset.

Fair value measurement and the fair value hierarchy

For all transactions or balances (financial or non-financial) for which an accounting standard requires or permits fair value measurement and which falls within the application of IFRS 13, the Group applies the following criteria:

a) identification of the unit of account, defined as the level at which an asset or a liability is aggregated or disaggregated in an IFRS for recognition purposes;

b) identification of the principal market or, in the absence of such a market, the most advantageous market in which the particular asset or liability to be measured could be traded; unless otherwise indicated, it is assumed that the market currently used coincides with the principal market or, in the absence of such a market, the most advantageous market;

c) definition for non-financial assets of the highest and best use of the asset; unless otherwise indicated, highest and best use is the same as the asset's current use;

d) definition of valuation techniques that are appropriate for the measurement of fair value, maximising the use of relevant observable inputs that market participants would use when determining the price of an asset or liability;

e) determination of the fair value of assets, based on the price that would be received to sell an asset, and of liabilities and equity instruments, based on the price paid to transfer a liability in an orderly transaction between market participants at the measurement date;

f) inclusion of non-performance risk in the measurement of assets and liabilities and above all, in the case of financial instruments, determination of a valuation adjustment when measuring fair value to include, in addition to counterparty risk (CVA – credit valuation adjustment), the own credit risk (DVA - debit valuation adjustment).

Based on the inputs used for fair value measurement, a fair value hierarchy for classifying the assets and liabilities measured at fair value, or the fair value of which is disclosed in the financial statements, has been identified:

a) level 1: includes quoted prices in active markets for identical assets or liabilities;

b) level 2: includes inputs other than quoted prices included within level 1 that are observable, such as the following: i) quoted prices for similar assets or liabilities in active markets; ii) quoted prices for similar or identical assets or liabilities in markets that are not active; iii) other observable inputs (interest rate and yield curves, implied volatilities and credit spreads);

c) level 3: unobservable inputs used to the extent that observable data is not available. The unobservable inputs used for fair value measurement should reflect the assumptions that market participants would use when pricing the asset or liability being measured.

Definitions of the fair value hierarchy level in which individual financial instruments measured at fair value have been classified, or for which the fair value is disclosed in the financial statements, are provided in the notes to individual components of the financial statements.

There are no assets or liabilities classifiable in level 3 of the fair value hierarchy.

No transfers between the various levels of the fair value hierarchy took place during the year.

The fair value of derivative financial instruments is based on expected cash flows that are discounted at rates derived from the market yield curve at the measurement date and the curve for listed credit default swaps entered into by the counterparty and Group companies, to include the non-performance risk explicitly provided for by IFRS 13.

In the case of medium/long-term financial instruments, other than derivatives, where market prices are not available, the fair value is determined by discounting expected cash flows, using the market yield curve at the measurement date and taking into account counterparty risk in the case of financial assets and own credit risk in the case of financial liabilities.

Provisions for construction services required by contract and other provisions

"Provisions for construction services required by contract" relate to any outstanding contractual obligations for construction services to be performed, having regard to motorway expansion and upgrades for which the operator receives no additional economic benefits in terms of a specific increase in tolls and/or a significant increase in expected use of the infrastructure. Since the performance of such obligations is treated as part of the consideration for the concession, an amount equal to the fair value of future construction services (equal to the present value of the services, less the portion covered by grants, and excluding any financial expenses that may be incurred during provision of the services) is initially recognised. The fair value of the residual liability for future construction services is, therefore, periodically reassessed and changes to the measurement of the liabilities (such as, for example, changes to the estimated cash outflows necessary to discharge the obligation, a change in the discount rate or a change in the construction period) are recognised as a matching increase or reduction in the corresponding intangible asset. Any increase in provisions to reflect the time value of money is recognised as a financial expense. The costs incurred during the year, in relation to the effective performance of motorway construction and/or upgrade services for which no additional economic benefits are received, are recognised by nature in individual items in the consolidated income statement. Matching entries are made in the consolidated income statement item, "Uses of provisions for construction services required by contract", to represent the use of provisions previously made as an indirect adjustment of the costs incurred.

"Other provisions" are made when: (i) the Group has a present (actual or constructive) obligation as a result of a past event; (ii) it is probable that an outflow of resources will be required to settle the obligation; and (iii) the related amount can be reliably estimated. Provisions are measured on the basis of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the discount to present value is material, provisions are determined by discounting future expected cash flows to their present value at a rate that reflects the market view of the time value of money and risks specific to the obligation. Subsequent to the computation of present value, the increase in provisions over time is recognised as a financial expense. The costs incurred during the year to settle the obligation are accounted for as a direct reduction in the provisions previously made.

"Provisions for the repair and replacement of motorway infrastructure" cover the liability represented by the contractual obligation to repair and replace infrastructure, as required by the concession arrangements entered into by the Group's motorway operators and the respective grantors with the aim of ensuring the necessary serviceability and safety. These provisions are calculated on the basis of the usage and state of repair of motorways at the end of the reporting period, taking into account, if material, the time value of money. In this case, provisions are determined by discounting expected future cash flows to present value using a discount rate that reflects current market assessments of the time value of money and risks specific to the obligation, which are based on the yield on the government securities of the country in which the obligation is to be settled. Routine maintenance costs are, in contrast, recognised in the income statement when incurred and are not, therefore, included in the provisions. The provisions for cyclical maintenance include the estimated cost of a single cycle and are determined separately for each category of infrastructure (viaducts, flyovers, tunnels, safety barriers, motorway surfaces). The following process is applied for each category, based on specific technical assessments, the available information, the current state of motorway traffic and existing materials and technologies:

a) the duration of the cycle linked to the repair or replacement work is estimated;

b) the serviceability of the infrastructure is assessed, classifying the various types of intervention based on the state of repair of the infrastructure and the number of years remaining until the scheduled maintenance work;

c) the cost for each category is determined, based on the verifiable and documented evidence available at the time and comparable work;

d) the total value of the work included in the relevant cycle is determined;

e) the provisions at the reporting date are calculated, allocating the cost to the income statement in relation to the number of years remaining until the date of the scheduled maintenance work, in line with the above classification based on the state of repair of the infrastructure, discounting the resulting amount to present value at the measurement date using an interest rate with a duration in line with that of the expected cash flows.

The above effects are recognised in the following income statement items:

a) the "Operating change in provisions", reflecting the impact of the revision of estimates as a result of technical assessments (the value of the works to be carried out and the expected timing of such works) and the change in the discount rate used compared with the previous year;

b) "Financial expenses from discounting of provisions", reflecting the time value of money, calculated on the basis of the value of the provisions and the interest rate used to discount the provisions to present value at the prior year reporting date.

When the cost of the works is actually incurred, the cost is recognised by nature in individual items in the consolidated income statement and the item, "Operating change in provisions", reflects use of the provisions previously made.

In accordance with existing contractual obligations, "Provisions for the renewal of motorway infrastructure" reflect the present value of the estimated costs to be incurred over time in order to satisfy the contractual obligation, to be fulfilled by the operator in accordance with the concession arrangement, requiring performance of the necessary extraordinary maintenance of the assets operated under concession and their repair and replacement. Given that these costs cannot be accounted for as an increase in the value of the assets as they are effectively incurred from time to time, and that they do not meet the necessary requirement for recognition in intangible assets, they are accounted for, together with the assets to which they relate, as provisions in accordance with IAS 37. This is done based on the degree to which the infrastructure is used, as this is deemed to represent the likely cost to be incurred by the operator in order to guarantee fulfilment, over time, of the obligation to ensure the serviceability and safety of the assets operated under concession. Given the cyclical nature of the works, the value of the provisions recognised in the financial statements is limited to the estimated costs to be incurred as part of the first maintenance cycle, following the end of the reporting period, calculated, taking into account the necessary impact of discounting to present value, for each individual intervention. Classification of the works, as among those to be included in the provisions or as construction/upgrade services performed on behalf of the grantor, is based on the operator's assessment, with the support of its technical units, of the essential elements of the projects included in the approved investment programmes, identifying those that satisfy the criteria described above. Discounting to present value is carried out, if significant, using a discount rate that reflects current market assessments of the time value of money and risks specific to the asset, which are based on the yield on the government securities of the country in which the obligation is to be settled. When the cost of the works is actually incurred, the cost is recognised by nature in individual items in the consolidated income statement and the item, "Operating change in provisions", reflects use of the provisions previously made.

Employee benefits

Short-term employee benefits, provided during the period of employment, are accounted for as the accrued liability at the end of the reporting period.

Liabilities deriving from medium/long-term employee benefits are recognised in the vesting period, less any plan assets and advance payments made. They are determined on the basis of actuarial assumptions and, if material, recognised on an accrual basis in line with the period of service necessary to obtain the benefit.

Post-employment benefits in the form of defined benefit plans are recognised at the amount accrued at the end of the reporting period.

Post-employment benefits in the form of defined benefit plans are:

a) recognised in the vesting period, less any plan assets and advance payments made;

b) determined on the basis of actuarial assumptions; and

c) recognised on an accrual basis in line with the period of service necessary to obtain the benefit.

The obligation is calculated by independent actuaries. Any resulting actuarial gain or loss is recognised in full in other comprehensive income in the period to which it relates.

Non-current assets held for sale, assets and liabilities included in disposal groups and/or related to discontinued operations

Where the carrying amount of non-current assets held for sale, or of assets and liabilities included in disposal groups and/or related to discontinued operations is to be recovered primarily through sale rather than through continued use, these items are presented separately in the statement of financial position.

Immediately prior to being classified as held for sale, each asset and liability is recognised under the specific IFRS applicable and subsequently accounted for at the lower of the carrying amount and fair value. Any impairment losses are recognised immediately in the income statement.

Disposal groups or discontinuing operations are recognised in the income statement as discontinued operations provided the following conditions are met:

a) they represent a major line of business or geographical area of operation;

b) they are part of a single coordinated plan to dispose of a separate major line of business or geographical area of operation;

c) they are subsidiaries acquired exclusively with a view to resale.

After tax gains and losses resulting from the management or sale of such operations are recognised as one amount in profit or loss with comparatives.

Revenue

Revenue is recognised when the fair value can be reliably measured and it is probable that the economic benefits associated with the transactions will flow to the Group. The amount recognised as revenue reflects the consideration to which the Group is entitled in exchange for goods transferred to the customer and services rendered. This revenue is recognised when the performance obligations under the contract have been satisfied.

Depending on the type of transaction, revenue is recognised on the basis of the following specific criteria:

a) toll revenue is accrued with reference to traffic volumes;

b) revenue from airport charges is recognised when the facilities are utilised by airport users;

c) to the extent, for sales of goods, that significant risks and rewards of ownership are transferred to the buyer;

d) the provision of services is prorated to the percentage of completion of the work, on the basis of the contract revenue and costs that can be reliably estimated with reference to the stage of completion of the contract, in accordance with the percentage of completion method, as determined by a survey of the works carried out or on a cost-to-cost basis. Under this method, contract revenue is matched with the contract costs incurred in reaching the stage of completion, resulting in the reporting of revenue and profit in each reporting period in proportion to the stage of completion.

In addition to contract payments, contract revenues include variations, price revisions and any additional payments to the extent that their payment is probable and that their amount can be reliably measured. In the event that a loss is expected to be incurred on the completion of a contract, this loss shall be immediately recognised in profit or loss regardless of the stage of completion of the contract. When service revenue cannot be reliably determined, it is only recognised to the extent that expenses are considered to be recoverable. This category of revenue is classified in "Other operating income".

Any positive or negative difference between the accrued revenue and any advance payments is recognised in assets or liabilities in the statement of financial position, taking into account any impairment recognised in order to reflect the risks linked to the inability to recover the value of work performed on behalf of customers;

e) rental income or royalties, on an accruals basis, based on the agreed terms and conditions of the contract. This revenue includes amounts generated by the sub-concession of retail and office space to third parties within the airports and motorway networks operated by the Group and, as they substantially equate to the lease of portions of infrastructure, are subject to IFRS 16. This revenue, under existing contractual agreements, is partly dependent on the revenue earned by the sub-operator and, as a result, the related amount varies over time;

f) interest income (and interest expense) is calculated with reference to amount of the financial asset or liability, in accordance with the effective interest method;

g) dividend income is recognised when the right to receive payment is established.

Provision of the above services also includes construction and/or upgrade services provided to Grantors, in application of IFRIC 12, and relating to concession arrangements to which certain Group companies are party. These revenues represent the consideration for services provided and are measured at fair value, calculated on the basis of the total costs incurred (primarily consisting of the costs of materials and external services, the relevant employee benefits and attributable financial expenses, the latter only in the case of construction and/or upgrade services for which the operator receives additional economic benefits) plus any arm's length profits realised on construction services provided by Group entities (insofar as they represent the fair value of the services). The double entry of revenue from construction and/or upgrade services is represented by a financial asset (concession rights and/or government grants) or an intangible asset deriving from concession rights.

Government grants

Government grants are accounted for at fair value when: (i) the related amount can be reliably determined and there is reasonable certainty that (ii) they will be received and that (iii) the conditions attaching to them will be satisfied.

Grants related to income are accounted for in the income statement for the accounting period in which they accrue, in line with the corresponding costs.

Grants received for investment in motorways and airports are accounted for as construction service revenue, as explained in the paragraph on "Revenue".

Any grants received to fund investment in property, plant and equipment are accounted for as a reduction in the cost of the asset to which they refer and result in a reduction in depreciation.

Income taxes

Income taxes are recognised on the basis of an estimate of tax expense to be paid, in compliance with the regulations in force, as applicable to each Group company.

Income tax payables are reported under current tax liabilities in the statement of financial position less any payments of taxes on account. Any overpayments are recognised as current tax assets.

Deferred tax assets and liabilities are determined on the basis of temporary differences between the carrying amounts of assets and liabilities as in the Company's books (resulting from application of the accounting policies) and the corresponding tax bases (resulting from application of the tax regulations in force in the country relevant to each subsidiary), as follows:

a) deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the asset can be utilised;

b) a deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of goodwill or from investments in subsidiaries, associates or joint ventures, when the Parent Company is able to control the timing of the reversal of temporary differences and it is probable that they will not be reversed in the foreseeable future.

Deferred tax assets and liabilities are calculated on the basis of the tax rate expected to be in effect at the time the related temporary differences will reverse, taking into account any legislation enacted by the end of the reporting period. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer considered probable that there will be sufficient future taxable profits against which the asset can be fully or partially utilised.

Current and deferred tax assets and liabilities are recognised in profit or loss, with the exception of those relating to items recognised directly in equity, and for which the related taxation is also recognised in equity.

The Parent Company, Atlantia, has again operated a tax consolidation arrangement 2020, in which certain Italian-registered subsidiaries participate.

Share-based payments

The cost of services provided by directors and/or employees remunerated through share-based incentive plans, and settled through the award of financial instruments, is based on the fair value of the rights at the grant date. Fair value is computed using actuarial assumptions and with reference to all characteristics, at the grant date (vesting period, any consideration due and conditions of exercise, etc.), of the rights and the plan's underlying securities. The obligation is determined by independent actuaries. The cost of these plans is recognised in profit or loss, with a contra-entry in equity, over the vesting period, based on a best estimate of the number of options that will vest.

The cost of any services provided by Directors and/or employees and remunerated through share-based payments, but settled in cash, is instead measured at the fair value of the liability assumed and recognised in profit or loss, with a contra entry in liabilities, over the vesting period, based on a best estimate of the number of options that will vest. Fair value is remeasured at the end of each reporting period until such time as the liability is settled, with any changes recognised in profit or loss.

Impairment of assets and reversals

At the end of the reporting period, the Group tests property, plant and equipment, intangible assets, financial assets and investments (other than those measured at fair value) for impairment. If there are indications that these assets have been impaired, the value of such assets is estimated in order to verify the recoverability of the carrying amounts and eventually measure the amount of the impairment loss. Irrespective of whether there is an indication of impairment, intangible assets with indefinite lives (e.g., goodwill, trademarks, etc.) and those which are not yet available for use are tested for impairment at least annually, or more frequently, if an event has occurred or there has been a change in circumstances that could cause an impairment.

If it is not possible to estimate the recoverable amounts of individual assets, the recoverable amount of the cash generating unit or group of CGUs to which a particular asset belongs or has been allocated, as is the case of goodwill, is estimated.

This entails estimating the recoverable amount of the asset (represented by the higher of the asset's fair value less costs to sell and its value in use) and comparing it with the carrying amount. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount. In calculating value in use, expected future pre-tax cash flows are discounted, using a pre-tax rate that reflects current market assessments of the cost of capital, embodying the time value of money and the risks specific to the asset.

In estimating an operating CGU's future cash flows, after-tax cash flows and discount rates are used because the results are substantially the same as pre-tax computations.

Impairments are recognised in profit or loss and classified in various ways depending on the nature of the impaired asset. If there are indications, at the end of the reporting period, that an impairment loss recognised in previous years has been reduced, in full or in part, the recoverability of the carrying amount in the statement of financial position is tested and any reversal of the impairment loss through profit or loss determined. The reversal may under no circumstances exceed the amount of the impairment loss previously recognised. Impairments of goodwill may not be reversed.

Estimates and judgments

Preparation of financial statements in compliance with IFRS involves the use of estimates and judgements, which are reflected in the measurement of the carrying amounts of assets and liabilities and in the disclosures provided in the notes to the financial statements, including contingent assets and liabilities at the end of the reporting period. These estimates are primarily used in determining amortisation and depreciation, impairment testing of assets (including financial assets), provisions, employee benefits, the fair value of financial assets and liabilities, and deferred tax assets and liabilities.

The amounts subsequently recognised may, therefore, differ from these estimates. Moreover, these estimates and judgements are periodically reviewed and updated, and the resulting effects of each change immediately recognised in the financial statements.

Translation of foreign currency items

The reporting package of each consolidated enterprise is prepared using the functional currency of the economy in which the enterprise operates. Transactions in currencies other than the functional currency are recognised by application of the exchange rate at the transaction date. Assets and liabilities denominated in currencies other than the functional currency are, subsequently, remeasured by application of the exchange rate at the end of the reporting period. Any exchange differences on remeasurement are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies and recognised at historical cost or fair value are translated using the exchange rate at the date of initial recognition.

Translation of the liabilities, assets, goodwill and consolidation adjustments shown in the reporting packages of consolidated companies with functional currencies other than the euro is made at the closing rate of exchange, whereas the average rate of exchange is used for income statement items to the extent that they approximate the transaction date rate or the rate during the period of consolidation, if lower. All resultant exchange differences are recognised directly in comprehensive income and reclassified to profit or loss upon the loss of control of the investment and the resulting deconsolidation.

Activities in hyperinflationary economies

As required by IAS 29, the Group assesses whether or not any of the functional currencies used by subsidiaries are the currencies of a hyperinflationary economy.

For this purpose, the Group examines the nature of the economic environment of the country in which the entity operates, including with reference to the presence of one or more key features. These essentially regard the form in which the general population prefers to keep its wealth, whether or not prices, wages and interest rates are linked to a price index and whether or not the cumulative inflation rate over three years is approaching, or exceeds, 100%.

If the assessment concludes that the entity operates in a hyperinflationary economy, the non-monetary assets and liabilities (as defined by IAS 29, essentially represented by non-current assets and liabilities not linked by contract to price movements) expressed in the related functional currency are restated on the basis of the general level of inflation in the country and the impact of this restatement recognised in profit or loss. Monetary assets and liabilities should continue to be recognised at their historical cost.

Following the restatement, the reporting packages of the related entities are converted into euros applying the method described in the section, "Translation of foreign currency items", in these notes.

Earnings per share

Basic earnings per share is computed by dividing profit attributable to owners of the parent by the weighted average number of shares outstanding during the accounting period.

Diluted earnings per share is computed by dividing profit attributable to owners of the parent by the above weighted average, also taking into account the effects deriving from the subscription, exercise or conversion of all potential shares that may be issued as a result of the exercise of any outstanding rights.

New accounting standards and interpretations, or revision and amendment of existing standards, effective from 2020

As required by IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, this section describes new accounting standards and interpretations, and amendments of existing standards and interpretations that are already applicable, effective from 2020. Such changes have not had an impact on amounts in the financial statements for the year, as there were no material changes applicable.

Name of document	Effective date of IASB document	Date of EU endorsement
ACCOUNTING STANDARDS AND INTERPRETATIONS ENDORSED AND EFFECTIVE FROM 1 JANUARY 2020		
Amendments to IFRS16 – "Leases - Covid-19-Related Rent Concessions"	1 June 2020	October 2020
Amendments to IFRS 3 – Business Combinations	1 January 2020	April 2020
Amendments to IFRS 9, IAS 39 and IFRS 7 relating to "Interest Rate Benchmark Reform"	1 January 2020	January 2020
Amendments to IAS 1 – Presentation of Financial Statements and to IAS 8 – Accounting Policies, Change in Accounting estimates and Errors	1 January 2020	November 2019

Amendment to IFRS 16 – Lease Covid-19 "Related Rent Concessions"

On 28 May 2020, the IASB published the document "Amendment to IFRS 16 Leases Covid-19-Related Rent Concessions", effective from 1 January 2021 (earlier application is permitted). The changes introduced have added a practical expedient to the paragraph on "Lease modifications", allowing the lessee to not consider rent concessions, relating to the impact of Covid-19, as a modification of the original terms and conditions of the lease. The above changes must, therefore, be accounted for as if the contract had not been modified, recognising the impact of the rent concessions for which the lessee has applied the practical expedient in profit or loss. This expedient applies to Covid-19-related relief reducing rentals falling due by 30 June 2021 and does not regard lessors. The amendment only applies to rent concessions granted as a direct consequence of the Covid-19 pandemic and only when a series of conditions have been met. Finally, lessees applying the expedient must disclose the fact in their financial statements.

Amendments to IFRS 3 – Business Combinations

On 22 October 2018, the IASB published "Definition of a Business (Amendments to IFRS 3)", to amend IFRS 3 in such a way as to clarify the definition of a business for the proper application of the standard.

In particular, the amendment clarifies that an output is not the necessary condition to identify a business in the presence of a set of activities/processes and assets. However, to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. To this end, the IASB has replaced "ability to create outputs" with "contribution to the ability to create outputs" to clarify that a business can exist also without all the inputs and processes necessary to create an output.

Moreover, the amendment has introduced an optional concentration test, to determine whether an acquired set of activities and assets is a business.

Amendments to IFRS 9 – Financial Instruments, IAS 39 – Financial Instruments: Recognition and Measurement and to IFRS 7 - Interest Rate Benchmark Reform

On 26 September 2019, the IASB published the document entitled "Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)", which has amended certain of the requirements for the application of hedge accounting, introducing temporary exemptions to such requirements. This is to mitigate the impact of uncertainty over the reform of IBOR, which is still in progress, on future cash flows, whilst awaiting completion of the process. The amendment was made necessary following the report, "Reforming Major Interest Rate Benchmarks", in which the European Financial Stability Board issued recommendations designed to strengthen existing interest rate benchmarks and other potential benchmarks based on interbank rates and identify alternative near-risk-free rates. The amendment also requires entities to disclose the hedging relationships directly impacted by the uncertainties caused by the reform and to which the above exemptions apply. It also permits entities to continue to meet the requirements of IFRS assuming that the existing interest rate benchmarks are not altered because of the interbank offered rate reform.

Amendments to IAS 1 – Presentation of Financial Statement and to IAS 8 – Accounting Policies, Change in Accounting estimates and Errors

On 31 October 2018, the IASB published "Definition of Material (Amendments to IAS 1 and IAS 8)". The document introduced an amendment to the definition of "material". The amendment clarifies the definition of "material" and introduces the concept of "obscured information", in addition to the concepts of "omitted" and "misstated" information already present in the two amended standards. The amendment clarifies that information is "obscured" if it is provided in such a way as to produce for general users of financial statements an effect similar to that which would be produced if such information had been omitted or misstated.

New accounting standards and interpretations, or revision and amendment of existing standards, that have either yet to come into effect or are yet to be endorsed

As required by IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, this section describes new accounting standards and interpretations, and amendments of existing standards and interpretations that are already applicable, that have yet to come into effect as at 31 December 2020, and that may in the future be applied in the Group's consolidated financial statements.

Name of document	Effective date of IASB document	Date of EU endorsement
ACCOUNTING STANDARDS AND INTERPRETATIONS ENDORSED AND EFFECTIVE FROM 1 JANUARY 2021		
Amendments to IFRS 9, IAS 39 and IFRS 7 relating to "Interest Rate Benchmark Reform" (phase 2)	1 January 2021	January 2021
Amendments to IFRS 3 - Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets; Annual Improvements 2018-2020	1 January 2022	Not endorsed
Amendments to IAS 1 – Presentation of Financial Statements: Classification of liabilities as current or non-current	1 January 2023	Not endorsed

Amendments to IFRS 9, IAS 39, IFRS 7 on "Interest Rate Benchmark Reform (phase 2)"

On 27 August 2020, the IASB published the document entitled "Interest Rate Benchmark Reform - phase 2- (Amendments to IFRS 9, IAS 39 and IFRS 7)", to take into account the consequences of the effective replacement of existing benchmark interest rates with alternative benchmark rates. These amendments require a specific accounting treatment to spread changes in the value of financial instruments or lease contracts, due to replacement of the interest rate benchmark over time, thus avoiding a sudden impact on profit or loss, and prevent unnecessary discontinuations of hedging relationships as a consequence of the replacement of the interest rate benchmark.

Amendments to IAS 1 – Presentation of Financial Statements – Classification of liabilities as current or non-current

On 23 January 2020, the IASB published a document entitled "Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current", with the amendments to applicable to annual accounting periods beginning on or after 1 January 2023, unless otherwise decided at the time of endorsement by the European Commission. The IASB has clarified the criteria to be used in order to determine if a liability is to be classified as current or non-current. The amendments aim to enable consistent application of the requirements, helping entities to determine if debt, and other liabilities with an uncertain settlement date, should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments also clarify the classification requirements for debt a company might settle by converting it into equity.

Amendments to IFRS 3 – Business Combinations; IAS 16 - Property, Plant and Equipment; IAS 37 - Provisions, Contingent Liabilities and Contingent Assets; Annual Improvements 2018-2020

On 14 May 2020 the IASB issued a document entitled "Amendments to (i) IFRS 3 Business Combinations; (ii) IAS 16 Property, Plant and Equipment; (iii) IAS 37 Provisions, Contingent Liabilities and Contingent Assets (iv) Annual Improvements to IFRS Standards 2018-2020". The amendments applicable to annual accounting periods beginning on or after 1 January 2022, unless otherwise decided at the time of endorsement by the European Commission. In particular: (i) with the "Amendments to IFRS 3 - Business Combinations", the IASB has updated references to the revised Conceptual Framework, without this resulting in changes to the requirements in the standard; (ii) with the "Amendments to IAS 16 - Property, Plant and Equipment", the IASB has introduced a number of clarifications, prohibiting entities from deducting from the cost of property, plant and equipment amounts received from selling items produced while the entity is preparing the asset for its intended use. Instead, entities must recognise such sales proceeds and related cost in profit or loss; (iii) with the "Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets", the IASB has clarified which what costs an entity shall consider in assessing whether a contract is onerous; (iv) finally, with the "Annual Improvements to IFRS Standards 2018–2020", changes have been made to: (1) IFRS 1 - First-time Adoption of IFRS, simplifying the first-time adoption of IFRS by a subsidiary after its parent has already adopted them, in terms of measuring cumulative translation difference; (2) IFRS 9 - Financial Instruments, clarifying that, when conducting the "10 per cent" test to assess if the modifications made to a financial liability are material (and, thus, resulting in derecognition), an entity must include only fees paid or received between the entity and the lender.

The Atlantia Group is assessing the potential impact, which cannot currently be reasonably estimated, of future application of all the newly issued standards as well as the revisions and amendments of existing standards.

4. Concessions

The Atlantia Group's core business internationally is the operation of motorways and airports under concessions held by Atlantia Group companies.

Essential information regarding the concessions held by Group companies is set out below, whilst details of events of a regulatory nature, linked to the Atlantia Group's concession arrangements, during the year are provided in note 10.7.

Motorways segment

Country	Operator	Km	Expiry date	Toll revenue 2020	Regulatory framework		Accounting model
					Tariffs	Other provisions	
	Autostrade per l'Italia	2,855	2038	2,569	A		Intangible asset
	Autostrade Meridionali	51	2012 [1]	65	A	I	Intangible asset
	Raccordo Autostradale Valle d'Aosta	32	2032	23	A		Intangible asset
	Tangenziale di Napoli	20	2037	52	A		Intangible asset
	Società Autostrada Tirrenica	55	2046 [2]	30	A		Intangible asset
	Società Italiana per azioni Traforo del Monte Bianco	6	2050	52	A		Intangible asset
	Autostrade Brescia - Padova	236	2026	296	A	I	Mixed
ITALY		3,255		3,087			
	Triangulo do Sol Auto-Estradas	442	2021	83	B		Intangible asset
	Rodovias das Colinas	307	2028	83	B		Intangible asset
	Concessionaria da Rodovia MG050	372	2032	21	B		Intangible asset
	ViaPaulista S.A.	721	2047	69	B		Intangible asset
	Centrovias sistemas rodoviários	218	2020	26	B		Intangible asset
	Concesionaria de Rodovias do Interior Paulista (Intervias)	380	2028	69	B		Intangible asset
	Autopista Fluminense	320	2033	37	B		Intangible asset
	Autopista Fernão Dias	570	2033	55	B		Intangible asset
	Autopista Régis Bittencourt	390	2033	72	B		Intangible asset
	Autoèpista Litoral Sul	406	2033	58	B		Intangible asset
	Autopista Planalto Sul	413	2033	27	B		Intangible asset
BRAZIL		4,539		600			
	Sociedad Concesionaria de Los Lagos	134	2023	17	C	L	Mixed
	Sociedad Concesionaria Litoral Central	81	2031	3	D	L	Mixed
	Sociedad Concesionaria Vespucio Sur	24	2032	75	C		Mixed
	Sociedad Concesionaria Costanera Norte	43	2033	69	C	L	Mixed
	Sociedad Concesionaria Autopista Nororiente	21	2044 [3]	5	C	L	Mixed
	Sociedad Concesionaria AMB	10	2025 [3]	4	C		Mixed
	Sociedad Concesionaria Conexion Vial Ruta 78 - 68	9	2042 [3]	-	C	L	Financial asset
	Sociedad Concesionaria Americo Vespucio Oriente II	5	2048 [3]	-	C	L	Financial asset

Motorways segment

Country	Operator	Km	Expiry date	Toll revenue 2020	Regulatory framework		Accounting model
					Tariffs	Other provisions	
	Sociedad Concesionaria Autopista Central	62	2032	166	C		Mixed
	Sociedad Concesionaria Rutas del Pacífico	141	2025 [3]	66	C		Mixed
	Sociedad Concesionaria del Elqui	229	2022	12	C	L	Mixed
	Sociedad Concesionaria Autopista los Libertadores	116	2026	8	C	L	Mixed
	Sociedad Concesionaria Autopista del Sol	133	2021	47	D		Mixed
	Sociedad Concesionaria Autpista de los Andes	92	2036	22	C		Mixed
CHILE		1,100		494			
	Autopistas Concesionaria Española (Acesa)	479	2021	409	D		Intangible asset
	Infraestructuras Viàries de Catalunya (Invicat)	66	2021	69	D		Intangible asset
	Autopistes de Catalunya (Aucat)	47	2039	63	D		Intangible asset
	Iberbistas (Iberpistas-Castellana)	120	2029	83	D		Intangible asset
	Autopistas de León (Aulesa)	38	2055	5	D		Intangible asset
	Autopistas Vasco-Aragonesa (Avasa)	294	2026	118	D		Intangible asset
	Túnels de Barcelona I Cadí concesionaria de la generalitat de Catalunya (Túnels)	46	2037	42	D		Intangible asset
	Trados 45	15	2029	27	D	M	Intangible asset
SPAIN		1,105		816			
	Red de Carreteras de Occidente SAB de CV (RCO - FARAC I)	664	2048	198	C		Intangible asset
	Concesionaria de Vías Irapuato Querétaro SA de CV (COVIQSA)	93	2026	23	D	M	Intangible asset
	Concesionaria Irapuato La Piedad SA de CV (CONIPSA)	74	2025	1	D	M	Intangible asset
	Concesionaria Tepic San Blas S de R.L. de CV (COTESA)	31	2046	1	C		Intangible asset
	Autovías de Michoacan SA de CV (AUTOVIM)	14	2039	0	D		Intangible asset
MEXICO		876		223			
USA	Elizabeth River Crossings	6	2070	0	G		Intangible asset
POLAND	Stalexport Autostrada Malopolska	61	2027	64	F		Intangible asset
	Société des Autoroutes du Nord-Est de la France, S.A (Sanef)	1,396	2031	1,027	D		Intangible asset
	Sociétés des Autoroutes Paris Normandie, S.A. (Sapn)	372	2033	338	D		Intangible asset
FRANCE		1,768		1,365			
	Autopistas Metropolitanas de Puerto Rico (Metropistas)	88	2061	103	C		Intangible asset
	Autopistas de Puerto Rico y Compania (APR)	2	2044	16	D		Intangible asset
PUERTO RICO		90		119			

Motorways segment							
Country	Operator	Km	Expiry date	Toll revenue 2020	Regulatory framework: Tariffs	Regulatory framework: Other provisions	Accounting model
	Grupo Concesionario del Oeste (Gco)	56	2030	32	E		Financial asset
	Autopistas del Sol (Ausol)	119	2030	44	E		Financial asset
ARGENTINA		**175**		**76**			
	Jadcherla Espressways Private Limited (Jepl)	58	2026	12	D		Intangible asset
	Trichy Tollway Private Limited (Ttpl)	94	2026	14	D		Intangible asset
INDIA		**152**		**26**			

Airports segment							
Country	Operator	Airport	Expiry date	Aviation revenue 2020	Regulatory framework: Tariffs	Regulatory framework: Other provisions	Accounting model
ITALY	Aeroporti di Roma		2046	171			
	Leonardo da Vinci di Fiumicino				H	I, N	Intangible asset
	"G.B. Pastine" di Ciampino				H	I, N	Intangible asset
FRANCE	Aéroport de la Côte d'Azur			73			
	Aéroport Nice Côte d'Azur		2044		H	N	Intangible asset
	Aéroport Cannes Mandelieu		2044		H	N	Intangible asset
	Aéroport Golfe Saint-Tropez		n.a.		H	O	Intangible asset

Notes on tariffs:
(A) Inflation, return on investment, potential review of RAB and allowed costs
(B) Inflation including potential changes to secure financial feasibility
(C) Inflation and potential additions: real increase, safety/quality bonus, dynamic modulation (based on traffic) by category of section and potentially capped
(D) Tariff based on inflation
(E) Six-monthly revision based on inflation and return on RAB
(F) Inflation and % of GDP under profit-sharing mechanism with the Grantor
(G) Guaranteed minimum increase in the tariff (3.5%) of below inflation
(H) Regulatory Asset Base Model: review of regulated revenue and allowed costs (including depreciation) + return on RAB at regulatory WAAC

Notes Other provisions:
(I) Takeover right
(L) Minimum level of tariff guaranteed by the Grantor
(M) Shadow Toll - toll received from the grantor based on the volume of traffic using the infrastructure
(N) Dual-Till Model: certain activities carried out under concession are not subhect to regulated tariffs
(O) Subject only to aeronautical regulation, as these activities are not carried out under a concession

(1) In compliance with the concession arrangement, in December 2012 the Grantor asked Autostrade Meridionali to continue operating the motorway after 1 January 2013, in accordance with the terms and conditions of the Concession Arrangement in force at that time. Information on the process of awarding the new concession by the Ministry of Infrastructure and Transport is provided in note 10.7.
(2) The Milleproroghe Decree of 2020 has limited the concession term to October 2028. Further information is provided in note 10.7.
(3) Estimated date: the concession will expire when the net present value of the revenues received, discounted using a contractually agreed rate, reaches the agreed threshold and, in any event, no later than the date provided for under the concession arrangement.

5. Scope of consolidation

In addition to the Parent Company, entities are consolidated when Atlantia directly or indirectly exercises control. Control over an entity is exercised when the Company is exposed to or has the right to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of the investor's returns.

Subsidiaries are consolidated using the line-by-line method and are listed in Annex 1. A number of companies listed in Annex 1 have not been consolidated due to their quantitative and qualitative immateriality to a true and fair view of the Atlantia Group's financial position, results of operations and cash flows, as a result of their operational insignificance (dormant companies or companies whose liquidation is nearing completion).

All entities over which control is exercised are consolidated from the date on which the Atlantia Group acquires control, as defined above, whilst they are deconsolidated from the date on which the Atlantia Group ceases to exercise control.

Companies are consolidated on the basis of the specific reporting packages prepared by each consolidated company, as of the end of the reporting period and in compliance with the IFRS adopted by the Atlantia Group. Companies are consolidated according to the following criteria and procedures:

a) use of the line-by-line method, entailing the reporting of non-controlling interests in equity, profit or loss and in comprehensive income, and the recognition of all the assets, liabilities, revenues and costs of subsidiaries, regardless of the Atlantia Group's percentage interest;

b) elimination of intercompany assets, liabilities, revenues and costs, including the reversal of unrealised profits and losses on transactions between consolidated companies and recognition of the consequent deferred taxation;

c) reversal of intercompany dividends and allocation of the related amounts to the relevant opening equity reserves;

d) netting of the carrying amount of investments in consolidated companies against the corresponding amount of equity, with any resultant positive and/or negative differences being debited/credited to the relevant balance sheet accounts (assets, liabilities and equity), as determined on the acquisition date of each investment and adjusted for subsequent variations. Following the acquisition of control, any acquisition of further interests from non-controlling shareholders, or the sale of interests to such shareholders not resulting in the loss of control of the entity, are accounted for as owner transactions and the related changes recognsied directly in equity; any resulting difference between the amount of the change in equity attributable to non-controlling interests and cash and cash equivalents exchanged are recognised directly in equity attributable to owners of the Atlantia Group;

e) translation of the reporting packages of consolidated companies in functional currencies other than the euro applying the method prevsiously described in the policy regarding the "Translation of foreign currency items", included in note 3.

The scope of consolidation as at 31 December 2020 differs from the scope used as at 31 December 2019, following the transactions described below:

a) the acquisition by the subsidiary, Abertis Infraestructuras, of Red de Carreteras de Occidente ("RCO") in Mexico and of Elizabeth River Crossings ("ERC") in Virginia (USA). Further information on these transactions is provided in note 6, "Acquisitions and corporate actions";

b) Telepass's acquisition of a further 59.93% interest in Wash Out (in which Telepass already held a 10.04% stake), at a cost of approximately €7 million . The remaining shares are held by the founding shareholders and other non-controlling shareholders. The transaction, recognised in the accounts in accordance with IFRS 3, has resulted in recognition of the fair value of the brand and software, amounting to a total of €2 million, and of goodwill amounting to €9 million, including the share attributable to non-controlling interests;

c) the establishment of the following companies: (i) Autostrade Concessioni e Costruzioni, a corporate vehicle created as part of the dual-track process for the demerger and transfer of the investment in

Autostrade per l'Italia; (ii) Tecne, which provides research, design and project management services exclusively to Autostrade per l'Italia; (iii) ADR Infrastrutture, which provides design, project management and construction services for airport infrastructure development at Fiumicino and Ciampino airports; iv) Telepass Assicura, which primarily operates as an insurance and reinsurance agent ; (v) Yellowstone ETC Holding Inc., set up as part of the transaction resulting in the sale of the subsidiary, Electronic Transaction Consultants (ETC);

d) the sale of investments in ETC, in which Autostrade dell'Atlantico previously held a 64.46% interest, and in Sky Valet France, previously wholly owned by Aéroports de la Côte d'Azur;

e) the removal of the French company, Tech Solutions Integrators (a wholly owned subsidiary of Autostrade per l'Italia) from the country's companies' register.

The exchange rates, shown below, used for the translation of reporting packages denominated in functional currencies other than the euro, were obtained from the Bank of Italy:

Currency	2020		2019	
	Spot exchange rate as at 31 December	Average exchange rate	Spot exchange rate as at 31 December	Average exchange rate
Euro/US dollar	1.227	1.142	1.123	1.120
Euro/Polish zloty	4.560	4.443	4.257	4.298
Euro/Chilean peso	872.520	903.140	844.860	786.890
Euro/Brazilian real	6.374	5.894	4.516	4.413
Euro/Swiss franc	1.080	1.071	1.085	1.112
Euro/Indian rupee	89.661	84.639	80.187	78.836
Euro/Argentine peso[1]	103.249	103.249	67.275	67.275
Euro/Canadian dollar	1.563	1.530	1.460	1.486
Euro/Colombian peso	4,202.340	4,217.060	3,688.660	3,674.520
Euro/Hungarian forint	363.890	351.249	330.530	325.297
Euro/Pound sterling	0.899	0.890	0.851	0.878
Euro/Croatian kuna	7.552	7.538	7.440	7.418
Euro/Mexican peso	24.416	25.2045[2]	21.220	21.557

(1) *As required by IAS 21 and IAS 29 in relation to hyperinflationary economies, the spot and average exchange rates used to translate the Argentine peso are the same.*
(2) *Average exchange rate from the date of first-time consolidation of Red de Carreteras de Occidente (RCO).*

The index used to rebase the Argentine peso in application of IAS 29 was the "Indice de precios al consumidor con cobertura nacional" consumer price index, equal to 36.14% in 2020 (53.83% in 2019).

6. Acquisitions and corporate actions during the period

6.1 Completion of the cost of the acquisition of Red de Carreteras de Occidente

On 5 June 2020, the subsidiary, Abertis Infraestructuras, in partnership with the Government of Singapore Investment Corporation ("GIC"), completed the acquisition of a 72.3% interest in RCO, a Mexican-based company that holds five concessions covering a total of 876 km of motorway network serving the industrial corridor between Mexico City and Guadalajara.

The transaction involved Abertis Infraestructuras's acquisition of a 51.3% interest in RCO for a consideration of €1,475 million (equal to 32,824 million Mexican pesos, converted at an exchange rate of 22.203 Mexican pesos to the euro, fixed by Abertis Infraestructuras through forward contracts in this currency). GIC, on the other hand, has acquired a 21% stake in RCO. The remaining 27.7% is held by Mexican investors and pension funds.

In application of the acquisition method provided for in IFRS 3, the table below shows the carrying amounts of the assets acquired and liabilities assumed and final recognition of the fair value of the identifiable net assets.

€M	Carrying amount	Elimination of pre-existing goodwill and fair value adjustments	Fair value
Net assets acquired			
Property, plant and equipment	6		6
Goodwill	5	(5)	-
Concession rights and other intangible assets	1,766	2,930	4,696
Financial assets	55	37	92
Current tax assets	6		6
Trading and other assets	24		24
Cash and cash equivalents	282		282
Net deferred tax assets / (Net deferred tax liabilities)	258	(838)	(580)
Provisions	(278)	(42)	(319)
Financial liabilities	(1,988)	(134)	(2,122)
Current tax liabilities	(2)		(2)
Trading and other liabilities	(20)		(20)
Total net assets acquired	113	1,949	2,063
Equity attributable to non-controlling interests			1,006
Share of net assets acquired by the Group			1,057
Goodwill			418
Total consideration			1,475
Cash and cash equivalents acquired			(282)
Net cash outflow for the acquisition			1,193

Completion of the measurement process has resulted in net fair value adjustments of the net assets acquired amounting to €1,949 million, reflecting:

a) recognition of a higher value for RCO's intangible assets (deriving from concession rights), amounting to €2,930 million;

b) a fair value adjustment to financial assets and liabilities, resulting in increases of €37 million and €134 million, respectively;

c) an adjustment to the value of provisions for potential tax liabilities, amounting to €42 million;

d) the tax effects relating to the above adjustment, amounting to €838 million;

e) the elimination of goodwill of €5 million previously recognised in RCO's consolidated accounts.

The share of equity attributable to non-controlling interests was measured on the basis of the share of the fair value of assets and liabilities on the date on which control was obtained, excluding any attributable goodwill (the so-called "partial goodwill method"). After adjusting for the share of equity attributable to non-controlling interests, the fair value of the net assets acquired by the Group amounts to €1,057 million, compared with a purchase consideration of €1,475 million. This has resulted in the recognition of goodwill (only the share attributable to the Group) of €418 million, allocated indistinctly to RCO and the CGUs it controls. As required by IFRS 3, the above amounts have been retrospectively reflected at the acquisition date, with the resulting changes and additions to amounts previously included on a provisional basis in the Interim Report for the six months ended 30 June 2020.

Following the acquisition of control, later in 2020, Abertis Infraestructuras acquired a further 1.86% interest in RCO, raising its investment to 53.12%. The impact of this transaction has been reflected directly in equity.

Had the acquired companies been consolidated on a line-by-line basis from 1 January 2020, the Atlantia Group's consolidated revenue and consolidated net loss for 2020 would have amounted to €9,394 million and €1,660 million, respectively.

6.2 Acquisition of control of Elizabeth River Crossings

On 30 December 2020, the subsidiary, Abertis Infraestructuras, in partnership with Manulife Investment Management, completed the acquisition of 100% of ERC, a US-registered company that holds the concession (until 2070) for the Elizabeth River Crossings tunnel in Virginia, for a total consideration of approximately €1 billion.

Abertis Infraestructuras acquired 55.2% of ERC for a consideration of €584.8 million (equal to US$692 million, with the currency risk associated with payment in local currency hedged almost entirely through forward contracts in US dollars worth a total of US$675 million, based on an exchange rate of US$1.183 to the euro at the date of execution of the relevant agreement). Manulife Investment Management, on the other hand, acquired the remaining 44.8% of ERC.

For the purposes of these consolidated financial statements, the transaction has been accounted for using the acquisition method, as required by IFRS 3, involving the provisional allocation of the transaction in the accounts.

The table below shows the carrying amounts of the assets acquired and liabilities assumed, as provisionally measured on the basis described below.

€M	Carrying amount	Fair value adjustments	Fair value
Net assets acquired			
Concession rights and other intangible assets	918	1,028	1,946
Financial assets	85	-	85
Trading and other assets	7		7
Provisions	(51)	-	(51)
Financial liabilities	(910)	-	(910)
Trading and other liabilities	(17)		(17)
Total net assets acquired	32	1,028	1,060
Equity attributable to non-controlling interests			475
Share of net assets acquired by the Group			585
Total consideration			585
Cash and cash equivalents acquired			-
Net cash outflow for the acquisition			585

Whilst awaiting final identification and measurement of the fair value of the assets acquired and liabilities assumed, and definition of the acquired company's long-term plan, it was decided to provisionally use the carrying amounts of ERC's assets and liabilities (amounting to €32 million), allocating the entire difference of €1,028 million with respect to the acquisition cost as an increase in intangible assets deriving from concession rights, without allocating deferred taxation, given the absence of any temporary differences between the carrying amounts and the corresponding tax bases.

This provisional allocation of the gain was deemed to provide a clearer view, bearing in mind that, based on the available information, the acquired group's value primarily lies with the concession rights held by ERC. As permitted by IFRS 3, final recognition of the fair value of the assets acquired and liabilities assumed will be completed by the end of 2021. Recognition of the final fair values will mainly regard:

a) intangible assets deriving from concession rights;

b) financial assets and liabilities;

and, to the extent that the acquisition cost exceeds net assets, goodwill.

Had the acquired companies been consolidated on a line-by-line basis from 1 January 2020, the Atlantia Group's consolidated revenue and consolidated net loss for 2020 would have amounted to €9,128 million and €1,666 million, respectively, taking into account the above provisional allocation of the above intangible assets deriving from concession rights.

7. Notes to the consolidated statement of financial position

The following notes provide information on items in the consolidated statement of financial position as at 31 December 2020. Comparative amounts as at 31 December 2019 are shown in brackets. Details of items in the consolidated statement of financial position deriving from related party transactions are provided in note 10.4.

7.1 Property, plant and equipment €774 million (€820 million)

As at 31 December 2020, plant and equipment amounts to €774 million, compared with a carrying amount of €820 million as at 31 December 2019. The following table provides details of property, plant and equipment at the beginning and end of the period, showing the original cost and accumulated depreciation at the end of the period.

€M	31 December 2020			31 December 2019		
	Cost	Accumulated depreciation	Carrying amount	Cost	Accumulated depreciation	Carrying amount
Property, plant and equipment	2,988	-2,215	773	2,933	-2,114	819
Investment property	11	-10	1	11	-10	1
Total property, plant and equipment	2,999	-2,225	774	2,944	-2,124	820

The decrease in the carrying amount with respect to 31 December 2019, amounting to €46 million, primarily reflects depreciation (€187 million), capital expenditure (€177 million) and net translation differences (€17 million). The following table shows changes by category of asset during the period.

€M	Carrying amount as at 31 December 2019	Changes during the year					Carrying amount as at 31 December 2020
		Additions	Depreciation	Net currency translation differences	Reclassifications and other adjustments	Change in scope of consolidation	
Property, plant and equipment							
Land	30	-	-	-	-	-	30
Leased land	5	-	-	-	-1	-	4
Buildings	56	1	-5	-	-	-	52
Leased buildings	115	22	-15	-1	5	-9	117
Plant and machinery	106	10	-33	-2	7	-	88
Leased plant and machinery	29	12	-8	-3	-8	1	23
Industrial and business equipment	101	14	-33	-1	7	-	88
Other assets	307	90	-85	-7	4	-	309
Other leased assets	14	7	-8	-1	-3	-	9
Property, plant and equipment under construction and advance payments	56	21	-	-2	-26	4	53
Total	819	177	-187	-17	-15	-4	773
Investment property							
Buildings	1	-	-	-	-	-	1
Total	1	-	-	-	-	-	1
Total property, plant and equipment	820	177	-187	-17	-15	-4	774

"Investment property" of €1 million as at 31 December 2020, refers to land and buildings not used in operations. The total fair value of these assets is estimated to be €7 million (based on independent appraisals).

There were no significant changes in the expected useful lives of of the Group's property, plant and equipment during in 2020.

As at 31 December 2020, property, plant and equipment is subject to encumbrances in the form of mortgages, liens and other collateral guarantees, amounting to €57 million, essentially relating to the Abertis group, above all Autopistas Metropolitanas De Puerto Rico (€45 million) and A4 Trading (€11 million).

7.2 Intangible assets

€62,497 million (€59,472 million)

The item consists of:

a) intangible assets deriving from concession rights, totalling €49,229 million (€46,500 million as at 31 December 2019), and regarding the following main categories:

1) concession rights acquired from third parties (€34,338 million);

2) rights recognised as a result of the commitment to perform construction services for which no additional economic benefits are received (€7,486 million);

3) rights deriving from construction services for which additional economic benefits are received (€7,301 million);

4) rights deriving from construction services carried out by service area operators, represented by assets that were handed over free of charge to the Group's operators on expiry of the related sub-concessions (€104 million);

b) goodwill, totalling €12,785 million;

c) other intangible assets of €483 million, primarily consisting of contractual rights attributable to Aeroporti di Roma, recognised at the time of acquiring control of the company.

€M	31 December 2020				31 December 2019			
	Cost	Accumulated amortisation	Accumulated impairments	Carrying amount	Cost	Accumulated amortisation	Accumulated impairments	Carrying amount
Intangible assets deriving from concession rights	82,279	-32,471	-579	49,229	78,177	-31,498	-179	46,500
Goodwill	12,937	-	-152	12,785	12,481	-	-55	12,426
Other intangible assets	1,491	-1,008	-	483	1,483	-929	-8	546
Intangible assets	96,707	-33,479	-731	62,497	92,141	-32,427	-242	59,472

There was an increase of €3,025 million in intangible assets in 2020, primarily due to the contributions of the Mexican group, RCO, and the US group, ERC, amounting to €7,060 million.

After stripping out these contributions, this item is down €4,035 million, primarily due to:

a) amortisation of €3,394 million, primarily attributable to rights acquired from third parties;

b) the negative impact of currency translation differences, amounting to €1,078 million, primarily due to a significant decline in the value of the Brazilian real and Chilean peso against the euro;

c) impairment losses on the concession rights of Aéroports de la Côte d'Azur, amounting to €158 million, the Arteris group, amounting to €151 million, and A4 Brescia – Padova, totalling €109 million;

d) an impairment loss on the goodwill allocated to Aéroports de la Côte d'Azur, totalling €102 million;

e) an increase as a result of construction work, totalling €825 million, primarily relating to concession rights deriving from construction services for which additional economic benefits are received (€703 million);

f) an increase of €162 million in intangible assets deriving from concession rights due to construction services for which no additional benefits are received, with a matching increase in provisions for construction services required by contract as a result of an updated estimate of the present value of construction services to be provided in the future.

The following table shows intangible assets at the beginning and end of the period and changes during 2020 in the different categories of intangible asset.

€M	Carrying amount as at 31 december 2019	Changes during the year: Additions due to completion of construction services, acquisitions and capitalisations	Amortisation	Impairments	Changes due to revised present value of contractual obligations	Net currency translation differences	Reclassifications and other adjustments	Change in the scope of consolidation	Carrying amount as at 31 december 2020
Intangible assets deriving from concession rights									
Acquired concession rights	31,690	-	-2,456	-418	-	-914	-1	6,437	34,338
Concession rights accruing from construction services for which no additional economic benefits are received	7,550	-	-432	-	162	1	3	202	7,486
Concession rights accruing from construction services for which additional economic benefits are received	7,153	703	-364	-	-	-184	-11	4	7,301
Concession rights accruing from construction services provided by sub-operators	107	-	-6	-	-	-	3	-	104
Total	46,500	703	-3,258	-418	162	-1,097	-6	6,643	49,229
Goodwill									
Goodwill	12,426	-	-	-102	-	33	-	427	12,784
Trademarks	-	-	-	-	-	-	-	1	1
Total	12,426	-	-	-102	-	33	-	428	12,785
Other intangible assets									
Commercial contractual relations	198	-	-32	-	-	-	1	-	167
Development costs	46	58	-49	-	-	-	4	-	59
Industrial patents and intellectual property rights	15	24	-16	-	-	-	-	-	23
Concessions and licenses	63	16	-21	-	-	-1	8	-	65
Other leased intangible assets	1	1	-1	-	-	-	-	-	1
Other	159	7	-17	-	-	-9	-3	-	137
Intangible assets under development and advance payments	64	16	-	-	-	-4	-7	-38	31
Total	546	122	-136	-	-	-14	3	-38	483
Intangible assets	59,472	825	-3,394	-520	162	-1,078	-3	7,033	62,497

There were no significant changes in the expected useful lives of intangible assets during the year.

The following analysis shows the various components of investment in motorway and airport infrastructure effected through construction services, as reported in the consolidated statement of cash flows.

€M	Note	2020	2019	Increase/ (Decrease)
Use of provisions for construction services required by contract for which no additional economic benefits are received	7.13	419	423	-4
Use of provisions for renewal of assets held under concession	7.14	50	71	-21
Increase in intangible concession rights accruing from completed construction services for which additional economic benefits are received	7.2	703	903	-200
Increase in financial assets deriving from motorway construction services	7.4	63	82	-19
Investment in assets held under concession		1,235	1,479	-244

"Goodwill", totalling €12,785 million, essentially consist of:

a) €7,869 million in goodwill recognised following the acquisition of control of the Abertis in 2018. This goodwill has not been allocated to the CGUs controlled by the Abertis group as it represents the group's collective ability to generate or acquire additional business in the operation of infrastructure under concession and in the related services (including business beyond its activities or geographical footprint at the acquisition date);

b) the goodwill allocated to the CGU represented by Autostrade per l'Italia, amounting to €4,383 million, following the acquisition of a majority interest in the former Autostrade – Concessioni e Costruzioni Autostrade SpA in 2003. This goodwill coincides with the carrying amount as at 1 January 2004 (the IFRS transition date) and was determined in accordance with prior accounting standards under the exemption permitted by IFRS 1;

c) €418 million following the acquisition of the Mexican RCO group in 2020;

d) €58 million following the acquisition of Autopistas Trados-45 in 2019;

e) €9 million following the acquisition of control of Wash Out in 2020.

With regard to the recoverability of these intangible assets, as required by IAS 36, the carrying amounts of the net invested capital of the following CGUs as at 31 December 2020 have been tested for impairment:

a) those to which goodwill has been allocated (as above) or that include other intangible assets with indefinite lives (such as the Aéroport Golfe de Saint-Tropez CGU, also referred to below as "AGST"), or

b) those for which there are indications that an impairment loss may have occurred.

Identification of CGUs and evidence of impairment

In view of the impact of the Covid-19 pandemic and the recommendations issued by Italian and European regulators (the Italian accounting standards setter, the Bank of Italy, the CONSOB and ISVAP in Italy and the ESMA in Europe), in 2020 the Company engaged an independent expert to audit and confirm the results obtained. The expert examined compliance with IFRS and prevailing valuation practices, the impairment testing procedures used by the Company, and the estimates of the measurement parameters used, above all with regard to discount rates.

As required by the Public Statements issued by the ESMA on 20 May 2020 and 28 October 2020, and Warning Notices 8/2020 and 1/2021 issued by the CONSOB on 16 July 2020 and 16 February 2021, the impact of the Covid-19 pandemic was also taken into account when testing for impairment.

The impairment tests revealed evidence of impairment for all the CGUs representing the Group's motorway and airport operators and for the net assets of Pavimental. On the other hand, there was no evidence of potential reversals of impairment losses on CGUs recognised in previous years.

In terms of the methodology used in impairment testing, in line with the approach adopted in the previous year, each operator is a separate CGU since the cash flows generated by the sections of motorways or the airports operated under specific concession arrangements are not closely linked. Subsidiaries that do not hold concessions are also treated as a separate CGU.

The carrying amounts of the net invested capital of the following CGUs as at 31 December 2020 were thus tested for impairment in order to assess the recoverability of both goodwill and the other intangible and tangible assets allocated to the CGUs.

Measurement of the value in use of the CGUs

The impairment tests examined by the Board of Directors were conducted on the basis of IAS 36, by estimating the value in use of each CGU, using the Unlevered Discounted Cash Flow approach, including the related discount rate. The estimates involved were primarily based on publicly available information from external sources, integrated, where appropriate, by estimates based also on historical data.

In the case of the subsidiary, Pavimental, reference was made to the fair value implicit in the consideration received from the sale, based on an independent expert appraisal, by Atlantia to Autostrade per l'Italia in January 2021.

In estimating operating cash flows, reference was made to the updated long-term business plans of subsidiaries, containing traffic, investment, revenue and cost projections for the full term of the related concessions. In the case of Autostrade per l'Italia, with regard to the reasonable likelihood of reaching agreement with the Government as a result of the talks currently in progress, reference was made to the long-term plan approved by the company's board of directors and drawn up on the basis of the Financial Plan submitted to the Grantor (and in the process of being approved) and in application of the transport regulator's latest determination. The financial plans used for Raccordo Autostradale Valle d'Aosta, Autostrada Tirrenica and A4-Brescia Padova also take into account the financial plans in the process of being approved by the Grantor.

In detail, with regard to estimation of the recoverable value:

a) for all the motorway and airport CGUs, with the exception of AGST, value is use was estimated on the basis of projections throughout the remaining terms of the related concessions (presented in note 4). The use of long-term plans covering the entirety of the respective concession terms is deemed more appropriate than the approach provisionally suggested by IAS 36 (namely, a limited explicit projection period and the estimated terminal value), given the intrinsic nature of the related concession arrangements, above all with regard to the regulations governing each sector and the predetermined duration of the arrangements;
b) as regards impairment testing of the goodwill allocated to the Abertis group and AGST CGU, in keeping with the nature of the intangible assets being tested for impairment, value in use was estimated on the basis of the explicit projections for a five-year period developed by the companies. The terminal value was estimated on the basis of normalised operating cash flow for the last year of the five-year explicit projection period, applying a long-term growth rate in line with the average expected rate of inflation.

Determination of the discount rates used

Determination of the (after-tax) discount rates to use was based on financial market conditions as at 31 December 2020 and are shown below for each business/country.

The discount rates differ from the returns on invested capital and on construction and/or operating services provided for in the various companies' respective concession arrangements, which reflect specific regulatory and/or legislative mechanisms.

Business/Country	Discount rate as at 31 December 2020
Motorways business	
Italy	5.5%
Chile	6.2%
Brazil	8.8%
Poland	6.0%
India	7.9%
Spain	5.1%
France	4.4%
Mexico	7.9%
Puerto Rico	9.8%
Airports business	
Aeroporti di Roma	5.8%
Aéroports de la Côte d'Azur (France)	4.1%

The following should be noted in relation to the discount rate used in testing the goodwill allocated to the Abertis group:

a) cash flows in the five-year explicit projection period were discounted at a rate of 5.4%, determined on the basis of weighted discount rates for the individual countries in which the group operates, based on estimated EBITDA for each country in the fifth year of the forecast;
b) the terminal value was discounted using the average discount rate (increased by the long-term growth rate was applied) of 7.4%. This discount rate prudently takes into account an increase of 2% (equal to the long-term growth rate) relating to potential uncertainties over the group's ability to maintain, over the long term, the level of normalised operating cash flow estimated for the final year of the five-year explicit projection period.

Results of the impairment tests and sensitivity analyses

The impairment tests carried out did not confirm that the value of the intangible assets deriving from concession rights are fully recoverable, resulting in impairment losses of €420 million on the value of such assets and of €102 million on goodwill. Details of these impairment losses, recognised in "(Impairment losses)/ Reversals of impairment losses" in the consolidated income statement, are as follows:

a) on the intangible assets deriving from concession rights of A4 (one of the Abertis group's Italian motorway operators), amounting to €109 million, before the related deferred taxation, amounting to €34 million;
b) on the intangible assets deriving from concession rights of the Arteris group (one of the Abertis group's Brazilian motorway operators), amounting to €151 million, before the related deferred taxation, amounting to €51 million;
c) on goodwill and intangible assets deriving from concession rights allocated to Aéroports de la Côte d'Azur, amounting to €102 and €158 million, respectively, before the related deferred taxation, amounting to €46 million.

In addition to the above impairment tests, sensitivity analyses were also conducted on the recoverable values of the CGUs to which the above goodwill has been allocated. In particular:

a) in Autostrade per l'Italia's case, increasing the indicated discount rate by 0.5% does not indicate a potential impairment loss;
b) in the case of the Abertis group:
   i. if the discount rate is increased by 0.5%, the carrying amount of the net assets is fully recoverable;
   ii. if the long-term growth rate is reduced by 0.5%, the carrying amount of the net assets is fully recoverable.

7.3 Investments
€2,841 million (€3,662 million)

As at 31 December 2020, this item is down €821 million, primarily due to a combination of the following:

a) the loss of €576 million resulting from fair value measurement of the investment in Hochtief, recognised in other comprehensive income;
b) the sale of the investment in the French operator, Alis, for €152 million, generating a gain of €35 million;
c) a reduction of €59 million resulting from the measurement of investments using the equity method, primarily reflecting recognition of the Group's share of the losses for the period reported by Getlink (€47 million) and) and A'lienor (€18 million);
d) an impairment loss of €43 million on the carrying amount of the investment in Aeroporto di Bologna, as described in greater detail below;
e) classification of the investment in Autostrade Lombarde and Società di Progetto Brebemi as held for sale in accordance with IFRS 5 (a total of €20 million).

The following table shows the carrying amounts of the Group's investments at the beginning and end of the year, classified by category, and any changes during the year.

€M	31 December 2019 opening balance	Changes during the year						31 December 2020 closing balance
		Reversals of impairments (impairments)	Sales and returns of capital	Measurement using the equity method		Reclassifications	Measurement at fair value	
				Profit or loss	Other comprehensive income			
investments accounted for using the equity method in:								
- associates and unconsolidated subsidiaries	1,612	-43	-117	-16	-40	-	-	1,396
- joint ventures	6	-	-	-3	-	-	-	3
Investments accounted for at fair value	2,044	-	-	-	-	-20	-582	1,442
Investments	**3,662**	**-43**	**-117**	**-19**	**-40**	**-20**	**-582**	**2,841**

The equity method was used to measure interests in associates and joint ventures (inclusive of any adjustments applied to implicit goodwill recognised at the acquisition date in accordance with IFRS 3), based on the most recent approved financial statements made available by the companies. In the event that the companies' financial statements as at 31 December 2020 are not available, the above data was supplemented by specific estimates based on the latest available information and adjusted, where necessary, to bring them into line with the Atlantia Group's accounting policies.

The fair value measurement of the investment in Hochtief (amounting to €1,341 million as at 31 December 2020) was based on the closing price of the shares on the Frankfurt Stock Exchange on 30 December 2020.

With regard to the additional disclosures required by IFRS 12, the following table shows key financial indicators for the Atlantia Group's individually material investments as at 31 December 2020.

€M	Getlink	A'lienor
Non-current assets	15,362	1,495
of which gain allocated in accordance with IFRS3	*8,072*	*434*
Current assets	768	65
Non-current liabilities	9,785	1,005
of which gain allocated in accordance with IFRS3	*3,417*	*-*
Current liabilities	318	7
Equity	**6,027**	**548**
of which gain allocated in accordance with IFRS3	*4,656*	*434*
Revenue	816	55
EBITDA (*)	328	37
Profit/(Loss) for the year (reported)	-113	-2
Profit/(Loss) for the year adjusted in accordance with IFRS 3 (**)	-148	-12
Other comprehensive income/(loss)	-154	-50
Total comprehensive income/(loss)	**-302**	**-62**
% interest	**15.49%**	**35.00%**
Atlantia's share of profit	-23	-4
Atlantia's share of comprehensive income/(loss)	-47	-18
Carrying amount	**934**	**192**

(*) *EBITDA is not defined by IFRS. It is calculated by deducting operating costs, with the exception of amortisation, depreciation, impairment losses and reversals of impairment losses, provisions for the renewal of assets held under concession and other adjustments, from operating revenue.*
(**) *"Profit/(Loss) for the year adjusted in accordance with IFRS 3" reflects the release to profit or loss, after the related taxation, of the goodwill recognised as a result of the PPA in accordance with IFRS 3.*

As at 31 December 2020, the Atlantia Group does not hold individually material interests in joint ventures.

With regard to the recoverability of the carrying amount of investments, on the basis described above in note 7.2, there was evidence of impairment of the following:

a) the investment in Getlink, the carrying amount of which is lower than the measurement based on the share price as at 31 December 2020;

b) the investment in Aeroporto di Bologna, where the impairment test was conducted using the Dividend Discount Model, based on the related long-term plans and applying a discount rate of 6.1% to the estimated dividends expected to be received from this investee. The test showed that the carrying amount was partially recoverable, resulting in an impairment loss of €43 million.

There was no evidence of potential reversals of impairment losses on investments recognised in previous years.

In July 2020, Atlantia's Board of Directors approved the decision to proceed with a deed amending the agreement, dated July 2018, with Edizione Srl and its subsidiaries, following the previously announced acquisition of Abertis and the sale of the latter's stake in Cellnex.

Among other things, the agreement grants the Company a right to co-invest in Cellnex, by repurchasing 4.7% of the company by July 2021 (diluted with the respect to the original 5.98% following Atlantia's decision not to take part in Cellnex's rights issue on 22 July 2020), in addition to a right of first offer and a right to match should all or a part of the stake in Cellnex be sold by July 2025.

The amendments made in July 2020 broadly regard:

a) the replacement of the liquidated ConnecT SpA, the party to the original agreement, by ConnecT Due Srl, the vehicle that directly holds the stake in Cellnex indirectly held by Edizione;

b) extension of the term for exercising the co-investment right (extended for a further 12 months and, therefore, until July 2021) on the stake of 4.7% in Cellnex;

c) removal of the three-year lock-up period originally imposed on Atlantia;

d) the grant to Atlantia of a right to match on options not exercised by ConnecT Due resulting from any future rights issues approved by Cellnex;

e) a limit on the option of exercising the right of first offer and a right to match to no more than 10% of Cellnex's issued capital, rather than the entire interest in Cellnex held indirectly by Edizione (equal to 13.025%). In any event, the combined result of Atlantia's exercise of its right of first offer and right to match, on the one hand, and of the co-investment option, on the other, may not lead to the Company acquiring a stake in Cellnex in excess of 7.9%.

No amount has been recognised in the financial statements in connection with the rights granted to Atlantia under the above agreements.

Annex 1 provides a list of the Group's investments as at 31 December 2020, as required by CONSOB Ruling DEM/6064293 of 28 July 2006.

7.4 Financial assets €6,015 million (€6,092 million) (non-current) / €4,749 million (€4,784 million) (current) / €1,266 million (€1,308 million)

The following analysis shows the composition of financial assets at the beginning and end of the period, together with the current and non-current portions.

€M	31 December 2020			31 December 2019		
	Carrying amount	Current portion	Non-current portion	Carrying amount	Current portion	Non-current portion
Takeover rights	411	411	-	409	409	-
Guaranteed minimum tolls	622	101	521	649	93	556
Other concession rights	2,451	41	2,410	2,510	57	2,453
Financial assets deriving from concession rights [1]	3,484	553	2,931	3,568	559	3,009
Financial assets deriving from government grants related to construction services [1]	233	58	175	277	63	214
Term deposits [1]	640	391	249	754	433	321
Derivative assets [2]	547	116	431	375	130	245
Other medium/long-term financial assets [1]	970	7	963	1,001	6	995
Other medium/long-term financial assets	1,517	123	1,394	1,376	136	1,240
Other current financial assets [1]	141	141	-	117	117	-
Financial assets	6,015	1,266	4,749	6,092	1,308	4,784

[1] *These assets include financial instruments primarily classified as "financial assets measured at amortised cost" in accordance with IFRS 9.*
[2] *These assets primarily include derivative financial instruments classified as hedges under level 2 of the fair value hierarchy.*

The following table shows changes during 2020 in financial assets deriving from concession rights:

€M	31 December 2019	Additions due to revised present value	Additions due to completion of construction services	Reductions due to amounts collected	Currency translation differences	Change in scope of consolid-ation	Impairments and reversals of impairments	Other changes	31 December 2020
Takeover rights	409	-	-	-	-	-	-	2	411
Guaranteed minimum tolls	649	45	48	-116	-4	-	-	-	622
Other concession rights	2,510	212	15	-257	-31	86	-87	3	2,451
Financial assets deriving from concession rights	3,568	257	63	-373	-35	86	-87	5	3,484

Financial assets deriving from concession rights of €3,484 million, primarily include:

a) amounts receivable from grantors by the Abertis group, totalling €1,923 million, primarily due to the group's Spanish operators as a return on capital expenditure (including €942 million due to the Spanish operator, Acesa, on the basis of Royal Decree 457/2006). This amount does not include disputed receivables relating to compensation due to Acesa, but does include amounts receivable by Invicat, Aucat and Castellana amounting to €302 million, €265 million and €185 million, respectively;

b) financial asset deriving from concession rights represented by the minimum tolls guaranteed by the Grantor of the concessions held by certain of the Group's Chilean operators (€622 million);

c) other financial assets deriving from concession rights, including €517 million attributable to the Chilean operator, Costanera Norte. In particular, this item regards the financial assets due to this company as a result of carrying out the motorway investment programme named *Santiago Centro Oriente* ("CC7");

d) the takeover right attributable to Autostrade Meridionali (€411 million), being the amount payable by a replacement operator on termination of the concession for the company's unamortised capital expenditure during the final years of the outgoing operator's concession.

Other medium/long-term financial assets also include:

a) the amount due to the subsidiary, AB Concessões from Infra Bertin Empreendimentos (a subsidiary of the Bertin group and the holder, through Huaolimau, of 50% minus one share in AB Concessões), totalling €335 million;

b) a number of seizures of amounts deposited in the bank accounts of AB Concessões and its subsidiaries under injunctions ordered by Brazilian courts in relation to labour disputes between the Infinity group (whose ownership, according to the Brazilian labour tribunals, is attributable to the Bertin group), totalling €32 million, as described in note 10.7.

The recoverability of financial assets was tested in accordance with the procedures contained in IFRS 9 in the event of a significant increase in credit risk (also taking into account the impact of the Covid-19 pandemic) following initial recognition. This resulted in the following impairment losses, included in "Other financial expenses" in the consolidated income statement:

a) the financial assets deriving from concession rights of the Argentine companies, GCO and Ausol (in which Atlantia holds interests of 24.02% and 15.61%, respectively), on which expected credit losses of €148 million have been recognised;

b) the amount due to AB Concessões from Infra Bertin Empreendimentos (guaranteed by a pledge on Huaolimau's right to receive dividends from AB Concessoes), on which expected credit losses of €93 million have been recognised.

The financial assets deriving from concession rights are down €84 million compared with 31 December 2019, primarily due to a combination of the following:

a) the above impairment losses on the concession rights of the Argentine companies, GCO and Ausol (€148 million);

b) the collection of financial assets totalling €373 million, essentially by the Spanish operators, Aucat and Invicat, under the "Unicat" and "Maresme" agreements entered into with the grantor (€225 million);

c) the fall in value of South American currencies against the euro (€36 million);

d) the discounting to present value of the financial assets deriving from concession rights attributable to the Spanish, Chilean and Argentine operators, resulting in an increase of €257 million;

e) investment in the motorway network (€79 million);

f) financial assets deriving from concession rights contributed by RCO (€86 million).

Other medium/long-term financial assets, amounting to €1,517 million, are up €141 million compared with 31 December 2019, primarily due to:

a) Atlantia's posting of a cash collateral of €165 million guaranteeing, through to their expiry in 2028, the credit exposure of counterparties to the fair value of the Forward-Starting Interest Rate Swaps (a notional value of €1,450,000 thousand);

b) an increase of €169 million in fair value gains on fair value hedges entered into by Atlantia as part of the collar financing transaction involving a third of the shares it holds in Hochtief, reflecting a fall in the share price from €113.7 to €79.6 per share in 2020;

c) a reduction in the amount due to AB Concessões from Infra Bertin Empreendimentos due to the fall in the value of the Brazilian real (€172 million) and the expected credit losses recognised (€93 million, as noted above), partially offset by interest accruing in 2020 on the Group's medium/long-term financial assets (€42 million).

7.5 Deferred tax assets and liabilities
Deferred tax assets €2,469million (€2,113 million)
Deferred tax liabilities €6,337 million (€6,280 million)

The amount of deferred tax assets and liabilities both eligible and ineligible for offset is shown below, with respect to temporary timing differences between consolidated carrying amounts and the corresponding tax bases at the end of the period.

€M	31 December 2020	31 December 2019
Deferred tax assets	3,765	3,294
Deferred tax liabilities eligible for offset	-1,296	-1,181
Deferred tax assets less deferred tax liabilities eligible for offset	**2,469**	**2,113**
Deferred tax liabilities	**-6,337**	**-6,280**
Difference between deferred tax assets and liabilities	**-3,868**	**-4,167**

Changes in the Group's deferred tax assets and liabilities during the period, based on the nature of the temporary differences giving rise to them, are summarised in the following table.

€M	31 December 2019	Changes during the year						31 December 2020
		Increases/ (decreases) recognised in profit or loss	Increases/ (decreases) recognised in other comprehensive income	Change to prior year estimates	Currency translation differences	Change in scope of consolidation	Other changes	
Deferred tax assets on:								
Provisions	1,453	214	-	-2	-14	22	-1	1,672
Tax loss carry forwards	410	73	-	-	-34	114	-	563
Restatement of global balance on application of IFRIC 12 by Autostrade per l'Italia	372	-24	-	-	-	-	-	348
Derivative liabilities	273	-	-3	-	3	44	19	336
Impairments and depreciation of non-current assets	75	-10	1	-	8	128	8	210
Negative adjustments under IFRS 3 for acquisitions	230	-71	-	-	-	-	-	159
Impairment of receivables and inventories	107	34	-	-	-2	-	-	139
Deductible infra-group goodwill	117	-89	-	-	-	-	-1	27
Other temporary differences	257	67	3	-2	-17	9	-6	311
Total	**3,294**	**194**	**1**	**-4**	**-56**	**317**	**19**	**3,765**
Deferred tax liabilities on:								
Positive adjustments under IFRS 3 for acquisitions	-6,204	671	-	4	47	-892	-1	-6,375
Accelerated depreciation	-355	6	-	-	22	-	-	-327
Financial assets deriving from concession rights and government grants	-328	33	-	-	28	-	-	-267
Gain subject to deferred taxation	-145	-71	-	-	3	-	-	-213
Derivative assets	-37	-3	1	-	-	-	-4	-43
Other temporary differences	-392	8	-	-	2	-4	-22	-408
Total	**-7,461**	**644**	**1**	**4**	**102**	**-896**	**-27**	**-7,633**
Difference between deferred tax assets and liabilities (eligible and ineligible for offset)	**-4,167**	**838**	**2**	**-**	**46**	**-579**	**-8**	**-3,868**

The balance of deferred tax assets as at 31 December 2020 primarily includes:

a) deferred tax assets on the portion of provisions, primarily for the repair and replacement of motorway infrastructure, deductible in future years (totalling €1,672 million);

b) deferred tax assets recognised on tax losses eligible to be carried forward to future years (€563 million), essentially attributable to the impairment of amounts due to Acesa from the grantor, following a dispute over the failure to pay the compensation payable under Royal Decree 457/2006, and to tax losses carried forward by certain Brazilian, Chilean and Italian companies. The increase in 2020 primarily reflects the contribution from RCO and the recognition of deferred tax assets on the losses recorded by certain Group companies during the year;

c) deferred tax assets recognised as a result of the impact on taxation of adoption of IFRIC 12 by Autostrade per l'Italia (€348 million);

d) deferred tax assets on fair value losses on derivative financial instruments (€336 million).

Deferred tax liabilities essentially regard:

a) the gains following the Group's acquisitions recognised in application of IFRS 3 (€6,375 million), which have increased due to the contribution from RCO as a result of final allocation of the acquired group's net assets as at 31 December 2020;

b) the amounts accounted for following the Atlantia Group's recognition of financial assets deriving from concession rights and from government grants (€267 million).

As shown in the following table, deferred tax assets connected with negative goodwill recognised in accordance with IFRS 3 on acquisitions essentially refer to the fair value measurement of financial liabilities, primarily attributable to Abertis Infraestructuras and to the French motorway operators it controls.

€M	Deferred tax assets on negative adjustments under IFRS 3	Financial liabilities	Provisions
31 December 2020	159	127	32
31 December 2019	230	210	20

With regard to deferred tax liabilities recognised on positive adjustments under IFRS 3 for acquisitions, the following table shows that they primarily relate to the remeasurement at fair value of the intangible assets deriving from concession rights attributable to the motorway and airport operators. The change during the period is primarily due to the final allocation of the gain on the acquisition of RCO, resulting in an increase in intangible assets deriving from concession rights.

€M	Deferred tax liabilities on positive adjustments under IFRS 3	Intangible assets deriving from concession rights	Other intangible assets	Financial assets	Other assets
31 December 2020	6,375	6,028	182	59	106
31 December 2019	6,204	5,847	195	44	118

7.6 Other non-current assets
€38 million (€77 million)

The item primarily includes the reduction in the non-current assets linked to the concession arrangements entered into by the Chilean operators, Ruta 78-68 (€21 million) and Avo II (€8 million).

€M	31 December 2020	31 December 2019	Increase/ (Decrease)
Non-current non-trading prepaid expenses	34	71	-37
Other non-financial receivables	4	6	-2
Other non-current assets	**38**	**77**	**-39**

7.7 Trading assets
€2,438 million (€2,575 million)

As at 31 December 2020, trading assets consist of:

a) inventories of €114 million (€96 million as at 31 December 2019), consisting of stocks and spare parts used in the maintenance or assembly of plant;

b) contract assets of €48 million (€32 million as at 31 December 2019);

c) trade receivables of €2,276 million (€2,447 million as at 31 December 2019), the detailed composition of which is shown in the following table.

€M	31 December 2020	31 December 2019	Increase/ (Decrease)
Trade receivables due from:			
Motorway users	2,070	2,002	68
Airport users	305	368	(63)
Sub-operators at motorway service areas	65	93	(28)
Sundry customers	446	453	(7)
Gross trade receivables	**2,886**	**2,916**	**(30)**
Allowance for bad debts	(758)	(614)	(144)
Other trading assets	148	145	3
Net trade receivables	**2,276**	**2,447**	**-171**

Trade receivables, after the allowance for bad debts, amount to €2,886 million, a reduction of €30 million compared with 31 December 2019 (€2,916 million).

The following table shows an ageing schedule for trade receivables.

€M	Total receivables as at 31 December 2020	Total not yet due	Less than 90 days overdue	Between 90 and 365 days overdue	More than one year overdue
trade receivables	2,886	1,520	191	244	931

Trade receivables more than one year overdue, totalling €931 million, regard unpaid motorway tolls, royalties due from service area operators and sales of other goods and services. Overdue receivables, after the allowance for bad debts, are primarily attributable to Aeroporti di Roma in the form of amounts receivable from the customer, Alitalia in extraordinary administration. Given that these receivables primarily regard airport fees, they constitute preferential claims. Any losses incurred on receivables resulting from regulated services would, in any event, affect the financial viability of the concession and would be recoverable under mechanisms provided for under the operator's Planning Agreement.

The following table shows movements in the allowance for bad debts for trade receivables in 2020. The allowance has been determined with reference to past experience, also taking into account guarantee deposits and other collateral given by customers.

€M	31 December 2019	Additions	Uses	Net translation differences	Reclassifications and other changes	31 December 2020
Allowance for bad debts	614	183	-4	-9	-26	758

7.8 Cash and cash equivalents
€8,385 million (€5,232 million)

Cash and cash equivalents consists of cash on hand and short-term investments and is up €3,153 million compared with 31 December 2019. The increase reflects bond issues during the year, above all those carried out by the Abertis group and Autostrade per l'Italia, and the use of revolving credit facilities by Atlantia.

The balance as at 31 December 2020 primarily consists of the following:

a) bank deposits and cash on hand, totalling € 6,633 million;

b) cash equivalents of €1,737 million, primarily attributable to the Abertis group (€998 million) and Atlantia (€575 million) and largely regarding the short-term investment of liquidity.

7.9 Current tax assets and liabilities
Current tax assets €404 million (€1,006 million)
Current tax liabilities €89 million (€283 million)

Current tax assets and liabilities at the beginning and end of the period are detailed below.

€M	Current tax assets		Current tax liabilities	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
IRES	81	60	-	49
IRAP	19	19	1	2
Taxes attributable to foreign operations	304	927	88	232
Total	404	1,006	89	283

As at 31 December 2020, the Group reports net current tax assets of €315 million (€723 million as at 31 December 2019), a reduction of €408 million compared with 31 December 2019, and primarily regard withholding tax paid in 2018 on dividends received and the gain resulting from the sale of the investment in Cellnex by Abertis Infraestructuras. Under Spanish tax law, these amounts, whilst exempt from taxation, are included in the computation of payments on account for 2018 and were refunded following a claim filed by Abertis Infraestructuras in February 2020.

7.10 Other current assets
€668 million (€565 million)

This item consists of receivables and other current assets that are not eligible for classification as trading or financial. The composition of this item is shown below.

€M	31 December 2020	31 December 2019	Increase/ (Decrease)
Tax credits other than for income tax	388	234	154
Amounts due from public entities	123	185	-62
Amounts due from users and insurance companies as compensation	15	18	-3
Advances paid to suppliers and other current assets	172	158	14
Other current assets (gross)	698	595	103
Allowance for bad debts	-30	-30	-
Other current assets	668	565	103

This item primarily consists of:

a) tax credits other than for income tax, primarily attributable to the Abertis group (€112 million) in the form of refundable VAT (€65 million), the tax relief granted under the "*Contribution Economique Territoriale*" scheme in France (€38 million), and to Autostrade per l'Italia as tax credits is partly due to VAT on the invoices received by Autostrade per l'Italia in relation to demolition and reconstruction of the Polcevera road bridge (€74 million) and to Costanera Norte as tax credits on dividends paid in 2019 (€64 million);

b) amounts receivable from public entities, primarily including amounts due from grantors to certain motorway operators in Chile (€66 million), Spain (€58 million) and Brazil (€12 million) for construction services outside the scope of IFRIC 12.

7.11 Non-current assets held for sale or related discontinued operation
€31 million (€4 million)

Net assets held for sale or related to discontinued operations, totalling €31 million as at 31 December 2020, primarily include the investments in Autostrade Lombarde and Società di Progetto Brebemi held indirectly through Autostrada A4 Brescia - Padova (€19 million) and loans and receivables due from these companies (€8 million), classified as held for sale from December 2020 following receipt of a binding offer for their sale, which is expected to complete by the end of the first half of 2021.

7.12 Equity
€14,264 million (€14,903 million)

Equity attributable to the owners of the Atlantia Group's parent as at 31 December 2020 consists of the following:

a) Atlantia's issued capital, fully subscribed and paid-in and consisting of 825,783,990 ordinary shares, which are no-par following the Extraordinary General Meeting of shareholders held on 30 October 2020, amounting to €826 million;

b) the cash flow hedge reserve (a negative balance of €1,055 million), reflecting changes in the fair value the investment in Hochtief;

c) the reserve for translation differences on translation of assets and liabilities of consolidated companies denominated in functional currencies other than the euro (a negative balance of €814 million);

d) the cash flow hedge reserve (a negative balance of €417 million);

e) Atlantia's treasury shares (€150 million);

f) the net investment hedge reserve (a negative balance of €10 million);

g) other reserves and retained earnings (a positive balance of €8,987 million).

Equity attributable to owners of the parent, totalling €6,190 million, is down €1,218 million compared with 31 December 2019. The most important changes during the period are shown in detail in the statement of changes in consolidated equity. These regard:

a) the loss for the year attributable to owners of the parent, totalling €1,177 million;

b) the other comprehensive loss for the year, totalling €646 million, primarily reflecting the negative impact of fair value measurement (after the related taxation) of the investment in Hochtief, amounting to €569 million, and losses on the translation of the assets and liabilities of consolidated companies denominated in functional currencies other than the euro (€248 million), essentially due to sharp declines in the value of the Brazilian real and the Chilean peso against the euro;

c) recognition of the issue, in November 2020, of a first tranche of hybrid bonds by Abertis Infraestructuras Finance, amounting to €1,250 million and accrued interest, increasing the Group's equity by €612 million. Bearing in mind that the bonds are repayable from the fifth year at the interest payments dates, and that contractual interest payments may be deferred at the sole discretion of the issuer, these bonds represent equity instruments and are therefore accounted for, together with the related interest expense, in the equity reserves.

Equity attributable to non-controlling interests of €8,074 million is up €579 million compared with 31 December 2019 (€7,495 million), essentially reflecting:

a) the change in scope, amounting to €1,428 million, essentially due to the contributions from RCO and ERC at the acquisition date;

b) recognition of the share attributable to non-controlling interests in relation to the hybrid bonds issued by Abertis Infraestructuras Finance, totalling €626 million;

c) dividends, distribution of equity reserves and returns of capital to non-controlling shareholders, totalling €537 million, primarily by Abertis HoldCo (€432 million);

d) the other comprehensive loss for the year, totalling €532 million, primarily due to sharp declines in the value of the Brazilian real and the Chilean peso against the euro;

e) loss for the year attributable to non-controlling interests, totalling €464 million.

Atlantia manages its capital with a view to creating value for shareholders, ensuring the Group can function as a going concern, safeguarding the interests of stakeholders, and providing efficient access to external sources of financing to adequately support the growth of the Group's businesses and fulfil the commitments given in concession arrangements.

7.13 Provisions for construction services required by contract €2,977 million (€3,044 million) (non-current) € 2,161 million (€2,473 million) (current) €816 million (€571 million)

Provisions for construction services required by contract represent the residual present value of motorway infrastructure construction and/or upgrade services that certain of the Group's operators, particularly Autostrade per l'Italia, are required to provide and for which no additional economic benefits are received in terms of specific toll increases and/or significant increases in traffic.

The following table shows provisions for construction services required by contract at the beginning and end of the year and changes during 2020, showing the non-current and current portions.

€M	31 December 2019			Changes in the year				31 December 2020		
	Carrying amount	Non-current portion	Current portion	Changes due to revised present value of obligations	Uses to finance works	Currency translation differences and other reclassifications	Changes in scope of consolidation	Carrying amount	Non-current portion	Current portion
Provisions for construction services required by contract	3,044	2,473	571	162	-419	-13	202	2,977	2,161	816

7.14 Provisions €5,812 million (€5,344 million) (non-current) €2,850 million (€2,694 million) (current) €2,962 million (€2,650 million)

As at 31 December 2020, provisions amount to €5,812 million (€5,344 million as at 31 December 2019). The following table shows details of provisions by type, showing the non-current and current portions.

€M	31 December 2020			31 December 2019		
	Carrying amount	Non-current portion	Current portion	Carrying amount	Non-current portion	Current portion
provisions for employee benefits	317	219	98	338	291	47
Provisions for repair and replacement of motorway infrastructure	2,770	1,775	995	2,514	1,599	915
Provisions for renewal of assets held under concession	418	341	77	382	303	79
Other provisions	2,307	515	1,792	2,110	501	1,609
Total provisions	5,812	2,850	2,962	5,344	2,694	2,650

The following table shows provisions at the beginning and end of the period and changes in 2020.

€M	31 December 2019 carrying amount	Changes during the year: Operating provisions	Finance-related provisions	Reductions due to uses	Actuarial (gains)/ losses	Currenct translation differences, reclassifications and other changes	Change in the scope of consolidation	31 December 2020 carrying amount
Post-employment benefits	157	1	-	-17	2	-	-	143
Other employee benefits	181	32	-	-68	-	10	19	174
Provisions for employee benefits	338	33	-	-85	2	10	19	317
Provisions for repair and replacement of motorway	2,514	1,275	44	-1,122	-	-49	108	2,770
Provisions for renewal of assets held under concession	382	83	4	-50	-	-1	-	418
Provisions for impairments exceeding carrying amounts of investments	4	-	-	-	-	-	-	4
Provisions for disputes, liabilities and sundry charges	2,106	256	-	-68	-	-31	40	2,303
Other provisions for risks and charges	2,110	256	-	-68	-	-31	40	2,307
Provisions	5,344	1,647	48	-1,325	2	-71	167	5,812

Provisions for employee benefits €317 million (€338 million)
(non-current) €219 million (€291 million)
(current) €98 million (€47 million)

As at December 2020, this item consists of provisions for post-employment benefits to be paid to staff employed under Italian law, amounting to €143 million (€157 million as at 31 December 2019), after a reduction of €14 million due to advances and payments made in 2020.

This item also includes provisions for other termination benefits of €174 million (€181 million as at 31 December 2019) relating to: (i) €90 million in provisions associated to an efficiency drive primarily at the Abertis group (in Spain, France and Italy); (ii) provisions consisting of defined benefit plans representing obligations to pay benefits to overseas employees on termination of their employment (primarily in France, totalling €47 million; (iii) other forms of benefits to be paid to employees on the achievement of certain targets, seniority bonuses governed by collective employment contracts, totalling approximately €24 million.

The change in other employee benefits primarily reflects the payment of €22 million in benefits falling due in 2021 in relation to the concessions held by Acesa and Invicat, partially offset by the increase resulting from the consolidation of RCO, totalling €19 million.

The most important actuarial assumptions used to measure the provision for post-employment benefits at 31 December 2020 are summarised below.

Financial assumptions*	
Annual discount rate [1]	from -0.02% to 8.25%
Annual inflation rate	from 0.7% to 3.5%
Annual rate of increase in post-employment benefits	from 2.025% to 2.10%
Annual rate of increase in real salaries	from 0.65% to 5%
Annual turnover rate	from 0.5% to 7%
Duration (years)	from 5 to 24

* *The annual discount rate used to determine the present value of the obligation was determined, in line with IAS 19, with reference to the average yield curve taken from the IBOXX Eurozone Corporates AA index on the valuation date for durations of 7-10 years, based on the average period of service for the employees included in the valuation as at 31 December 2020.*

[1] *The discount rate of 8.25% refers to Mexico.*

Demographic assumptions	
Mortality	RG48 mortality tables published by the General Accounting Office in Italy / PERMF200p tables for the Spanish state / TGHG/F/ EMSSA 2009 H/M tables for the Mexican state
Disability	INPS tables by age and gender/ InvAbs_OM77 tables for Spain / IMSS1997 tables in Mexico
Retirement age	Mandatory state pension retirement age (revised in accordance with Law Decree 4/2019)

The following table shows a sensitivity analysis of provisions for post-employment benefits at the end of the year, based on assumed changes in the individual rates used in the actuarial assumptions.

€M	Change in assumption: Turnover rate +1%	Turnover rate -1%	Inflation rate +0.25%	Inflation rate -0.25 %	Discount rate +0.25%	Discount rate -0.25 %
POST-EMPLOYMENT BENEFITS OF THE ATLANTIA GROUP	142.15	143.79	144.35	141.56	140.75	145.20

Provisions for repair and replacement of motorway infrastructure €2,770 million (€2,514 million)
(non-current) €1,775 million (€1,599 million)
(current) €995 million (€915 million)

This item regards the present value of provisions for the repair and replacement of motorway infrastructure, in accordance with the contractual commitments of the Group's motorway and airport operators. The balance of these provisions is up €256 million, reflecting a combination of the following:

a) operating and finance-related provisions, totalling €1,319 million, primarily regarding Autostrade per l'Italia (€1,090 million) with regard to the improvement maintenance programme to be carried in the period 2020-2024 and the Abertis group's Brazilian and European motorway operators (€187 million);

b) uses of provisions for the repair and replacement in 2020, totalling €1,122 million, primarily regarding Autostrade per l'Italia (€887 million), of which €147 million to finance demolition and reconstruction of the Polcevera road bridge, and the Abertis group's motorway operators (€189 million) in South America and Europe. Further details on the costs incurred as a result of the collapse of a section of the Polcevera road bridge are provided in note 8.17.

Provisions for the renewal of assets held under concession
€418 million (€382 million)
(non-current) €341 million (€303 million)
(current) €77 million (€79 million)

The provisions for the renewal of assets held under concession represent the present value of the estimated costs to be incurred for extraordinary maintenance, repairs and replacements under the contractual obligations provided for in the Atlantia Group's motorway and airport concession arrangements, with the objective of ensuring that the infrastructure is fit for purpose and safe. Compared with 31 December 2019, the provisions are up €36 million, million, essentially due to operating and finance-related provisions, partially offset by uses for work carried out during the year.

Other provisions for risks and charges
€2,307 million (€2,110 million)
(non-current) €515 million (€501 million)
(current) €1,792 million (€1,609 million)

Other provisions for risks and charges primarily regard the provisions of €1,500 million recognized in 2019, and a further €190 million in 2020, by Autostrade per l'Italia in relation to the undertaking given during talks with the Government and the Ministry of Infrastructure and Transport (the "MIT") with a view to reaching an agreed settlement of the ongoing dispute. Details of the expenses incurred in relation to the Polcevera road bridge are provided below in note 8.17.

In addition, these provisions regard estimates of liabilities, at the end of the period, expected to be incurred in connection with pending litigation and disputes, including the estimated expenses provisioned for contract reserves relating to maintenance contractors (€37 million).

The following material amounts regard:

a) provisions relating to the investment in Alazor Inversiones SA, amounting to €228 million, and relating to financial guarantees provided by Iberbistas and Acesa to banks. Further details regarding this litigation are provided in note 10.7;
b) provisions made by a number of Abertis group companies, totalling €57 million, primarily linked to a tax audit regarding VAT and other indirect taxes.

7.15 Financial liabilities €53,646 million (€48,046 million)
(non-current) €46,209 million (€43,826 million)
(current) €7,437 million (€4,220 million)

Medium/long-term borrowings €53,028 million (€47,446 million)
(non-current) €46,209 million (€43,826 million)
(current) €6,819 million (€3,620 million)

The following tables provide an analysis of medium/long-term financial liabilities, showing:

a) an analysis of the balance by face value and maturity (current and non-current portions);

€M	31 December 2020					
			of which		Term	
	Nominal value	Carrying amount	Current portion	Non-current portion	between 13 and 60 months	after 60 months
Bond issues [1] [2]						
- fixed rate	30,443	30,399	3,105	27,294	8,925	18,369
- floating rate	1,283	1,274	114	1,160	888	272
Total bond issues (a)	**31,726**	**31,673**	**3,219**	**28,454**	**9,813**	**18,641**
Bank borrowings						
- fixed rate	6,480	6,620	1,832	4,788	2,348	2,440
- floating rate	11,633	11,694	924	10,770	10,148	622
Total bank borrowings (b)	**18,113**	**18,314**	**2,756**	**15,558**	**12,496**	**3,062**
Other borrowings						
- fixed rate	6	4	1	3	2	1
- non-interest bearing	380	372	56	316	276	40
Total other borrowings (c)	**386**	**376**	**57**	**319**	**278**	**41**
Medium/long-term borrowings (d=b+c) [1] [2]	**18,499**	**18,690**	**2,813**	**15,877**	**12,774**	**3,103**
Derivative liabilities (e) [3]		**1,381**	**247**	**1,134**	**-**	**-**
Other medium/long-term financial liabilities						
Accrued expenses on medium/long-term financial liabilities [1]		538	538	-	-	-
Other financial liabilities		747	2	745	561	184
Total other medium/long-term financial liabilities (f)		**1,285**	**540**	**745**	**561**	**184**
Total (a+d+e+f)		**53,029**	**6,819**	**46,210**	**23,148**	**21,928**

[1] *These financial instruments are classified as financial liabilities measured at amortised cost in accordance with IFRS 9.*
[2] *Further details of hedged financial liabilities are provided in note 9.2.*
[3] *These financial instruments are classified in level 2 of the fair value hierarchy.*

€M	31 December 2019					
			of which		Term	
	Nominal value	Carrying amount	Current portion	Non-current portion	between 13 and 60 months	after 60 months
Bond issues [1] [2]						
- fixed rate	26,621	26,677	1,652	25,025	9,472	15,553
- floating rate	1,840	1,822	219	1,603	1,097	506
Total bond issues (a)	28,461	28,499	1,871	26,628	10,569	16,059
Bank borrowings						
- fixed rate	5,769	6,052	873	5,179	2,882	2,297
- floating rate	10,117	10,004	314	9,690	8,761	929
Total bank borrowings (b)	15,886	16,056	1,187	14,869	11,643	3,226
Other borrowings						
- tasso variabile	3	2	-	2	2	-
- non-interest bearing	407	394	61	333	210	123
Total other borrowings (c)	410	396	61	335	212	123
Medium/long-term borrowings (d=b+c) [1] [2]	16,296	16,452	1,248	15,204	11,855	3,349
Derivative liabilities (e) [3]	-	1,301	-	1,301	-	-
Other medium/long-term financial liabilities						
Accrued expenses on medium/ long-term financial liabilities [1]		498	498	-	-	-
Other financial liabilities		696	3	693	-	-
Total other medium/long-term financial liabilities (f)		1,194	501	693	-	-
Total (a+d+e+f)		47,446	3,620	43,826	22,424	19,408

[1] *These financial instruments are classified as financial liabilities measured at amortised cost in accordance with IFRS 9.*
[2] *Further details of hedged financial liabilities are provided in note 9.2.*
[3] *These financial instruments are classified in level 2 of the fair value hierarchy.*

The residual weighted average term to maturity of the Group's debt is five years and seven months as at 31 December 2020 (five years and four months as at 31 December 2019).

b) type of interest rate, maturity and fair value at the end of the year;

€M	Maturity	31 December 2020		31 December 2019	
		Carrying amount [1]	Fair value [2]	Carrying amount [1]	Fair value [2]
Bond issues					
- fixed rate	from 2021 to 2040	30,399	30,906	26,677	26,502
- floating rate	from 2021 to 2031	1,274	1,246	1,822	1,863
Total bond issues (a)		31,673	32,152	28,499	28,365
Bank borrowings					
- fixed rate	from 2021 to 2046	6,620	5,952	6,052	5,881
- floating rate	from 2021 to 2045	11,694	11,611	10,004	11,831
Total bank borrowings (b)		18,314	17,563	16,056	17,712
Other borrowings					
- tasso fisso		4	4	2	2
- non-interest bearing		372	372	394	394
Total other borrowings (c)		376	376	396	396
Medium/long-term borrowings (d)=(b+c)		18,690	17,939	16,452	18,108
Derivative liabilities (e)		1,381	1,381	1,301	1,301
Accrued expenses on medium/long-term financial liabilities		538	538	498	498
Other financial liabilities		747	747	696	696
Other medium/long-term financial liabilities (f)		1,285	1,285	1,194	1,194
Total (a+d+e+f)		53,029	52,757	47,446	48,968

[1] *The amounts shown in the table for medium/long-term financial liabilities include both the non-current and current portions.*
[2] *The fair value shown falls within level 1 of the fair value hierarchy for bonds, whilst bank borrowings fall within level 2 of the hierarchy.*

c) a comparison of the face value of each liability (bond issues and medium/long-term borrowings) and the related carrying amount, by issue currency, and the corresponding average and effective interest rates;

€M	31 December 2020				31 December 2019	
	Nominal value	Carrying amount	Average contractual interest rate	Average effective interest rate	Nominal value	Carrying amount
Euro (EUR)	41,287	41,307	2.1%	2.6%	38,028	38,264
Chilean peso (CLP) / Unidad de fomento (UF)	1,907	1,950	5.1%	4.1%	2,177	2,236
Sterling (GBP)	1,250	1,219	5.0%	7.7%	1,058	1,007
Brazilian real (BRL)	1,545	1,521	6.8%	6.6%	2,169	2,145
Yen (JPY)	316	381	3.1%	6.2%	328	382
Polish zloty (PLN)	7	5	N/A[1]	N/A[1]	8	4
Indian Rupee (INR)	47	47	9.0%	9.4%	63	63
US dollar (USD)	1,768	1,707	5.3%	7.4%	926	850
Mexican peso (MXN) /Unidad de Inversiones (UDI)	2,096	2,224	9.4%	9.3%	-	-
Argentine peso (ARS)	2	2	33.2%	33.2%	-	-
Total	50,225	50,363	2.7%	3.2%	44,757	44,951

[1] *Value not available as the borrowing is non-interest bearing.*

In 2020, the average cost of the Atlantia Group's medium/long-term borrowings, including differentials on hedging instruments and other borrowings costs (the "average effective interest rate") was 3.2% (primarily reflecting the combined effect of the 2.6% paid by the companies operating in the euro area, the 4.1% paid by the Chilean companies, the 6.6% paid by the Brazilian companies and the 9.3% paid on the debt denominated in Mexican currency).

d) movements during the year in the carrying amounts of outstanding bond issues and medium/long-term borrowings.

€M	Bond issues	Bank borrowings	Other borrowings
Carrying amount as at 31 December 2019	28,499	16,056	396
Monetary changes			
New issues/borrowings	4,970	6,304	42
Repayments	2,889	5,518	41
Total monetary changes	2,081	786	1
Non-monetary changes			
Currency translation differences and other movements	-519	-118	-7
Changes in fair value	-	-	-
Changes in scope of consolidation	1,335	1,636	-9
Other changes	277	-46	-5
Total non-monetary changes	1,093	1,472	-21
Carrying amount as at 31 December 2020	31,673	18,314	376

€M	Bond issues	Bank borrowings	Other borrowings
Carrying amount as at 31 December 2018	23,161	23,004	248
Monetary changes			
New issues/borrowings	7,434	3,573	42
Repayments	1,990	10,524	45
Total monetary changes	5,444	-6,951	-3
Non-monetary changes			
Currency translation differences and other movements	15	56	-1
Changes in scope of consolidation	-	71	-
Other changes	-121	-12	152
Total non-monetary changes	-106	3	151
Carrying amount as at 31 December 2019	28,499	16,056	396

More detailed information on the Interest Rate Swaps used as hedges is contained in note 9.2

Bond issues €31,673 million (€28,499 million)
(non-current) €28,454 million (€26,628 million)
(current) €3,219 million (€1,871 million)

The item principally refers to: i) €10,026 million in bonds issued by Abertis Infraestructuras; ii) €8,120 million in bonds issued by Autostrade per l'Italia; iii) €4,224 million in bonds issued by HIT (the French holding company that controls the motorway operators, Sanef and Sapn); iv) €1,738 million in bonds issued by Atlantia; v) €1,427 million issued by Aeroporti di Roma and €906 million in bonds issued by Sanef.

The overall increase of €3,174 million essentially reflects the following:

a) issues totalling €4,970 million primarily attributable to Abertis Infraestructuras (€1,500 million), Autostrade per l'Italia (€1,250 million), HIT (€1,200 million), Azzurra Aeroporti (€660 million) and Aeroporti di Roma (€300 million);

b) inclusion in the scope of consolidation as at 31 December 2020 of the bond issues by the Mexican company, RCO, after its acquisition by the Abertis group (€1,430 million);

c) the assignment to third parties, by Atlantia, of sterling-denominated bonds issued by Aeroporti di Roma in January 2020 (resulting in proceeds of €278 million), with the resulting recognition of the subsidiary's liability in the consolidated financial statements;

d) redemptions totalling €2,889 million, primarily attributable to Abertis Infraestructuras (€1,561 million, including the repurchase, in December 2020, of existing bonds maturing between 2024 and 2026 and having a nominal value of €920 million), Autostrade per l'Italia (€502 million) and A4 Brescia - Padova (€400 million);

e) the negative performance of exchange rates, essentially falls in the value of the Brazilian real and the Chilean peso (€519 million).

The bonds issued by certain Group companies are partially or fully backed by financial guarantees. These regard:

a) the bonds issued by Autostrade per l'Italia before 2014, which were transferred to the subsidiary from Atlantia in 2016 as part of an Issuer Substitution transaction and are backed, through to 2025, by a guarantee of €3,834 million (120% of the nominal value) provided by Atlantia and that reduces based on the bonds' maturities through to 2025;

b) the bonds issued by Vias Chile, totalling €428 million (with back-to-back guarantees provided by Autopista Central, totalling €89 million);

c) the bonds issued by Metropistas, totalling €56 million;

d) the bonds issued by Azzurra Aeroporti (with back-to-back guarantees provided by Atlantia, totalling €6 million).

Medium/long-term borrowings €18,690 million (€16,452 million)
(non-current) €15,877 million (€15,204 million)
(current) €2,813 million (€1,248 million)

The balance of this item, amounting to €18,690 million, including the current and non-current portions, is up €2,238 million compared with 31 December 2019 (€16,452 million). This essentially reflects the following:

a) new borrowings totalling €6,304 million, essentially attributable to Abertis Infraestructuras (€1,620 million), Atlantia (the revolving credit facility, with the full amount of €3,250 million used from 14 January to 5 November 2020 and amounting to €1,250 million as at 31 December 2020), Aeroporti di Roma (€680 million), Telepass (€300 million) and A4 Brescia - Padoa (€200 million);

b) inclusion in the scope of consolidation of the bank borrowings of the RCO group (€792 million and Elizabeth River Crossings (€910 million);

c) repayments totalling €5,518 million, essentially relating to Atlantia (€2,000 million of the revolving credit facility disbursed on 14 January), Abertis Infraestructuras (€1,750 million), Azzurra Aeroporti (€653 million), the Abertis group's French companies (€238 million) and Chilean and Brazilian companies (€212 million), Telepass (€200 million), Autostrade per l'Italia (€143 million) and Aeroporti di Roma (€114 million);

d) the reduction due to the performance of exchange rates, essentially falls in the value of the Brazilian real and the Chilean peso (€125 million).

The bank borrowings of certain Group companies are partially or fully backed by financial guarantees. These regard:

a) the loans provided by the EIB to Autostrade per l'Italia (a guarantee provided by Atlantia, amounting to up to €1,519 million, equal to 120% of the nominal value);

b) the loans provided by the EIB to the Abertis group's Spanish operator, Aulesa (a guarantee provided by Abertis Infraestructuras, amounting to up to €38 million).

Finally, it should be noted that:

a) on 14 January 2021, Atlantia repaid the Revolving Credit Facility (€1,250 million) (with a final maturity date in July 2023);

b) Atlantia used the proceeds from the bond issue of 11 February 2021 to effect a partial early repayment of principal of €1,000 million on the Term Loan falling due in 2022, amounting to €1,500,000 thousand (with a final maturity date in February 2023);

c) in February 2021, Atlantia voluntarily proceeded with early cancellation of the Revolving Credit Facility of €2,000,000 thousand maturing in May 2021, having repaid it in full on 5 November 2020.

Details of the covenants provided for in the respective loan agreements, and compliance with them, are provided in note 9.2.

Non-current derivative liabilities €1,381 million
(non-current) €1,134 million (€1,301 million)
(current) €247 million (-)

This item represents fair value losses on outstanding derivatives as at 31 December 2020 and primarily includes:

a) fair value losses (€568 million) on Atlantia's and Autostrade per l'Italia's Interest Rate Swap (IRSs), which do not qualify for the application of hedge accounting as the required economic relationship resulting from a highly probable forecast transaction (bond issues planned for 2020 and 2021) no longer exists (greater details are provided below in note 9.2);

b) fair value losses (€233 million) on Interest Rate Swap (IRSs) classified as cash flow hedges , entered by Abertis, Aeroporti di Roma, Azzurra Aeroporti, Aéroports de la Côte d'Azur and Pavimental to hedge interest rate risk on their existing non-current financial liabilities and those that are highly likely to be assumed in the future, in accordance with the Group's financial plan;

c) fair value losses (€215 million) on Cross Currency Swaps (CCSs) entered into by Autostrade per l'Italia to hedge bond issues denominated in pounds sterling;

d) fair value losses (€107 million) on Aeroporti di Roma's Cross Currency Swaps relating to the bond issue denominated in pounds sterling;

e) fair value losses (€48 million) on a part of the Interest Rate Swaps (IRSs) entered into by Azzurra Aeroporti and no longer qualifying for hedge accounting, as the previous hedging relationship no longer exists following the refinancing of the related debt via the issue of fixed-rate bonds;

f) fair value losses (€13 million) on IPCA vs CDI Swap offsets entered into by the Brazilian company Rodovia das Colinas, to crystallise the mark-to-market value of IPCA vs CDI Swaps.

Following the bond issues carried by Atlantia and Autostrade per l'Italia in early 2021, and the consequent unwinding of a portion of the Froward-Starting Interest Rate Swaps, the fair value of the above swaps was reclassified as current (€94 million in the case of Autostrade per l'Italia and €152 million in Atlantia's case).

Further details of derivative financial instruments entered into by the Group companies for hedging purposes are contained in note 9.2.

Other medium/long-term financial liabilities €1,285 million (€1,194 million)
(non-current) €745 million (€693 million)
(current) €540 million (€501 million)

This item is broadly in line with the balance for 31 December 2019 and primarily consists of the following:

a) the liabilities of Abertis Internacional, totalling €546 million, relating to deferred payments linked to the acquisition of the investment in A4 Holding and to be settled by 2021;

b) accrued expenses relating to interest on the above bond issues and bank borrowings and differentials on derivatives accruing in 2020 and to be settled in 2021 (€538 million);

c) financial liabilities primarily attributable to Túnels de Barcelona (€65 million) and Aulesa (€45 million), relating to guarantees received from the government and for tolls in excess of those provided for in the financial plan.

Short-term financial liabilities €618 million (€600 million)

The composition of short-term financial liabilities is shown below.

€M	31 December 2020	31 December 2019
Bank overdrafts repayable on demand	67	30
Short-term borrowings	349	391
Derivative liabilities [1]	68	42
Other current financial liabilities	134	137
Short-term financial liabilities	**618**	**600**

[1] *These liabilities primarily include derivative instruments that classify as non-hedge accounting and in level 2 of the fair value hierarchy.*

The balance is up €18 million compared with 31 December 2019, due primarily to:

a) an increase in the fair value of derivative liabilities following a decline in the interest rates (€26 million);

b) new borrowings falling due in 2021 obtained by Aeroports de la Cote d'Azur (€67 million), guaranteed by the French state, and new current account overdrafts obtained by Telepass (€36 million);

c) the repayment of borrowings by Telepass (€100 million).

Net debt in compliance with esma recommendation of 20 March 2013

An analysis of the various components of consolidated net debt is shown below with amounts payable to and receivable from related parties, as required by CONSOB Ruling DEM/6064293 of 28 July 2006, in accordance with European Securities and Markets Authority ("ESMA") Recommendation of 20 March 2013 (which does not entail the deduction of non-current financial assets from debt).

€M	Note	31 December 2020	*Of which related party transactions*	31 December 2019	*Of which related party transactions*	Increase/ (Decrease)
Cash		6,633		4,172		2,461
Cash equivalents		1,752		1,060		692
Cash and cash equivalents (A)	7.8	**8,385**		**5,232**		**3,153**
Current financial assets (B)	7.4-7.9	**1,274**		**1,308**		**-34**
Current account overdrafts repayable on demand		67		30		37
Current portion of medium/long-term financial liabilities		6,819		3,620		3,199
Other financial liabilities		551		570		-19
Current financial liabilities (C)	7.15	**7,437**		**4,220**		**3,217**
Current net debt (D=A+B-C)		**2,222**		**2,320**		**-98**
Bond issues		28,454		26,628		1,826
Medium/long-term borrowings		15,877	*8*	15,204	9	673
Other non-current borrowings		1,878		1,994		-116
Non-current financial liabilities (E)	7.15	**46,209**		**43,826**		**2,383**
(Net funds) / Net debt as defined by ESMA recommendation (F=E-D)		**43,987**		**41,506**		**2,481**
Non-current financial assets (G)	7.4	**4,749**	***19***	**4,784**	***19***	**-35**
Net debt (H=F-G)		**39,238**		**36,722**		**2,516**

7.16 Other non-current liabilities
€298 million (€358 million)

The following table shows a breakdown of this item.

€M	31 December 2020	31 December 2019	Increase/ (Decrease)
Amounts payable to grantors	108	121	-13
Accrued expenses of a non-trading nature	74	83	-9
Liabilities deriving from contractual obligations	42	43	-1
Amounts payable to staff	7	32	-25
Other payables	67	79	-12
Other non-current liabilities	**298**	**358**	**-60**

The balance primarily includes amounts payable to the French Government by the French operators, Sanef and Sapn, under agreements entered into in relation to the *Plan Relance* project, amounting to a total of €5 million (€117 million as at 31 December 2019).

7.17 Trading liabilities
€2,160 million (€2,243 million)

An analysis of trading liabilities is shown below.

€M	31 December 2020	31 December 2019	Increase/ (Decrease)
Contract liabilities	-	1	-1
Amounts payable to suppliers	1,592	1,476	116
Payable to operators of interconnecting motorways	462	596	-134
Tolls in the process of settlement	59	83	-24
Accrued expenses, deferred income and other trading liabilities	47	87	-40
Trade payables	**2,160**	**2,242**	**-82**
Trading liabilities	**2,160**	**2,243**	**-83**

This item is down €83 million, essentially due to a reduction in amounts payable by Autostrade per l'Italia to the operators of interconnecting motorways (€134 million) and in tolls in the process of settlement (€24 million), reflecting the reduction in traffic in 2020 as a result of the restrictions on movement imposed by the Italian Government in response to the Covid-19 pandemic. This reduction was partially offset by an increase in amounts payable to suppliers (€116 million), primarily by Autostrade per l'Italia (€124 million) as a result of the increased costs incurred in continuing with planned operations relating to network surveillance, inspection, maintenance and safety.

7.18 Other current liabilities
€977 million (€1,117 million)

The following table shows a breakdown of this item.

€M	31 December 2020	31 December 2019	Increase/ (Decrease)
Sundry taxes other than current income tax	304	334	-30
Concession fees payable	54	105	-51
Amounts payable to staff	180	225	-45
Social security contributions payable	56	71	-15
Guarantee deposits from users who pay by direct debit	47	45	2
Amounts payable to public entities	45	52	-7
Amounts payable for expropriations	2	2	-
Other payables	289	283	6
Other current liabilities	**977**	**1,117**	**-140**

This item, totalling €977 million as at 31 December 2020, is down €140 million, primarily due to:

a) a reduction of €51 million in concession fees payable, primarily by Autostrade per l'Italia and Aeroporti di Roma, reflecting the reduction in traffic resulting from the above restrictions on movement imposed by the Italian Government in response to the Covid-19 pandemic;

b) a reduction of €45 million in amounts payable to staff, primarily relating to Aeroporti di Roma (€13 million), the French operators (€11 million) and Autostrade per l'Italia (€6 million), essentially relating to the use of welfare payments and income support schemes made available by the governments of the countries in which the Group operates in response to the spread of the Covid-19 pandemic.

8. Notes to the consolidation income statement

This section contains analyses of the most important consolidated income statement items. Negative components of the income statement are indicated with a minus sign in the headings and tables in the notes, whilst amounts for 2019. Details of amounts in the consolidated income statement deriving from related party transactions are provided in note 10.5.

8.1 Toll revenue
€6,870 million (€9,256 million)

Toll revenue is down €2,386 million compared with 2019 (€9,256 million).

After stripping out exchange rate movements, which had a negative impact of €329 million, and changes in the scope of consolidation (primarily relating to the Abertis group's operators), reducing toll revenue by a further €161 million, the decline with respect to 2019 broadly reflects the impact of the restrictions on movement introduced in response to the Covid-19 pandemic. This resulted in reductions in traffic recorded by the Italian motorway network (down 27.1%), the Abertis group's operators (down 21.8%) and the overseas motorways segment (down 19.8%).

8.2 Aviation revenue

€244 million (€826 million)

Aviation revenue is down €582 million compared with 2019 (€826 million), primarily reflecting the impact of the Covid-19 pandemic on traffic volumes at Aeroporti di Roma (passenger traffic down 76.8%) and at the Aéroports de la Côte d'Azur group (passenger traffic down 68.4%), resulting in reductions of €502 million and €80 million, respectively.

€M	2020	2019	Increase/ (Decrease)
Airport fees	154	585	-431
Centralised infrastructure	8	21	-13
Security services	62	164	-102
Other	20	56	-36
Aviation revenue	**244**	**826**	**-582**

8.3 Revenue from construction services

€769 million (€989 million)

An analysis of revenue from construction services is shown below.

€M	2020	2019	Increase/ (Decrease)
Revenue from construction services – government grants and external costs	698	906	-208
Capitalised staff costs – construction services for which additional economic benefits are received	42	50	-8
Revenue from construction services – capitalisation of financial expenses	27	29	-2
Revenue from construction services provided by sub-operators	2	4	-2
Revenue from construction services	**769**	**989**	**-220**

Revenue from construction services essentially consists of construction services for which additional benefits are received and financial assets deriving from concession rights, represented by the fair value of the consideration due in return for the construction and upgrade services rendered in relation to assets held under concession during the year, determined on the basis of the operating costs and financial expenses incurred (the latter solely in relation to intangible assets deriving from concession rights) and the eventual margin on services provided by entities within the Atlantia Group.

Revenue from construction services is down €220 million compared with 2019, primarily due to a decrease in the Abertis group's "Revenue from construction services for which additional benefits are received", primarily at the group's operators in France (€74 million), Brazil (€62 million) and Chile (€37 million), and Aeroporti di Roma's revenue from such services (€78 million). This reduction was partially offset by increased revenue from construction services for which additional benefits are received at Autostrade per l'Italia in 2020 (€32 million).

In 2020, the Atlantia Group carried out additional construction services for which no additional benefits are received, amounting to €419 million, net of related government grants, for which the Group made use of a portion of the specifically allocated "Provisions for construction services required by contract". Uses of these provisions are classified as a reduction in operating costs for the period, as explained in note 8.10.

8.4 Other operating income

€1,168 million (€1,544 million)

An analysis of other operating income is provided below.

€M	2020	2019	Increase/ (Decrease)
Revenue from sub-concessions	260	556	-296
Revenue from Telepass and Viacard fees	175	172	3
Maintenance revenue	28	45	-17
Other revenue from motorway operation	28	37	-9
Damages and compensation	48	80	-32
Revenue from products related to the airport business	22	58	-36
Refunds	32	34	-2
Revenue from the sale of technology devices and services	147	201	-54
Advertising revenue	3	11	-8
Other income	425	350	75
Other operating income	**1,168**	**1,544**	**-376**

Other operating income of €1,168 million and is down €376 million compared with 2019 (€1,544 million), primarily due to a reduction in revenue from sub-concessions (€296 million), reflecting the decline in traffic and Autostrade per l'Italia's suspension of motorway service area royalties in order to support oil and food service providers following the Covid-19 pandemic, and the closure of airport terminals during the lockdown. The most significant declines are attributable to Aeroporti di Roma (€148 million), Autostrade per l'Italia (€87 million) and Aéroports de la Côte d'Azur (€52 million).

8.5 Raw and consumable materials

-€336 million (-€537 million)

Details of the cost of raw and consumable materials are shown in the following table:

€M	2020	2019	Increase/ (Decrease)
Construction materials	-184	-172	-12
Electrical and electronic materials	-24	-58	34
Lubricants and fuel	-56	-60	4
Other raw and consumable materials	-93	-248	155
Cost of materials	**-357**	**-538**	**181**
Change in inventories of raw, ancillary and consumable materials and goods for resale	**21**	**1**	**20**
Raw and consumable materials	**-336**	**-537**	**201**

This item, which consists of purchases of materials and the change in inventories of raw and consumable materials, is down €201 million, mainly due to the costs incurred in 2019 by Autostrade per l'Italia in order to purchase civil properties and industrial buildings following the collapse of a section of the Polcevera road bridge (€115 million).

8.6 Service costs

-€2,846 million (-€2,782 million)

An analysis of service costs is provided below.

€M	2020	2019	Increase/ (Decrease)
Construction and similar	-1,837	-1,813	-24
Professional services	-317	-262	-55
Transport and similar	-84	-65	-19
Utilities	-92	-107	15
Insurance	-72	-68	-4
Statutory Auditors' fees	-2	-2	-
Other services	-442	-466	24
Gross service costs	**-2,846**	**-2,783**	**-63**
Capitalised service costs for assets other than concession assets	-	1	-1
Service costs	**-2,846**	**-2,782**	**-64**

Service costs of €2,846 million are up €64 million, primarily reflecting the combined effect of:

a) increase in construction services and similar costs linked to the increase in the cost of surveillance, inspections, maintenance and safety of Autostrade per l'Italia's motorway infrastructure (€275 million);

b) a reduction in construction and similar costs recorded by Abertis group companies (€238 million), above all by the operators in Brazil, France, Italy and Chile, as a result of the cost efficiency initiatives implemented by management following the spread of the Covid-19 pandemic.

The item, "Construction and similar" includes the costs related to the progress of work on demolition and reconstruction of the Polcevera road bridge (€147 million in 2020 and €226 million in 2019) incurred by Autostrade per l'Italia. These expenses are entirely covered by use of the provisions for the repair and replacement of motorway infrastructure. Further details are provided in note 8.17.

8.7 Staff costs

-€1,393 million (-€1,605 million)

An analysis of staff costs is shown below.

€M	2020	2019	Increase/ (Decrease)
Wages and salaries	-925	-1,050	125
Social security contributions	-284	-321	37
Payments to supplementary pension funds, INPS and post-employment benefits	-42	-44	2
Directors' remuneration	-8	-7	-1
Other staff costs	-136	-187	51
Gross staff costs	**-1,395**	**-1,609**	**214**
Capitalised staff costs for assets other than concession assets	2	4	-2
Staff costs	**-1,393**	**-1,605**	**212**

Staff costs of €1,393 million are down €212 million (€1,605 million in 2019), primarily reflecting:

a) a reduction in costs linked to the use of income support schemes and other mitigation measures adopted by the Group in response to the spread of the Covid-19 pandemic;

b) the reduced cost of staff incentive plans due to the adjustment of the fair value of rights vesting under the Group's staff incentive plans, reflecting the performance of Atlantia's shares in the two comparative periods (€41 million).

The following table shows the average number of employees (by category and including agency staff):

Average workforce	2020	2019	Increase/ (Decrease)
Senior managers	391	398	-7
Middle managers and administrative staff	10,655	11,270	-615
Toll collectors	7,653	7,713	-60
Other operating personnel	10,318	9,644	674
Total Atlantia Group	**29,017**	**29,025**	**-8**

8.8 Other operating costs
-€823 million (-€1,003 million)

An analysis of other operating costs is shown below.

€M	2020	2019	Increase/ (Decrease)
Concession fees	-444	-609	165
Lease expense	-29	-34	5
Grants and donations	-32	-27	-5
Direct and indirect taxes	-271	-326	55
Other	-49	-8	-41
Other operating costs	-352	-361	9
Other capitalised costs	2	1	1
Other costs	-823	-1,003	180

Other operating costs, totalling €823 million, are down €180 million compared with the comparative period. This primarily regards a reduction in concession fees, broadly regarding those payable by the Italian motorway operators (€110 million) and by the Aeroporti di Roma group (€28 million) as a result of the above decline in traffic, and the reduced amount payable under the profit-sharing arrangement applicable to the operator, Stalexport Autostrada Malopolska (€11 million).

8.9 Operating change in provisions
-€429 million (-€ 1,447 million)

This item consists of operating changes in provisions, excluding those for employee benefits (classified in staff costs), made during the period in order to meet legal and constructive obligations requiring the use of financial resources in future years.

The negative balance of €429 million Malapela reflects a combination of the following:

a) the operating change in the provisions for the repair and replacement of motorway infrastructure, represented by an expense of €153 million. After excluding uses (€147 million) linked to the costs incurred in relation to demolition and reconstruction of the Polcevera road bridge, new provisions net of uses amount to €300 million, resulting mainly from (i) provisions for Autostrade per l'Italia's improvement maintenance programme to be carried out in the regulatory period2020-2024, totalling €332 million (in line with the new Financial Plan submitted to the MIT), and (ii) a reduction in the net expenses recognised by the Abertis group's operators (€27 million);

b) the net increase in provisions for risks and charges, totalling €243 million and primarily attributable to Autostrade per l'Italia. This reflects an updated estimate of the further costs to be incurred by Autostrade per l'Italia (€190 million) in connection with ongoing talks with the Government and the Ministry of Infrastructure and Transport (the "MIT") aimed at settling the dispute between the parties;

c) net provisions for the renewal of assets held under concession, amounting to €33 million.

8.10 Use of provisions for construction services required by contract
€419 million (€423 million)

This item regards the use of provisions for construction services required by contract, relating to services for which no additional economic benefits are received rendered during the year, less accrued government grants (recognised in revenue from construction services, as explained in note 8.3). This item, amounting to €419 million, is broadly unchanged with respect to 2019. It represents the indirect adjustment to construction costs classified by nature and incurred by the motorway operators, above all Autostrade per l'Italia and the Abertis group's operators whose concession arrangements provide for such obligations. Further information on construction services and capital expenditure during the period is provided in notes 7.2 and 8.3.

8.11 (Impairment losses) and reversals of impairment losses
-€522 million (-€63 million)

This item includes:

a) the impairment loss on the remaining goodwill allocated to Aéroports de la Côte d'Azur (for which a partial impairment loss of €50 million was already recognised in 2019), in addition to impairment losses on intangible assets deriving from concession rights, totalling €260 million;

b) impairment losses on the intangible assets deriving from concession rights of the Italian operator, A4 Brescia - Padoa (€109 million) and the Arteris group's Brazilian operators (€151 million).

Further information is provided in note 7.2.

8.12 Financial income/(expenses)
-€1,688 million (-€1,245 million)

Financial income €1,018 million (€737 million)
Financial expenses -€2,714 million (-€2,110 million)
Foreign exchange gains/(losses) €8 million (€128 million)

An analysis of financial income and expenses is shown below.

€M	2020	2019	Increase/ (Decrease)
Financial income accounted for as an increase in financial assets deriving from concession rights and government grants	263	259	4
Dividends received from investees accounted for at fair value	70	73	-3
Income from derivative financial instruments	122	123	-1
Financial income accounted for as an increase in financial assets	42	65	-23
Interest and fees receivable on bank and post office deposits	29	53	-24
Release of provisions for expected credit losses	238	-	238
Other	254	164	90
Other financial income	685	405	280
Total financial income (a)	1,018	737	281
Financial expenses from discounting of provisions for construction services required by contract and other provisions	-48	-78	30
Interest on bonds	-715	-639	-76
Losses on derivative financial instruments	-575	-379	-196
Interest on medium/long-term borrowings	-460	-428	-32
Interest expense on lease liabilities	-5	-6	1
Interest expense accounted for as an increase in financial liabilities	-93	-24	-69
Interest and fees payable on bank and post office deposits	-3	-1	-2
Impairment losses on financial assets	-523	-182	-341
Net financial expenses resulting from hyperinflation (IAS 29)	-57	-147	90
Other financial expenses	-235	-226	-9
Other financial expenses	-2,666	-2,032	-634
Total financial expenses (b)	-2,714	-2,110	-604
Foreign exchange gains/(losses) (c)	8	128	-120
Financial income/(expenses) (a+b+c)	-1,688	-1,245	-443

Net other financial expenses, totalling €1,981 million are up €354 million compared with 2019 (€1,627 million), primarily reflecting a combination of the following:

a) an increase in expenses on Atlantia's derivatives (€200 million), primarily relating to fair value losses on Forward-Starting Interest Rate Swaps not qualifying for hedge accounting from 2019 (€96 million) and the reclassification to profit or loss of the equity reserve for losses on these instruments, primarily entered into to hedge issues in 2020 that were not completed (€92 million);

b) the impairment loss on the investment in Aeroporto di Bologna, totalling €43 million, as described in note 7.3;

c) the impairment loss on financial assets deriving from the concession rights at the Argentine operators, GCO and Ausol, amounting to €148 million (€140 million in 2019), after the release of provisions for expected credit losses recognised in "Other financial income" (€216 million) and loans and receivables attributable to the Brazilian subsidiary, AB Concessoes (€93 million);

d) increased interest expense at Atlantia (€61 million), essentially linked to the revolving credit facilities used in full, amounting to €3,250,000 thousand, from January 2020, with €2,000,000 thousand repaid in November 2020 (in 2019, partial use of €675,000 thousand until April), and as a result of the higher interest rates applied to the Company's bank borrowings from May 2020, following the downgrade of Atlantia's credit ratings by Standard & Poor's, Moody's and Fitch between December 2019 and March 2020;

e) the increase in expenses incurred by Abertis Infraestructuras (€56 million) following the public offer, completed in December 2020, to buy back bonds maturing between 2024 and 2026, with a total nominal value of €920 million;

f) a reduction in the net financial expenses (€90 million) recognised in application of IAS 29 and relating to financial reporting in hyperinflationary economies in connection with the Argentine operators (€147 million in 2019).

The item, "Foreign exchange gains/(losses)" includes the impact of the rise in the value of the US dollar against the Argentine peso on the financial assets deriving from concession rights attributable to the motorway operators, GCO and Ausol, amounting to €49 million (€42 million in 2019), subject to the above impairment losses. These concession rights are described in note 7.4.

8.13 Share of profit/(loss) of investees accounted for using the equity method -€19 million (€21 million)

The "Share of (profit)/loss of investees accounted for using the equity method" for 2020 amounts to a loss of €19 million, reflecting the Group's share of the profit or loss of its associates and joint ventures, essentially due to the share of the loss reported by Getlink (€23 million), whose performance was affected by the albic impact of the Covid-19 pandemic.

8.14 Income tax benefit/(expense) €524 million (-€107 million)

Comparison of the income tax benefit and expense for the two comparative periods is shown below.

The tax benefit amounts to €524 million, a difference of €631 million compared with the income tax expense of €107 million reported in 2019. This broadly reflects the lower pre-tax profit recorded by Group companies as a result of the Covid-19 pandemic.

€M	2020	2019	Increase/ (Decrease)
IRES	-25	-356	331
IRAP	-8	-84	76
Income taxes attributable to foreign operations	-297	-603	306
Current tax benefit of tax loss carry-forwards	9	9	-
Current tax expense	-321	-1,034	713
Recovery of previous years' income taxes	45	39	6
Previous years' income taxes	-38	-16	-22
Differences on current tax expense for previous years	7	23	-16
(Increases)/Decreases recognised in profit or loss	194	262	-69
Changes in prior year estimates	-4	67	-71
Deferred tax income	190	329	-140
Increases/(Decreases) recognised in profit or loss	644	588	57
Changes in prior year estimates	4	-13	17
Deferred tax expense	648	575	74
Deferred tax income/(expense)	838	904	-66
Income tax (expense)/benefit	524	-107	631

The following table shows a reconciliation of the charge based on statutory rates of taxation (IRES) and the effective charge for the year incurred by Group companies.

€M	2020 Taxable income	2020 Tax	2020 Tax rate	2019 Taxable income	2019 Tax	2019 Tax rate
Pre-tax profit/(loss) from continuing operations	-2.166			471		
Tax expense computed using statutory rate applied by Parent Company		-520	24.0%		113	24.0%
IRAP		8	-0.4%		84	17.8%
Effect of different overseas tax rates		9	-0.4%		31	6.6%
Differences on current taxation for previous year		-7	0.3%		-23	-4.9%
Adjustments to deferred tax assets/liabilities for previous year		-16	0.7%		-17	-3.6%
Tax benefit of deduction of depreciation and amortisation from tax		-20	0.9%		-31	-6.6%
Changes in tax due to tax losses		-9	0.4%		-9	-1.9%
Other changes		31	-1.4%		-41	-8.7%
TOTAL		-524	24.2%		107	22.7%

8.15 Profit/(Loss) from discontinued operations

€1 million (-€7 million)

An analysis of the net profit/(loss) from discontinued operations for the two comparative periods is shown below.

€M	2020	2019	Increase/ (Decrease)
Operating income	-	129	-129
Operating costs	-	-109	109
Financial expenses	-	-61	61
Financial income	-	42	-42
Tax benefit/(expense)	1	-8	9
Profit/(Loss) from discontinued operations	**1**	**-7**	**8**

The net loss for 2019 regards the contribution of the discontinued operations represented by the Hispasat group, whose sale was agreed and completed in 2020.

8.16 Earnings/(Loss) per share

The following table shows the calculation of basic and diluted earnings/(losses) per share for the two comparative periods.

	2020	2019
Weighted average number of shares outstanding	825,783,990	825,783,990
Weighted average number of treasury shares in portfolio	-7,650,521	-7,804,365
Weighted average of shares outstanding for calculation of basic earnings per share	**818,133,469**	**817,979,625**
Weighted average number of diluted shares held under share-based incentive plans	-	8,722
Weighted average of all shares outstanding for calculation of diluted earnings per share	**818,133,469**	**817,988,346**
Profit/(Loss) for the year attributable to owners of the parent (€M)	-1,177	136
Basic earnings/(loss) per share (€)	**-1.44**	**0.17**
Diluted earnings/(loss) per share (€)	**-1.44**	**0.17**
Profit/(Loss) from continuing operations attributable to owners of the parent (€M)	-1,178	139
Basic earnings/(loss) per share from continuing operations (€)	**-1.44**	**0.17**
Diluted earnings/(loss) per share from continuing operations (€)	**-1.44**	**0.17**
Profit/(Loss) from discontinued operations attributable to owners of the parent (€M)	1	-3
Basic earnings/(loss) per share from discontinued operations (€)	**-**	**-**
Diluted earnings/(loss) per share from discontinued operations (€)	**-**	**-**

8.17 Events of 14 August 2018 relating to the collapse of a section of the Polcevera road bridge in Genoa

With regard to the tragic collapse of a section of the Polcevera road bridge (the "road bridge") on the A10 Genoa-Ventimiglia motorway operated by da Autostrade per l'Italia (the "operator") on 14 August 2018, the impact of this event on the accounts in 2020 and 2019 is describerd below. Developments relating to legal and regulatory aspects are described below in note 10.7.

The accounting approach adopted in 2020, as described in greater detail below, is in line with the approach adopted in the preparation of the Annual Report for the year ended 31 December 2019.

In particular, it should be noted that an obligation on the part of Autostrade per l'Italia to reconstruct the bridge was identified. In this regard, in accordance with the accounting treatment applicable had the operator proceeded directly to carry out reconstruction based on the terms of the Single Concession Arrangement (rather than responsibility for these activities being assigned by law to a Special Commissioner appointed by the Government), a series of expenses resulting from the events in question were already recognised in the consolidated income statement for 2018 and 2019.

As described in the Annual Report for the year ended 31 December 2019, with regard to the method of accounting for the risks and charges connected with the "direct" and "indirect" damages, it should be noted that:

a) so-called "direct damages", meaning damages directly linked to the events as a direct and immediate consequence of the collapse of the road bridge and regardless of any theoretical hypothesis on the cause of the collapse, may be divided into two types:

   (i) the costs connected with demolition and reconstruction, including the payment of compensation to the businesses located beneath the road bridge, for which the operator has made provision in the "Provisions for the repair and replacement of motorway infrastructure"; and

   (ii) the charges related to the compensation paid to the victims' families and to the injured, which have been accounted for in "Other provisions for risks and charges";

b) with regard to so-called "indirect damages" hypothetically identified in relation to the collapse, it should be noted that, as regards determination of the probability of an adverse outcome and, as a result, identification of the accounting category provided for in IAS 37 (provisions or a contingent liability) with which it is reasonable to associate the legal risks in question, the operator's considerations are based on, and are in consistent with, a series of technical and legal opinions from professionals specialising in the related areas, in which the circumstances surrounding the collapse of the road bridge and the related disputes have been analysed in detail in order to estimate the probability of an adverse outcome for Autostrade per l'Italia and the expected value of any liabilities in the event of such an outcome.

With regard to the "indirect damages", the opinions received provide useful, elements on which Autostrade per l'Italia has based its classification of the provision (as a contingent liability). This means assessing the degree to which it is likely that an adverse outcome will occur as a result of the disputes and the possibility of arriving with reasonable certainty at an estimate of the size of the loss connected with the occurrence of this event.

The above technical and legal opinions have demonstrated that it is currently impossible to construct an ex-ante hypothesis, and that it will be necessary to assess the concrete evidence that may emerge from time to time, and that, as to any identification of the entity responsible for the event, Autostrade per l'Italia has not been identified as being responsible for the occurrence of the event in any final court or out-of-court ruling.

Thus, based on the fact that:

a) it is not possible to construct an ex-ante hypothesis regarding Autostrade per l'Italia's responsibility for the occurrence of the event, nor, as a result, regarding whether or not any damages are due or the size of any damages;

b) at the present time, there are further causes of uncertainty regarding whether or not any damages are due, or the size of any damages payable by Autostrade per l'Italia, in view of the disputes resulting from assessment process relating to insurance connected to the collapse of the road bridge, and from an accounting viewpoint, the necessary conditions referred to in paragraph 14 of IAS 37 for recognition of a provision to "Other current provisions for risks and charges" have so far not been met.

Finally, Autostrade per l'Italia continued to implement the company's decision to exempt road users in the Genoa area from the payment of tolls, resulting in an estimated overall reduction in toll revenue in the three years from 2018 to 2020 of approximately €70 million, including €44 million attributable to 2020.

In keeping with the above accounting treatment, in 2020 Autostrade per l'Italia:

a) recognised costs of €147 million as a result of requests from the Special Commissioner to fund reconstruction of the road bridge; this amount is entirely covered by use of "Provisions for the repair and replacement of motorway infrastructure" previously set aside from 2018 and its impact on the income statement has been offset by indirect use of the above provisions in the "Operating change in provisions" in the consolidated financial statements as at and for the year ended 31 December 2020;

b) paid a total of €12 million directly from "Other provisions for risks and charges", in the form of compensation for a number of the families of victims impacted by the collapse of the road bridge, in grants for small businesses and firms hit by the collapse and to cover the cost of consultants' fees and legal expenses linked to actions undertaken to protect the Autostrade per l'Italia's rights and those of its employees who are under investigation;

c) made further provisions of €10 million to the "Other provisions for risks and charges" following an updated estimate of the charges to be incurred in order to cover the cost of consultants' fees and legal expenses linked to actions undertaken to protect the Autostrade per l'Italia's rights and those of its employees who are under investigation.

As at 31 December 2020, no compensation that in future may be recovered by Autostrade per l'Italia under other insurance policies for the bridge has been recognised, given that the requirements for such recognition established by the relevant IFRS have not been met.

The following provisions have been made in the financial statements as at 31 December 2020 in relation to the above items:

a) €25 million in "Current provisions for the repair and replacement of motorway infrastructure;

b) €16 million in "Other provisions for risks and charges".

Following the collapse of the road bridge, the Ministry of Infrastructure and Transport (the "MIT") formally accused Autostrade per l'Italia of certain breaches of its contractual obligations under the Single Concession Arrangement, as described in greater detail in note 10.7.

As described in that note, and in section 8.3 of the Integrated Annual Report for 2020 in relation to Atlantia's going concern assessment, Autostrade per l'Italia, without prejudicing any determination of liability for the collapse, proceeded to enter into discussions with the Government, the MIT and the Ministry of the Economy and Finance with the aim of agreeing on a resolution of the dispute, in return for the subsidiary's withdrawal of certain legal actions challenging aspects of the legislation introduced by the Government, which in some respects were in breach of Autostrade per l'Italia's rights.

Following a series of talks with the MIT and the Government, in July 2020, Autostrade per l'Italia drew up a new proposal. Above all, on 8 October 2020, Autostrade per l'Italia communicated its willingness to sign the draft agreement received from the Government's representatives, with a view to reaching an agreed settlement of the dispute over alleged serious breaches of the Concession Arrangement, and the Addendum to the Concession Arrangement, with the sole exception of removal of the condition precedent requiring completion of the corporate reorganisation. Autostrade per l'Italia alson committed, among other things, to provide total funding of €3,400 million at its own expense, marking an increase of €500 million compared with the amount proposed on 5 March 2020. This sum breaks down as follows:

a) a sum of €1,500 million to be used to finance toll discounts for road users;

b) €1,200 million to fund additional work on the infrastructure operated under concession in the regulatory period 2020-2024 that will not be recovered through tolls;

c) €700 million for the construction of the new Polcevera road bridge and to cover any related costs.

Subsequently, in relation to further talks, with regard to the commitments in point b), the commitment relating to expenditure of €1.2 billion to be financed by the company and not recovered through tolls has replaced the commitment to spend €1.2 billion on "extraordinary" maintenance. This maintenance work was included in the Financial Plan submitted to the Grantor under the new overall proposal for an agreed settlement, based on application of the new tariff framework introduced by the transport regulator (ART), and on the commitments assumed and investment expenditure agreed between the company and the Grantor. This document also reflects all the obligations and contractual terms and conditions agreed by the parties and included in the draft settlement agreement. The Financial Plan, therefore, also reflects the sum of €1.2 billion regarding the extraordinary maintenance plan, requested by the MIT, and to be recovered through tolls. This extraordinary plan is additional to the operator's "ordinary" maintenance commitments (both under the Single Concession Agreement and under ART's new tariff framework), as it relates to specific requests from the Grantor regarding improved maintenance standards. As noted previously, this extraordinary maintenance plan, now recovered through a specific tariff component, was included in the expenses to be funded at its own expense by Autostrade per l'Italia in the previous version of the settlement agreement.

With regard to the expenses incurred in relation to demolition and/or reconstruction of the road bridge referred to in point c), in accordance with the previously noted requirements, amounts representing a probable outflow and that can be reliably estimated were already included in the measurement of the related "Provisions for the repair and replacement of motorway infrastructure" in the financial statements as at and for the year ended 31 December 2018.

As a result, in these consolidated financial statements as at and for the year ended 31 December 2020, the Group has made a further provision to "Other current provisions for risks and charges", amounting to €190 million. This represents an adjustment to the provisions already made as at 31 December 2019 (€1,500 million) and is in line with the new proposal for an agreement.

As a result of the above, in the preparation of the consolidated financial statements as at and for the year ended 31 December 2020, given that the changes to the provisions of the Single Concession Arrangement and adoption of the new Financial Plan, reflecting the terms of the settlement agreement, have yet to be approved and finalised, the Group has deemed it necessary to retain the current approach to accounting for the commitments and rights deriving from the existing Single Concession Arrangement, whilst reflecting the expected overall cost of €3.4 billion to be borne by the subsidiary. This accounting treatment is in continuity and consistent with the approach adopted in preparation of the consolidated financial statements as at and for the year ended 31 December 2019, thereby ensuring the consistency and continuity of the accounting treatment and the comparability of the financial statements over time.

Based on the above, in the consolidated financial statements as at and for the year ended 31 December 2020, the company has recognised the total costs deriving from the settlement agreement, to the extent of the €3.4 billion to be incurred at the subsidiary's own expense.

These costs, also taking in to account the provisions of the existing Single Concession Arrangement, have been accounted for in the following components of the income statement and statement of financial position:

a) €1.5 billion in provisions for risks and charges, reflecting the company's commitment to discount the tolls charged to road users;

b) €0.7 billion recognised, as at 31 December 2020, in provisions, net of amounts already incurred for this type of commitment;

c) €1.2 billion, based on the rights and obligations in the existing Single Concession Arrangement, has been included in "Provisions for the repair and replacement of assets to be handed over free of charge" (net of sums already spent through to 31 December 2020), reflecting the company's new and renewed commitment to carry out increased maintenance work by 2024 (in relation to the extraordinary maintenance plan referred to previously, which will be recovered through tolls only following approval of the new Single Concession Arrangement and the new Financial Plan).

With regard to point c), it was decided, in continuity with the financial statements for previous years and in accordance with the requirements of the existing

Single Concession Arrangement, to recognise the maintenance commitments assumed by the company without taking into account the fact that the cost of this "extraordinary" maintenance will subsequently be recovered through tolls under the new Financial Plan. This reflects the fact that:

a) the company has in any event begun carrying out the related maintenance activities, without applying limitations regarding the need for such activities to be covered by additional tariff components in its favour;

b) the overall cost of €3.4 billion to be incurred by the company at its own expense in order to settle the dispute over serious breaches of its concession arrangement has, in any event, been reflected in the financial statements, thereby ensuring that the company's commitments have been recognised;

c) whilst the sum of €1.2 billion relating to the above "extraordinary" maintenance (the cost of which, under the new terms, will be recovered through a tariff component for construction services, and will thus resemble new construction services for which additional economic benefits are received) has been replaced by a similar amount of investment that will not be recovered through tolls, this element has no impact on the overall amount of the costs reflcted in the financial statements in relation to the agreed settlement bringing to an end the dispute.

This approach reflects the fact that, had the cost of this "extraordinary" maintenance, totalling €1.2 billion, not been included in "Provisions for the repair and replacement of assets to be handed over free of charge" – on the basis that the cost is to be recovered through tolls under the terms of the new Financial Plan – improper significance would have been given to the new rules and tariff mechanisms in the consolidated financial statement as at and for the year ended 31 December 2020, which may only be reflected once they have received final approval by the respective authorities and have, thus, become effective.

The presentation in the consolidated financial statement as at and for the year ended 31 December 2020 of the company's commitment to invest in new infrastructure without recovering the cost through tolls, amounting to the same sum of €1.2 billion, would have reduced the clarity of the accounts, with the risk of providing users with unreliable information. This would be due to the need to jointly present both the commitments resulting from the remaining investment to be carried out under the Single Concession Arrangement still in force, as at 31 December totalling approximately €2.5 billion (and that with approval of the settlement agreement and the new Financial Plan will no longer have to be presented, as it will no longer be required), and the above amount of €1.2 billion resulting from the new agreement which, as noted above, has yet to come into effect. In addition, investment included in this category and already carried out up to 31 December 2020 would not have been adequately presented in the accounts, as based on the mechanisms in the existing Single Concession Arrangement the cost of this investment is recovered through tolls.

Based on the above, the subsidiary believes that the accounting presentation used is the most appropiate manner in which to reflect both the existing obligations and rights resulting from the existing concession agreement, and the substantial effects and overall costs deriving from the draft settlement agreement submitted to the MIT, and in which to best present, in continuity with previous years, the complexities of the current situation.

It should be noted that, based on the analyses and simulations conducted, taking into account the provisions recognised in the financial statements (as described above) and the amounts already spent by the company up to 31 December 2020 on the various items (represented by the "extraordinary" maintenance referred to above and investment that under the new agreement and the new Financial Plan will not be covered by tolls), adoption of the provisions of the settlement agreement and the terms of the new Financial Plan with effect from 1 January 2020 (alongside the related tariff mechanisms) would not have an impact on equity at that date. This fact is confirmation of the correctness of the accounting treatment adopted by the company.

The following table shows the consolidated income statement for 2020 and 2019, showing the non-recurring impact on each line item, as required by CONSOB resolution 15519 of 27 July 2006, resulting from the events of 14 August 2018. These non-recurring impacts include items recognised by Autostrade per l'Italia, Atlantia, Pavimental and Spea Engineering directly in relation to the above events.

Consolidated income statement

€M	2020	*Of which impact of non-recurring items*	2019	*Of which impact of non-recurring items*
REVENUE				
Toll revenue	6,870	-	9,256	-
Aviaton revenue	244	-	826	-
Revenue from construction services	769	-	989	-
Other operating income	1,168	-	1,544	*38*
TOTAL REVENUE	**9,051**	**-**	**12,615**	***38***
COSTS				
Raw and consumable materials	**-336**	**-**	**-537**	***-115***
Service costs	**-2,846**	***-155***	**-2,782**	***-99***
Gains/(Losses) on sales of components of fixed assetsi	**1**	**-**	**1**	**-**
Staff costs	**-1,393**	**-**	**-1,605**	**-**
Other operating costs	**-823**	***-1***	**-1,003**	***-24***
Concession fees	-444	-	-609	-
Lease expense	-29	-	-34	-
Other	-352	*-1*	-361	*-24*
Other capitalised costs	2	-	1	-
Operating change in provisions	**-429**	***-53***	**-1,447**	***-1,289***
(Provisions)/ Uses of provisions for repair and replacement of motorway infrastructure	-153	*147*	125	*225*
(Provisions)/ Uses of provisions for renewal of assets held under concession	-33	-	-21	-
Provisions for risks and charges	-243	*-200*	-1,551	*-1,514*
Use of provisions for construction services required by contract	**419**	**-**	**423**	**-**
Amortisation and depreciation	**-3,581**	**-**	**-3,907**	**-**
Depreciation of property, plant and equipment	-187	-	-200	-
Amortisation of intangible assets deriving from concession rights	-3,258	-	-3,585	-
Amortisation of other intangible assets	-136	-	-122	-
(Impairment losses)/Reversals of impairment losses	**-522**	**-**	**-63**	**-**
TOTAL COSTS	**-9,510**	***-209***	**-10,920**	***-1,527***
OPERATING PROFIT/(LOSS)	**-459**	***-209***	**1,695**	***-1,489***
Financial income	**1,018**	**-**	**737**	**-**
Financial income accounted for as an increase in financial assets deriving from concession rights and government grants	263	-	259	-
Dividends received from investees accounted for at fair value	70	-	73	-
Other financial income	685	-	405	-
Financial expenses	**-2,714**	**-**	**-2,110**	**-**
Financial expenses from discounting of provisions for construction services required by contract and other provisions	-48	-	-78	-
Other financial expenses	-2,666	-	-2,032	-
Foreign exchange gains/(losses)	**8**	**-**	**128**	**-**
FINANCIAL INCOME/(EXPENSES)	**-1,688**	***-209***	**-1,245**	***-1,489***
Share of (profit)/loss of investees accounted for using the equity method	**-19**	**-**	**21**	**-**
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**-2,166**	***-209***	**471**	***-1,489***
Income tax (expense)/benefit	**524**	***66***	**-107**	***476***
Current tax expense	-321	*30*	-1,034	*25*
Differences on tax expense for previous years	7	-	23	-
Deferred tax income and expense	838	*36*	904	*451*
PROFIT/(LOSS) FROM CONTINUING OPERATIONS	**-1,642**	***-143***	**364**	***-1,008***
Profit/(Loss) from discontinued operations	**1**	**-**	**-7**	**-**
Financial income				
PROFIT/(LOSS) FOR THE YEAR	**-1,641**	***-143***	**357**	***-1,008***
of which:				
Profit/(Loss) attributable to owners of the parent	**-1,177**	***-126***	**136**	***-889***
Profit/(Loss) attributable to non-controlling interests	**-464**	***-17***	**221**	***-119***

8.18 Impact of the Covid-19 pandemic on the operating performance[1]

Since the end of February 2020, the restrictions on movement, imposed by many governments in response to the global spread of the Covid-19 pandemic, have resulted in significant reductions in the volumes of traffic using the motorways and airports operated under concession by the Group compared with 2019. The impact has differed depending on geographical area, primarily linked to the timing of the spread of the pandemic and the different restrictive measures adopted in the various countries.

	Toll motorways						Airports	
	Italy[1]	Spain[2]	France[2]	Brazil[3]	Chile[3]	Mexico[2]	Italy	France
	km travelled	km travelled	km travelled	km travelled	km travelled	km travelled	Passengers	Passengers
January	2.8%	2.8%	7.7%	1.7%	-7.6%	6.7%	-0.2%	5.3%
February	1.7%	8.5%	5.0%	8.9%	-3.1%	5.8%	-8.9%	5.2%
March	-60.5%	-42.4%	-41.3%	-18.5%	-29.9%	-9.3%	-81.2%	-62.0%
April	-80.4%	-78.9%	-79.5%	-38.2%	-53.0%	-39.4%	-98.3%	-99.4%
May	-55.1%	-65.6%	-55.9%	-23.5%	-54.5%	-32.3%	-97.5%	-98.5%
June	-23.4%	-40.4%	-23.0%	-16.4%	-53.8%	-18.7%	-93.4%	-92.1%
July	-13.2%	-16.6%	-5.2%	-16.9%	-50.7%	-18.5%	-82.9%	-68.0%
August	-5.1%	-21.6%	-5.2%	-6.4%	-39.6%	-14.5%	-77.9%	-54.6%
September	-7.3%	-15.7%	-8.5%	2.3%	-27.1%	-6.5%	-81.7%	-69.9%
October	-14.8%	-21.7%	-12.5%	4.1%	-6.1%	-1.9%	-84.3%	-73.0%
November	-36.5%	-36.3%	-42.0%	-0.1%	19.8%	-5.6%	-91.3%	-88.6%
December	-36.5%	-31.7%	-26.7%	-2.1%	-1.1%	-3.8%	-88.9%	-69.2%
Progressive % change (from 1 January 2020 to 31 December 2020)	**-27.1%**	**-30.6%**	**-24.1%**	**-8.5%**	**-26.1%**	**-11.8%**	**-76.8%**	**-68.4%**

(1) *Autostrade per l'Italia group*
(2) *Abertis group*
(3) *Abertis group and Other overseas motorways*

In terms of operating segment, airport operators (traffic down 75%) were more affected than motorway operators (traffic down 23%), reflecting the fact that air transport was hit particularly hard throughout the world.

With regard to motorway traffic, the most significant reductions were registered by the European and Chilean operators as opposed to those in Brazil and Mexico.

The €3,346 million (29%) reduction in operating revenue compared with 2019 is broadly linked to the reduction in traffic in 2020 caused by the above restrictions on movement. This resulted in lower toll and aviation revenue and reduced revenue from airport and motorway sub-concessions (primarily in Italy).

Similarly, there was a resulting fall of €2,701 million (54%) in operating cash flow compared with 2019 (€2,248 million on a like-for-like basis).

The Group responded to the fall in traffic by promptly taking a series of steps to cut costs and review its investment plans, whilst guaranteeing works relating to the safety of infrastructure, whilst also assessing further initiatives designed to mitigate the impact of the measures implemented or being considered by the various governments in the countries in which the Group operates.

In this regard, it should be noted that the Group's Italian motorway operators have initiated talks with grantors aimed at mitigating the negative impact on revenue of the fall in traffic. In particular, new financial plans were submitted by Autostrade per l'Italia and certain of its motorway subsidiaries, as well as Autostrada A4 Brescia – Padova, at the end of 2020. The plans, which have yet to complete the approval process, envisage recovery of the net losses incurred between March and June 2020 through the application of average annual toll increases over the remaining terms of their concessions. Proposals regarding recovery of the losses incurred in the subsequent period are also being examined for application to the national motorway network as a whole.

In addition, Aeroporti di Roma's concession arrangement contains provisions designed to mitigate demand risk, including the potential for the operator to recover a part of the lost revenue linked to the shortfall in traffic with respect to forecasts for the five-year regulatory period.

A number of Group companies have taken specific steps to cut their staff costs, including participation in furlough schemes and other forms of income support .

In addition, as required by the above Public Statement from the ESMA and the Warning Notice from the CONSOB, the impact of the Covid-19 pandemic was also taken into account when assessing one or more indicators of impairment. The assessments carried out provided evidence of impairment for all the CGUs representing the Group's motorway and airport operators and for investment in unconsolidated companies. As a result, the net invested capital of the CGUs and investments was tested for impairment.

The impairment tests carried out confirmed that the net assets of all the CGUs, including goodwill, and the investments was fully recoverable, with the exception of:

a) Autostrada A4 Brescia - Padoa and the Arteris group's Brazilian motorway operators, where the impairment tests showed that the carrying amounts of the intangible assets deriving from concession rights were partially recoverable, resulting in impairment losses of €109 million and €151 million, respectively;
b) Aéroports de la Côte d'Azur, with an impairment loss on remaining goodwill (€102 million) and a partial impairment of intangible assets deriving from concession rights (€158 million);
c) the investment in Aeroporto di Bologna, for which a prtial impairment loss of €43 million was recognised.

In addition, the recoverability of financial assets was tested in the event of a significant increase in credit risk. The impairment tests confirmed the recoverability of all the carrying amounts, with the exception of:

a) the financial assets deriving from concession rights guarantee by the Grantor of the Argentine companies, GCO and Ausol, on which expected credit losses of €148 million have been recognised;
b) the amount due to AB Concessões from Infra Bertin Empreendimentos, on which expected credit losses of €93 million have been recognised.

Despite the difficult market environment, Group companies continued to have access to external sources of funding, issuing bonds worth €4,970m in 2020. This included the transactions carried out by Abertis Infraestructuras (€1,500 million), HIT (€1,200 million), Autostrade per l'Italia (€1,250 million), Azzurra Aeroporti (660 million) and Aeroporti di Roma (300 million), in addition to €1,250 million in hybrid bonds issued by Abertis Infraestructuras Finance. A total of €6,304 million was also disbursed in the form of bank borrowings.

As a result of the negative impact of Covid-19 on the operating results and financial position of Group companies (Atlantia, Autostrade per l'Italia, Aeroporti di Roma, Aéroports de la Côte D'Azur, the Brazilian operator, Nascentes das Gerais, and A4 Holding) successfully requested their respective lenders to

[1] *In accordance with the Public Statement issued by the European Securities and Markets Authority (ESMA) on 28 October 2020, and Warning Notice 1/2021 issued by the CONSOB on 16 February 2021, this section provides the disclosure on the impact of the Covid-19 pandemic.*

grant them, on a precautionary and preventive basis, covenant holidays at the measurement date of 31 December 2020 and, where suitable, at subsequent measurement dates. The assessment carried out on the basis of the actual operating results and financial position has, in any event, subsequently shown that the financial covenants provided for in the loan agreements of the Parent Company, Atlantia, have been complied with. Information on the outlook regarding the impact of the Covid-19 pandemic on the Group is provided below in section 1.4, "Outlook", in the Integrated Annual Report for 2020.

9. Other financial information

9.1 Notes to the consolidated statement of cash flows

Consolidated cash flow in 2020, compared with 2019, is analysed below. The consolidated statement of cash flows is included in the "Consolidated financial statements".

Cash flows during 2020 resulted in an increase of €3,116 million in net cash and cash equivalents (an increase of €129 million in 2019).

Operating activities generated cash flows of €2,435 million in 2020, down €2,227 million on the figure for 2019 (€4,662 million). The reduction is primarily attributable to a combination of the following:

a) a reduction of €2,701 million in operating cash flow compared with 2019, primarily due to the impact of the Covid-19 pandemic on the group's motorway and airport operators, and the network surveillance, inspection, maintenance and safety programmes carried out by Autostrade per l'Italia;

b) cash generated by changes in working capital and other changes in 2020, amounting to €167 million, compared with the outflow of €307 million in 2019, primarily linked to the tax refund collected by Abertis Infraestructuas in 2020 (€622 million), as described above in note 7.9.

Cash used for investing activities, totalling €3,177 million, is linked to a combination of the following:

a) capital expenditure during the year, amounting to €1,534 million;

b) the acquisition of controlling interests in:

  i. the Mexican group, RCO, amounting to a net outflow €1,193 million, representing the balance of the total outlay of €1,475 million and cash acquired of €282 million; and

  ii. the US group, ERC, amounting to a net outflow of €584 million, broadly in line with the total outlay of €585 million;

c) proceeds from the sale of the interest in the French operator, Alis, amounting to €152 million;

d) the cash outflow relating to investment in financial assets, totalling €141 million, reflecting the discounting to present value of the financial assets deriving from the concession rights of the Spanish, Chilean and Argetine subsidiaries (€263 million) and the posting of a cash collateral by Atlantia, totalling €165 million (as described in note 7.4). These outflows were partially offset by the collection by certain Spanish operators of a total of €225 million from the grantor, in addition to a reduction in term deposits (€140 million).

Cash used for investing activities in 2019 primarily regarded *(i)* capital expenditure for the year of €1,794 million, *(ii)* the cash outflow relating to investment in current and non-current financial assets, totalling €542 million, primarily reflecting an increase in term deposits (€188 million) and the discounting to present value of the financial assets deriving from the concession rights of the Chilean and Argentine operators (totalling€259 million), and *(iii)* proceeds from the sale of the 89.7% interest in Hispasat, amounting to a net €904 million.

Net cash from financing activities in 2020 amounts to €3,913 million, reflecting a combination of the following:

a) dividends paid, the distribution of reserves and returns of capital to non-controlling shareholders, totalling €504 million;

b) the issue, in November 2020, of the first tranche of hybrid bonds issued by Abertis Infraestructuras Finance for a total of €1,250 million (€1,242 million net of the transaction costs incurred for the issue);

c) bond issues, totalling €4,970 million;

d) borrowings totalling €6,314 million, primarily including Atlantia's use of Revolving Credit Facilities already available as at 31 December 2019, totalling €3,250 million, the use of previously existing and new facilities by Abertis Infraestructuras (€1,620 million), Aeroporti di Roma (€680 million), Telepass (€300 million) and A4 Brescia-Padoa (€200 million);

e) the redemption of bonds, totalling €2,889 million;

f) the repayment of borrowings, totalling €5,525 million, primarily by Abertis Infraestructuras (€1,750 million), Azzurra Aeroporti (€653 million), the French companies (€238 million), the Abertis group's Chilean and Brazilian companies (€212 million), Telepass (€200 million), Autostrade per l'Italia (€143 million) and Aeroporti di Roma (€114 million);

g) the net change in other financial liabilities, resulting in an inflow of €393 million, primarily due to Atlantia's assignment to third parties of sterling-denominated bonds issued by Aeroporti di Roma (€278 million).

Net cash used in financing activities in 2019 amounted to €3,288 million, reflecting a combination of the following:

a) the repayment borrowings totalling €10,530 million, primarily by (i) Abertis Infraestructuras and other Abertis group companies (€8,597 million), (ii) Abertis HoldCo (€966 million) and (iii) Atlantia (€675 million);

b) the redemption of bonds, amounting to €1,990 million, essentially relating to Abertis group companies (€1,223 million) and Autostrade per l'Italia (€593 million);

c) dividends paid to the Atlantia Group's shareholders and to non-controlling shareholders, totalling €1,204 million;

d) the distribution of reserves and returns of capital to non-controlling shareholders, totalling €466 million, essentially due to the distribution of reserves by Abertis HoldCo (€432 million);

e) new bond issues, totalling €7,434 million, essentially attributable to Abertis Infraestructuras (€5,800 million) and new issues by a number of Group companies operating in Chile, Brazil and Puerto Rico;

f) new borrowings (excluding lease liabilities) totalling €3,583 million, primarily attributable to Abertis HoldCo (€966 million), Abertis Infraestructuras and the Abertis group's Brazilian operators (€1,428 million), in addition to the funded collar entered into by Atlantia (with a nominal value of €752 million).

Details of movements in financial liabilities are provided in note 7.15.

The following table shows net cash flows generated from discontinued operations, including the contribution of Tech Solutions Integrators for 2020. In the comparative period, cash flows generated from discontinued operations included the contributions from Hispasat and Tech Solutions Integrators. These cash flows are included in the consolidated statement of cash flows under operating, investing and financing activities.

€M	2020	2019
Net cash generated from/(used in) operating activities	1	79
Net cash generated from/(used in) investing activities	-	-23
Net cash generated from/(used in) financing activities	-	68

9.2 Financial risk management

The Atlantia Group's financial risk management objectives and policies

In the normal course of business, the Atlantia Group is exposed to:

a) interest rate risk, linked to the failure to hedge or to hedge in an adequate and timely manner against movements in interest rates with an impact on the level of borrowing costs and on the value of financial assets and liabilities (including those linked to derivative financial instruments);

b) currency risk, linked to the failure to hedge or to hedge in an adequate and timely manner against fluctuations in exchange rates with an impact on investments and dividends, trading and financial assets and liabilities (including those linked to derivative financial instruments) denominated in currency;

c) price risk, linked to movements in the market price of shares held by the Group;

d) liquidity risk, relating to the inability or the insufficient or delayed ability to meet financial obligations, satisfy the terms and conditions in loan agreements and the risk of enforcement of commitments and guarantees provided to third parties;

e) credit risk and financial counterparty risk, linked to the failure to assess or to assess in an adequate and timely manner default risk and the high concentration of trade and financial counterparties.

f) inflation risk, connected with the impact on profit or loss and on the real value of assets and liabilities resulting from movements in market inflation rates.

The Atlantia Group's financial risk management strategy is derived from and consistent with the business goals set by Atlantia's Board of Directors, within the scope of long-term planning objectives and is carried out in accordance with the prudence principle and in lined with best market practices.

With regard to interest rate, currency and price risk, the main objectives pursued are the following :

a) to protect the scenario forming the basis of the long-term business plan from the effect of exposure to currency and interest rate risks, identifying the best combination of fixed and floating rates;

b) to pursue a potential reduction of borrowing costs within the risk limits determined by the Board of Directors;

c) to manage derivative financial instruments taking account of their potential impact on the results of operations and financial position in relation to their classification and presentation.

The Atlantia Group's financial risk hedges are classified, in accordance with IFRS 9, as cash flow hedges, fair value hedges or hedges of a net investment in foreign operations, depending on the type of risk hedged.

As at 31 December 2020, the nominal amount of the Group's derivatives portfolio totals €12,002 million (down €4,750 million compared with 31 December 2019), with fair value losses of €950 million (compared with €1,032 million as at 31 December 2019).

The improvement in fair value (€82 million) is primarily linked to the unwinding of Interest Rate Swaps hedging future bond issues, carried out in 2020 by Abertis Infraestructuras and HIT (a total notional value of the unwound derivatives of €2,250 million) and di Autostrade per l'Italia (a notional value of the unwound derivatives of €1,000 million). These movements were partially offset by the unwinding of derivatives hedging movements in the Mexican peso as part of Abertis Infraestructuras's acquisition of Red de Carreteras de Occidente, completed in 2020 (a notional value of €1,450 million) and a decline in interest rates in 2020.

Information on the fair value measurement of derivative financial instruments is provided in note 3.

Foreign currency amounts are converted into euros using the closing exchange rates shown in note 5.

The following table summarises outstanding derivative financial instruments as at 31 December 2020 (compared with 31 December 2019) and shows the corresponding market and notional values.

€M Type	Hedged risk	31 December 2020		31 December 2019	
		Fair value asset/ (liability)	Notional amount	Fair value asset/ (liability)	Notional amount
Cash flow hedges [1]					
Cross Currency Swaps	Currency rate risk	-417	1,783	-339	1,726
Interest Rate Swaps	Interest rate risk	-233	1,785	-328	5,341
FX Forwards	Currency rate risk	-	-	21	1,450
Total cash flow hedges		**-650**	**3,568**	**-647**	**8,517**
Fair value hedges [1]					
IPCA x CDI Swaps	Interest rate risk	4	41	8	80
Collar	Shares	339	448	170	639
Total fair value hedges		**343**	**489**	**178**	**719**
Net investment in foreign operation [1]					
Cross Currency Swap	Currency rate risk	109	106	60	215
Total net investment in a foreign operation hedges		**109**	**106**	**60**	**215**
Non-hedge accounting derivatives [1]					
Cross Currency Swaps	Currency rate risk	-120	1,016	-93	761
Interest Rate Swaps	Interest rate risk	-617	6,650	-509	6,111
Derivatives embedded in borrowings	Interest rate risk	-2	119	-1	269
FX Forwards	Currency rate risk	-	-	-1	41
IPCA x CDI Swaps	Interest rate risk	-13	54	-19	119
Total non-hedge accounting derivatives		**-752**	**7,840**	**-623**	**7,301**
TOTAL		**-950**	**12,002**	**-1,032**	**16,752**
Fair value (asset)		**500**		**311**	
Fair value (liability)		**-1,450**		**-1,343**	

[1] *The fair value of derivatives excludes the related accruals at the measurement date.*

The following table shows movements in the fair value of the various categories of derivative financial instrument, specifically indicating the effects accounted for in profit or loss or in comprehensive income.

€M	31 December 2019 carrying amount	Changes during the year: Impact of exchange rates	Changes in scope of consolidation	Instruments unwound	Impact on comprehensive income	Impact on profit or loss	Reclassifications and other changes	31 December 2020 carrying amount
Cash flow hedges	35	-15	-	-	-22	-2	4	-
Current portion	25	-5	-	-	-22	-2	4	-
Non-current portion	10	-10	-	-	-	-	-	-
Fair value hedges	178	-3	-	-	169	-1	-	343
Non-current portion	178	-3	-	-	169	-1	-	343
Net investment hedges	60	-	-	-	49	-	-	109
Current portion	41	-	-	-	29	-	-	70
Non-current portion	19	-	-	-	20	-	-	39
Non-hedge accounting	38	14	-	-	-	-4	-	48
Non-current portion	38	14	-	-	-	-4	-	48
Derivative assets	311	-4	-	-	196	-7	4	500
Cash flow hedges	1,123	59	12	-221	150	-7	-466	650
Current portion	40	-	-	-	-	-	28	68
Non-current portion	1,083	59	12	-221	150	-7	-494	582
Non-hedge accounting	220	31	-	-90	-4	173	470	800
Current portion	2	-	-	-	-	-2	247	247
Non-current portion	218	31	-	-90	-4	175	223	553
Derivative liabilities	1,343	90	12	-311	146	166	4	1,450
Total net change	-1,032	-94	-12	311	50	-173	-	-950

Interest rate risk

Interest rate risk, as defined above, generally takes two forms:

a) cash flow risk: linked to financial assets and liabilities, with cash flows indexed to a market interest rate. As at 31 December 2020, the group had entered into cash flow hedges with fair value losses of €860 million and a total notional value of €8,649 million.

   In order to reduce the amount of floating rate debt, the Group has entered into interest rate swaps (IRSs), classified as cash flow hedges. The hedging instruments and the underlying financial liabilities, including future financial liabilities, have matching terms to maturity and notional amounts .

   As at 31 December 2020, the Group reports fair value losses of €699 million (corresponding with a notional value of €6,356 million) relating to Forward-Starting IRSs hedging the expected future financial liabilities of Autostrade per l'Italia (€131 million, with a notional value of €1,350 million), Atlantia (€343 million, with a notional value of €3,000 million), Aeroporti di Roma (€114 million, with a notional value of €700 million) and Azzurra Aeroporti (€111 million, with a notional value of €1,306 million).

   Following changes in market conditions in early 2020, bond issues by Atlantia and Autostrade per l'Italia in 2020 and 2021 are considered no longer highly probable. As a result, the related Forward-Starting Interest Rate Swaps have been reclassified as no longer qualifying for hedge accounting in compliance with IFRS 9.

   Subsequently, at the same time as the bond issues carried out by Autostrade per l'Italia in December 2020 and January 2021 and by Atlantia in February 2021, a portion of the Forward-Starting IRSs were unwound (in 2020, a notional value of €1,000 million for Autostrade per l'Italia, with a fair value as at 31 December 2020 of €90 million; in 2021, a notional value of €1,000 million for Autostrade per l'Italia, with a fair value as at 31 December 2020 of €94 million; and a notional value of €1,150 million for Atlantia, with a fair value as at 31 December 2020 of €152 million).

   In addition, in June 2020 and January 2021, Atlantia posted two cash collaterals via the execution of a Credit Support Annexes (CSAs) guaranteeing the fair value of a portion of the IRSs, with a notional value of €1,850 million. At the date of these consolidated financial statements, Atlantia's entire portfolio of Forward-Starting IRSs (a remaining notional value of €1,850 million) is backed by a cash collateral.

   Following the bond issue of July 2020, Azzurra Aeroporti's Interest Rate Swaps were partially reclassified as no longer qualifying for the application of hedge accounting (fair value losses as at 31 December 2020 of €48 million, out of a total of €113 million), given that the previous hedging relationship required by IFRS 9 no longer exists. In addition, derivatives (with fair value losses of €3 million as at 31 December 2020) have been entered into with the aim of neutralising interest rate risk resulting from the overlap between existing IRSs and the bond issues.

b) fair value risk: the risk of losses deriving from an unexpected change in the value fixed rate financial assets and liabilities following an unfavourable shift in the market yield curve.

   As at 31 December 2020, the Group reports transactions classifiable as fair value hedges in accordance with IFRS 9, regarding IPCA x CDI Swaps (€4 million) entered into by the Brazilian company Rodovia das Colinas with the aim of converting the real IPCA rate bonds issued to a floating CDI rate. Changes in the fair value of such instruments are recognised in profit or loss and are offset by the change in the fair value of the underlying hedged liability. In addition, an Offset Swap was entered into in 2018 to crystallise the positive fair value of the IPCA x CDI Swaps at the date of execution of the Offset. The value of the IPCA x CDI Swaps as at 31 December 2020, net of the value if the Offset Swaps, is a negative €9 million.

   The Group has also entered into derivatives embedded in certain borrowings and classified among the instrument not qualifying for hedge accounting. These are attributable to Pavimental and Telepass, have a total notional value of €119 million and fair value losses of €2 million. Further details are provided in note 7.15.

   70.5% of the Group's debt is fixed rate. After taking into account the related interest rate hedges, fixed rate debt represents 82.4% of the total.

In addition, as required by the amendment to IFRS 9, the following table shows details of derivatives qualifying for the application of hedge accounting potentially affected by the IBOR reform.

€M Category	Company [1]	Type	Maturity	Notional	Rate
Cash flow hedges	Autostrade per l'Italia	Cross Currency Swap	2022	750	Euribor; GBP Libor
	Aéroports de la Côte d'Azur	Interest Rate Swap	2026	9	Euribor
		Interest Rate Swap	2027	7	Euribor
		Interest Rate Swap	2029	6	Euribor
		Interest Rate Swap	2030	10	Euribor
	Azzurra Aeroporti	Interest Rate Swap	2041	653	Euribor
	Aeroporti di Roma	Interest Rate Swap	2031	400	Euribor
		Interest Rate Swap	2032	300	Euribor
	Abertis group	Cross Currency Swap	2021	84	USD Libor
		Cross Currency Swap	2026	467	Euribor; GBP Libor
		Cross Currency Swap	2026	151	USD Libor
		Cross Currency Swap	2039	154	Euribor; JPY Libor
		Interest Rate Swap	2023	67	Euribor
		Interest Rate Swap	2024	96	Euribor
		Interest Rate Swap	2025	77	Euribor
		Interest Rate Swap	2034	56	Euribor
	Pavimental	Interest Rate Swap	2025	23	Euribor
Fair value hedges	Atlantia	Collar	2024-26	447	Euribor
Net investment hedges	Abertis group	Cross Currency Swap	2021	65	Euribor
		Cross Currency Swap	2022	41	Euribor

[1] *Derivatives not indexed to IBOR and held by the Brazilian, Chilean and Mexican companies, having a total notional value of €300 million, have been excluded.*

With regard to application of the above amendment, the following should be noted:

a) Group companies have borrowings linked to the IBOR and the related derivative instruments, which in application of this amendment have been confirmed as hedges, without therefore taking into account the uncertainty resulting from the current reform, which could have an impact on the timing and amount of the hedged cash flows;

b) the impact of changes in the fair value of the hedging instruments are therefore recognised in the relevant equity reserve.

As required by IFRS, if the conditions allowing continuation of the hedging relationship should cease to exist, for accounting purposes, other than for those connected with the reform, the Group will reclassify accumulated gains and losses on the derivative financial instruments previously account for as hedges to profit or loss.

Currency risk

Currency risk, as defined above, can result in the following types of exposure:

a) exposure to economic currency risk, represented by collections and payments denominated in currencies other than the individual company's functional currency;

b) exposure to translation currency risk, linked to net equity investments in investees whose financial statements are denominated in a currency other than the Group's functional currency;

c) exposue to transaction currency risk, driving from deposits and/or borrowings in currencies other than the individual company's functional currency.

The Group's prime objective in managing currency risk is to minimise transaction risk through the assumption of liabilities in currencies other than the functional currency.

As at 31 December 2020, fair value losses on currency risk hedges amount to €428 million, whilst the total notional value is €2,905 million.

With the aim of eliminating the currency risk associated with the sterling and yen denominated bonds transferred to Autostrade per l'Italia as a result of an issuer substitution, the Group has entered into Cross Currency Swaps (CCSs) with notional values and maturities equal to those of the underlying financial liabilities. These swaps also qualify as cash flow hedges.

In January 2020, Atlantia assigned the Romulus bonds with a nominal value of £215 million issued by Aeroporti di Roma, recognising the subsidiaty's resulting liability in the consolidated financial statements. As part of this transaction, Atlantia entered into Cross Currency Offset Swaps with the same notional value in sterling as the above CCSs (originally entered into to hedge interest and currency risk associated with the underlying in foreign currency), in order to neutralise the impact of fluctuations in the exchange rate on the fair value and on the related cash flows from the date of assignment of the bonds.

18% of the Group's debt is denominated in currencies other than the euro.

Sensitivity analysis

Sensitivity analysis describes the impact that the interest rate and foreign exchange movements to which the Atlantia Group is exposed would have had on the consolidated income statement for 2020 and on equity as at 31 December 2020.

The following outcomes resulted from the analysis carried out:

a) in terms of interest rate risk, an unexpected and unfavourable 1% shift in market interest rates would, for derivative and non-derivative financial instruments at the reporting date, result in a negative impact on the consolidated income statement, totalling €1,872 million, and on other comprehensive income for the same period, totalling €163 million, before the related taxation, (including the expected change in the fair value of the Abertis group's assets and liabilities with an impact on profit or loss and on other comprehensive income, amounting to €1,419 million and €44 million, respectively);

b) in terms of currency risk, an unexpected and unfavourable 10% shift in the exchange rate would have resulted in a negative impact on the consolidated income statement, totalling €798 million and on other comprehensive income, totalling €899 million, linked respectively to the change in the net result reported by the Atlantia Group's overseas subsidiaries and changes in the foreign currency translation reserves (including the expected change in the fair value of the Abertis group's assets and liabilities with an impact on profit or loss and on other comprehensive income, amounting to €765 million and €6 million, respectively).

Price risk

Price risk reflects the potential for the market prices of the shares held by an entity move in response to changes in market conditions.

As at 31 December 2020, drivatives have been entered into to hedge price risk. The derivatives have fair value gains of €339 million and a notional value of €448 million, and relate to the derivative financial instrument called a "funded collar" entered into by Atlantia in March 2019, involving 5.6 million shares in

Hochtief (representing approximately one third of the total shares held). The aim is to mitigate the shares' exposure to the risk that movements in the market price would take the share price below a certain floor and to benefit from increases in the share price up to a certain cap. The derivative instrument consists of a put option (with fair value gains amounting to €367 million as at 31 December 2020) and a call option (with fair value losses amounting to €28 million as at 31 December 2020). The derivative is being used to secure a loan of €752 million with scheduled repayments between September 2024 and March 2026, potentially via the sale of the Hochtief shares at prices within an agreed range. Changes in the fair value of this instrument are recognised in other comprehensive income, in keeping with the accounting treatment applied to the underlying (the Hochtief shares), as required by IFRS 9 for fair value hedges.

Liquidity risk

Liquidity risk relates to the risk that cash resources may be insufficient to fund operations and the payment of liabilities as they fall due, and the risk of failure to satisfy the terms and conditions in loan agreements or of enforcement of commitments and guarantees provided to third parties.

With regard to available financial resources, the Group believes that its ability to generate cash, the ample diversification of its sources of funding and the availability of committed and uncommitted lines of credit provides access to sufficient sources of finance to meet its projected financial needs.

As at 31 December 2020, Group companies have estimated cash reserves of €17,096 million, consisting of:

a) €8,385 million in in cash and cash equivalents, including €2,261 million attributable to Atlantia;

b) €8,711 million in undrawn committed lines of credit having an average residual term of approximately two years. On 22 February 2021, Atlantia proceeded with voluntary early cancellation of the Revolving Credit Facility of €2,000 million expiring in May 2021, after it was fully repaid in November 2020 and following repayment, on 14 January 2021, of Atlantia's Revolving facility, this is now available again for up to the full amount of €1,250 million.

The financial tensions caused by the restrictions on movement imposed numerous governments in response to the spread of the Covid-19 pandemic and the consequent impact on traffic and the results of the Atlantia Group's operators, could affect the covenants attaching to the various loan agreements and have a negative impact on certain operators' liquidity.

At the date of preparation of this document, there are no significant problems in terms of liquidity. The level of compliance with the financial covenants provided for in loan agreements is constantly monitored and, where deemed to constitute a risk, covenant holidays have been obtained, as described in greater detail below. Each Group company is continuing to monitor developments and to assess the option of accessing new lines of credit available on the market, or the option of taking advantage of the aid provided by the various governments in the countries in which they operate in order to meet their planned financial requirements.

Details of drawn and undrawn committed lines of credit are shown below.

€M Borrower	Counterparty	Drawdown period expires	Final maturity	31 December 2020 Agreed amount	Drawn	Undrawn
Atlantia	Revolving " Back Stop Facility" [1]	05/10/21	05/11/21	2,000	-	2,000
Atlantia	Revolving A [2]	04/06/23	04/07/23	1,250	1,250	-
Abertis Infraestructuras	NatWest Markets Plc	07/02/21	07/03/21	100	-	100
Abertis Infraestructuras	Bankinter	11/02/21	11/03/21	100	-	100
Abertis Infraestructuras	Citi	30/08/21	30/09/21	100	-	100
Abertis Infraestructuras	Bankia	07/03/22	07/04/22	150	-	150
Abertis Infraestructuras	Calyon / C. Agricole	21/04/22	21/07/22	100	-	100
Abertis Infraestructuras	Mizuho	06/06/22	06/07/22	100	-	100
Abertis Infraestructuras	Natixis	30/06/22	30/07/22	100	-	100
Abertis Infraestructuras	HSBC	30/06/22	31/07/22	100	-	100
Abertis Infraestructuras	ING	21/08/22	21/09/22	100	-	100
Abertis Infraestructuras	Sabadell Atlantico	12/12/22	12/03/23	100	-	100
Abertis Infraestructuras	Abanca	28/12/22	28/03/23	100	-	100
Abertis Infraestructuras	Société Générale	01/01/23	01/02/23	150	-	150
Abertis Infraestructuras	BBVA	20/01/23	20/02/23	195	-	195
Abertis Infraestructuras	BNP Paribas	17/03/23	17/04/23	100	-	100
Abertis Infraestructuras	Barclays Bank	17/03/23	17/04/23	150	-	150
Abertis Infraestructuras	Santander	20/03/23	20/04/23	450	-	450
Abertis Infraestructuras	Goldman Sachs	15/06/23	15/07/23	100	-	100
Abertis Infraestructuras	CaixaBank	30/09/23	31/10/23	350	-	350
Abertis Infraestructuras	Sumitomo	22/11/23	22/12/23	100	-	100
Abertis Infraestructuras	Commerzbank	02/01/24	02/04/24	75	-	75
Abertis Infraestructuras	Unicredito Grupo	30/06/24	31/07/24	150	-	150
Abertis Infraestructuras	ICBC	09/08/24	09/11/24	50	-	50
Abertis Infraestructuras	MUFG Bank	30/08/24	30/09/24	100	-	100
Abertis Infraestructuras	Intesa San Paolo	11/02/25	11/03/25	200	-	200
HIT	Syndicated Loans	30/07/22	30/10/22	200	-	200
HIT	Syndicated Loans	18/09/22	18/12/22	200	-	200
HIT	Syndicated Loans	30/07/23	30/10/23	600	-	600
Sanef	Syndicated Loans	09/09/22	09/10/22	100	-	100
Autostrada Bs Vr Vi Pd SpA	Intesa San Paolo	30/06/24	30/09/24	50	-	50
Autopista del Sol	Santander	30/03/21	30/04/21	101	9	92
Arteris Via Paulista	BNDES	31/12/27	15/09/45	569	128	442
Fernão Dias	BNDES	15/09/26	15/12/29	30	19	11
Planalto Sul	BNDES	15/09/26	15/03/27	6	5	1
RCO	Santander	10/12/33	10/06/34	82	35	47
RCO	BANOBRAS	10/02/37	10/08/37	454	410	44
Autostrade per l'Italia	Committed medium/long-term CDP Term Loan 2017	31/12/21	13/12/27	1,100	400	700
Autostrade per l'Italia	Revolving CDP 2017	02/10/22	31/12/22	600	-	600
Autostrade Meridionali	Short-term loan from Banco di Napoli	30/06/24	31/12/24	300	245	55
Aeroporti di Roma	Committed Revolving Facility	11/04/23	11/07/23	250	-	250
			Lines of credit	11,211	2,500	8,711

[1] *This facility was cancelled on 22 February 2021.*
[2] *This facility was repaid in full in January 2021.*

The following schedules show the distribution of loan maturities outstanding as at 31 December 2020 and as at 31 December 2019. The amounts in the above tables include interest payments and exclude the impact of any offset agreements. The time distribution of terms to maturity is based on the residual contract term or on the earliest date on which repayment of the liability may be required, unless a better estimate is available. The distribution for transactions with amortisation schedules is based on the date on which each instalment falls due.

€M	31 December 2020					
	Carrying amount	Total contractual flows	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Non-derivative financial liabilities (1)						
Bond issues (A)	31,673	-35,135	-4,030	-1,761	-9,622	-19,722
Total bank borrowings	15,886	-19,872	-2,513	-2,775	-10,012	-4,572
Total other borrowings	386	-394	-61	-95	-26	-212
Total medium/long-term borrowings (B)	16,272	-20,266	-2,574	-2,870	-10,038	-4,784
Total non-derivative financial liabilities (C)= (A)+(B)	47,945	-55,401	-6,604	-4,631	-19,660	-24,506
Derivatives (2) (3)						
Interest rate swaps	849	-900	-319	-121	-178	-283
IPCA x CDI Swaps	13	-14	-1	-6	-7	-
Cross currency swaps	586	-600	-27	-243	-171	-159
Embedded Floors	2	-	-	-	-	-
Total derivatives	1,450	-1,515	-346	-370	-357	-442

(1) *Future cash flows relating to interest on bond issues and floating rate loans have been projected on the basis of the latest established rate and held constant to final maturity.*
(2) *Expected future cash flows from differentials on derivatives have been projected on the basis of the exchange rate fixed at the measurement date.*
(3) *Cash flows from the Forward-Starting Interest Rate Swaps unwound by Atlantia and Autostrade per l'Italia in early 2021 have all been classified as falling due within 12 months.*

€M	31 December 2019					
	Carrying amount	Total contractual flows	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Non-derivative financial liabilities (1)						
Bond issues (A)	28,499	-33,616	-2,657	-4,593	-7,411	-18,955
Total bank borrowings	16,056	-18,015	-1,522	-1,876	-9,651	-4,966
Total other borrowings	396	-467	-67	-9	-231	-160
Total medium/long-term borrowings (B)	16,452	-18,482	-1,589	-1,885	-9,882	-5,126
Total non-derivative financial liabilities (C)= (A)+(B)	44,951	-52,098	-4,246	-6,478	-17,293	-24,081
Derivatives (2) (3)						
Interest rate swaps	838	-941	-92	-144	-267	-438
IPCA x CDI Swaps	19	-25	-1	-6	-18	0
Cross currency swaps	484	-563	109	-64	-359	-249
Embedded Floors	1	-	-	-	-	-
Fx Forwards	1	-1	-1	-	-	-
Total derivatives	1,343	-1,530	15	-214	-644	-687

(1) *Future cash flows relating to interest on bond issues and floating rate loans have been projected on the basis of the latest established rate and held constant to final maturity.*
(2) *As at 31 December 2018, expected contractual flows are linked to the hedging of outstanding and highly likely future financial liabilities.*
(3) *Expected future cash flows from differentials on derivatives have been projected on the basis of the exchange rate fixed at the measurement date.*

The following table shows the time distribution of expected cash flows from cash flow hedges, and the financial years in which they will be recognised in profit or loss.

€M	31 December 2020						31 December 2019					
	Carrying amount	Expected cash flows (1)	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years	Carrying amount	Expected cash flows (1)	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Cash Flow hedges												
Derivative assets	-	-	-	-	-	-	35	1,561	274	192	193	902
Derivative liabilities	-650	-667	-26	-246	-127	-268	-681	-2,107	-228	-254	-497	-1,128
Fair Value hedges												
Derivative assets	343	343	-12	9	243	103	178	210	10	11	25	165
Derivative liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Net Investment hedges												
Derivative assets	109	109	68	41	-	-	60	-16	69	-6	-24	-55
Derivative liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Total hedging derivatives	-198	-215	30	-196	117	-165	-408	-352	124	-57	-303	-117
Accrued expenses on cash flow hedges	-17						-28					
Accrued income on cash flow hedges	-						83					
Total hedging derivative assets/liabilities	-215	-215	30	-196	117	-165	-353	-352	124	-57	-303	-117

€M	31 December 2020					31 December 2019				
	Expected cash flows (1)	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years	Expected cash flows (1)	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Cash Flow hedges										
Income from hedging derivatives	1,925	142	121	632	1,030	2,109	246	187	172	1,504
Losses on hedging derivatives	-2,575	-270	-248	-759	-1,298	-2,678	-229	-351	-368	-1,730
Fair Value Hedges										
Income from hedging derivatives	343	-12	9	243	103	8	-23	11	20	-
Losses on hedging derivatives	-	-	-	-	-	-	-	-	-	-
Net Investment hedges										
Income from hedging derivatives	214	134	80	-	-	825	183	103	51	488
Losses on hedging derivatives	-105	-65	-39	-	-	-841	-114	-109	-75	-544
Total income (losses) from hedging derivatives	-198	-71	-76	116	-165	-577	63	-160	-200	-281

(1) *Expected cash flows from swap differentials are calculated on the basis of market curves at the measurement date.*

With regard to the risk of early repayment of debt, to covenants and the steps taken to monitor and manage the related situation, key terms and conditions attaching to the Group's borrowings are described below.

Atlantia's and Autostrade per l'Italia's loan agreements and bond issues include provisions requiring early repayment in the following cases:

a) *cross acceleration* when the debt of Atlantia or a significant subsidiary becomes immediately repayable, unless this follows the loss of a concession;

b) *cross-default* if Atlantia or one of its significant subsidiaries fail to repay debt at maturity or within the applicable grace period;

c) *legal, regulatory or administrative proceedings* involving Atlantia or Autostrade per l'Italia that might reasonably have a material adverse effect on Atlantia;

d) *insolvency*, if Atlantia or a significant subsidiary were to become insolvent, and not be able to meet its repayment obligations or suspend such repayments. All the loan agreements contain an explicit exception covering cases in which insolvency is the result of the loss of a concession;

e) *further restrictions*: in the event of revocation, forfeiture, cancellation or termination of the concession held by a significant subsidiary, further restrictions may be applicable, such as sales, new debt, guarantees and new acquisitions, the breach of which may trigger early repayment;

f) *financial covenants* (as described below).

With specific regard to the loans from the EIB and Cassa Depositi e Prestiti ("CDP") to Autostrade per l'Italia, these are subject to early repayment provisions, including:

a) *minimum rating requirement*; as previously announced, in 2020, following the issue of the *Milleprorogue* Decree, the rating agencies downgraded Autostrade per l'Italia's ratings to below investment grade and this could, if adequate credit guarantees cannot be provided, trigger early repayment of Autostrade per l'Italia's borrowings from the EIB and CDP (€1.6 billion, including €1.3 billion guaranteed by Atlantia), enforcement of the guarantees provided by Atlantia and, in the event of non-payment, the potential cross-default of Autostrade per l'Italia and Atlantia. At the date of preparation of this document, neither the EIB nor CDP has called for the application of any contractual rights and/or remedies;

b) *concession events,* where the concession lapses or where action is taken with a view to declaring the concession resolved or in the event of changes to it that have a material adverse effect;

c) *regulatory events*, regarding a change in the concession's regulatory framework, where this, in the bank's reasonable judgement, has a negative impact on the financial position of Autostrade per l'Italia or of the guarantor, Atlantia;

d) *material adverse event*;

e) *cross default and/or cross acceleration events*.

The loans provided by the EIB to Autostrade per l'Italia also benefit from a guarantee provided by Atlantia, amounting to €1,519 million (equal to 120% of the nominal value), which decreases as the loans mature.

A number of the Group's long-term borrowings include negative pledge provisions, in line with international practice. Under these provisions, it is not possible to create or maintain (unless required to do so by law) collateral guarantees on all or a part of any proprietary assets, with the exception of project debt. The above agreements also require compliance with certain financial covenants.

The method of selecting the variables to compute the ratios is specified in detail in the relevant loan agreements. Breach of these covenants, at the relevant measurement dates, could constitute a default event and result in the lenders calling in the loans, requiring the early repayment of principal, interest and of further sums provided for in the agreements.

The most important covenants are described below:

a) in Atlantia's case, the loan agreements entered into in 2018, require compliance with a minimum threshold for the Interest Coverage Ratio, FFO/Total Net Debt and Consolidated Net Worth;

b) in Autostrade per l'Italia's case, the loan agreements with Cassa Depositi e Prestiti (totalling €737 million as at 31 December 2020) require compliance with a minimum threshold for "Operating Cash Flow available for Debt Service/Debt Service" (DSCR);

c) in the case of Autostrade per l'Italia's yen-denominated bond issue (a nominal value of 20,000 million yen, equal to €158 million as at 31 December 2020), the subsidiary is required to remain within a minimum threshold for the Interest Coverage Ratio, FFO/Total Net Debt and Net Worth;

d) in Autostrade per l'Italia's case, certain loan agreements with CDP, following the downgrade of Autostrade per l'Italia's rating, require compliance with a minimum threshold for the Interest Coverage Ratio and FFO/Total Net Debt;

e) in Aeroporti di Roma's case, a number of bank borrowings require compliance with a maximum leverage ratio. The medium/long-term loan agreements financing the company's investment programme, entered into with the European Investment Bank and Cassa Depositi e Prestiti in December, also require compliance with a maximum leverage ratio (linked to the long-term ratings assigned to Aeroporti di Roma by the relevant rating agencies) and that the interest coverage ratio remain within a minimum threshold that varies baed on the company's long-term ratings;

f) in Azzurra Aeroporti's case, the bonds issued in 2020 require compliance with a minimum threshold for the Interest Coverage Ratio and a maximum Leverage Ratio (with this indicator calculated at an aggregate level with Aéroports de la Côte D'Azur); these indicators will be tested from December 2022 and December 2023;

g) in SANEF's case, a number of loan agreements require comliance with a maximum threshold for "net debt/ EBITDA" and a minimum threshold for the interest coverage ratio.

As a result of the negative impact of Covid-19 on the operating results and financial position of Group companies (Atlantia, Autostrade per l'Italia, Aeroporti di Roma, Aéroports de la Côte D'Azur, the Brazilian operator, Nascentes das Gerais, and A4 Holding) successfully requested their respective lenders to grant them, on a precautionary and preventive basis, covenant holidays at the measurement date of 31 December 2020 and, where suitable, at subsequent measurement dates.

In the case of the Parent Company, Atlantia, the assessment carried out on the basis of the actual operating results and financial position has, in any event, subsequently shown that the financial covenants provided for in its loan agreements have been complied with.

With regard to the above minimum rating requirements, and the grant of a covenant holiday for the CDP loan dated 2017 following the end of the year, as at 31 December 2020 all the medium/long-term borrowings from the EIB and CDP, with a total nominal value of €2,003 million, have been reclassified to the current portion of medium/long-term borrowings and include €136 million relating to the portion falling due in the next 12 months.

With regard to the dual-track process launched for Autostrade per l'Italia, in terms of Atlantia's and Autostrade per l'Italia's compliance with covenants, the demerger plan approved by the Extraordinary General Meeting of shareholders on 15 January 2021 includes among the related conditions precedent:

a) the receipt of waivers of contractual remedies or of consent for the transaction from the holders of bonds issued by the Company and Autostrade per l'Italia and/or from counterparties to the Trust Deeds linked to the above bond issues, where necessary under the terms and conditions of the loans and related contracts;

b) the receipt of waivers of contractual remedies or of consent for the transaction from the lenders of the Company and Autostrade per l'Italia and its subsidiaries in relation to existing loan agreements;

c) the release of Atlantia from the guarantees and any commitments given in connection with the obligations assumed by Autostrade per l'Italia and its subsidiaries in its loan agreements or under the terms of public and/or private bond issues by Autostrade per l'Italia.

Information on guarantees provided is given in note 10.3, "Guarantees", in which the underlying transactions and the steps taken to monitor and manage the various positions are described.

Credit risk and financial counterparties

Credit risk, as defined above, may result from factors that are strictly technical, commercial, administrative or legal in nature, or from those of a typically financial nature, relating to the counterparty's credit standing.

The Group manages credit risk in accordance with the prudence principle and in line with best market practices, primarily through recourse to counterparties with high credit ratings and continuous monitoring with the aim of ensuring that there are no significant credit risk concentrations.

The above also applies to the credit risk originating from transactions in derivative financial instruments.

Provisions for impairment losses on individually material items, on the other hand, are established when there is objective evidence that the Group will not be able to collect all or any of the amount due. The amount of the provisions takes account of estimated future cash flows and the date of collection, any future recovery costs and expenses, and the value of any security and guarantee deposits received from customers. General provisions, based on the available historical and statistical data, are established for items for which specific provisions have not been made. Details of the allowance for bad debts for trade receivables are provided in note 7.7.

9.3 Law 124 of 4 August 2017 – Annual markets and competition law

Article 1, paragraphs 125 to 129, of Law 124 of 4 August 2017 has introduced a number of measures designed to ensure the transparency of the government grants system.

In the Atlantia Group's case, the legislation translates into the obligation to disclose in the notes to its financial statements the grants received from:

a) the government bodies and entities referred to in article 2-*bis* of Legislative Decree 33 of 14 March 2013;

b) companies directly or indirectly controlled, in law or in fact, by government bodies, including companies listed on regulated markets and their investees;

c) publicly owned companies, including those that issue listed shares and other entities.

The legislation provides for penalties for failure to comply with the disclosure requirement, involving repayment of the grants received.

The following table summarises the grants collected/released in relation to "Financial assets deriving from government grants".

€M Grantor	Grant collected	Description
Anas SpA for the Ministry of Infrastructure and Transport	12.086	Collection of term deposits following disbursement of grants by banks in relation to loans entered into in order to activate the grants provided by laws 662/1996, 345/1997 and 135/1997 - IFRIC 12 construction services for which no additional benefits are received
Anas SpA	1.507	A1 Roma-Naples, Rome South trunk road – Upgrade of the interchange with the Rome's orbital motorway - IFRIC 12 construction services for which no additional benefits are received
Ministry of Infrastructure and Transport	344	Grant received to fund new investment as part of European projects
Energy services operator (*Gestore dei Servizi Energetici*)	105	Grant received to finance installation of photovoltaic panels
Tarvisio City Council	38	Grant to fund installation of noise barriers - IFRIC 12 construction services for which no additional benefits are received
Cap Holding SpA	78	4th free-flow lane Fiorenza-S.S. Giovanni L1 - IFRIC 12 construction services for which no additional benefits are received
Total	**14.158**	

10. Other information

10.1 Operating and geographical segments

Operating segments

The Atlantia Group's operating segments are identified based on the information provided to and analysed by Atlantia's Board of Directors, which represents the Group's chief operating decision maker, taking decisions regarding the allocation of resources and assessing performance. In particular, the Board of Directors assesses the performance of the business in terms of geographical area and business segment.

With regard to the presentation of operating segments as at 31 December 2019, it should be noted that, as a result of the development of Telepass's business, partly as a result of the sale of a 49% stake to Partners Group (expected to be completed by the end of the first half of 2021), the Telepass group (previously included in the "Atlantia and other activities" segment) is now classified in its own segment as its performance is assessed by the Atlantia Group's chief operating decision maker.

The descriptions of the following operating segments have also changed, without affecting their composition: "Autostrade per l'Italia group", previously "Italian motorways"; "Other overseas motorways", previously "Overseas motorways"; "Aeroporti di Roma group", previously "Italian airports"; "Aéroports de la Côte D'Azur group", previously "Overseas airports".

Finally, in addition to the indicators presented as at 31 December 2019, "net financial debt" has been included as being key to an assessment of the financial strength of the individual operating segments.

a) **Autostrade per l'Italia group**: this includes the Italian motorway operators (Autostrade per l'Italia, Autostrade Meridionali, Tangenziale di Naples, Società italiana per azioni per il Traforo del Monte Bianco and Raccordo Autostradale Valle d'Aosta and Autostrada Tirrenica), whose business consists of the management, maintenance, construction and widening of the related motorways operated under concession. This operating segment also includes companies (AD Moving, Giove Clear, Essediesse, Autostrade Tech and Tecne) that provide support for the above Italian motorway operators;

b) **Abertis group**: this includes the Spanish, French, Chilean, Brazilian, Argentine, Puerto Rican and Indian motorway operators and the companies that produce and operate tolling systems controlled by Abertis Infraestructuras, and the investment vehicles used in its acquisition: Abertis HoldCo. In 2020, Abertis Infraestructuras, in partnership with the Government of Singapore Investment Corporation, acquired a 72.3% interest in Red de Carreteras de Occidente ("RCO"). RCO holds 5 concessions that include 8 motorways, extending for a total of 876 kilometres in Mexico. At the end of 2020, Abertis Infraestructuras, in partnership with Manulife Investment Management, acquired a 100% interest in Elizabeth River Crossings ("ERC"). The ERC group manages the tunnels that cross the Elizabeth river and the Downtown (DTT) and Midtown (MTT) tunnels in the Hampton Roads region, representing one of the busiest arteries in the metropolitan area of Virginia Beach-Norfolk-Newport News.

c) **Other overseas motorways**: this includes the activities of the holders of motorway concessions in Brazil, Chile and Poland not held by the Abertis group, and the companies that provide operational support for these operators and the related foreign-registered holding companies. In addition, this segment includes the Italian holding company, Autostrade dell'Atlantico, which holds investments in South America;

d) **Aeroporti di Roma group**: this includes Aeroporti di Roma, which holds the concession to operate and expand the airports of Rome Fiumicino and Rome Ciampino, and its subsidiaries, in addition to Fiumicino Energia and the subsidiary, Leonardo Energia, which both provide services at Fiumicino airport. Fiumicino Energia os a subsidiary of Atlantia SpA;

e) **Aéroports de la Côte D'Azur group**: this includes segment the airport operations of the companies controlled by Aéroports de la Côte d'Azur (ACA), the company that operates the airports of Nice, Cannes-Mandelieu and Saint-Tropez in addition to Azzurra Aeroporti (the parent of ACA); in addition to Azzurra Aeroporti (the parent of ACA), which conributes to the segment's results essentially in etrms of net debt;

f) **Telepass group**: this includes the production and operation of free-flow tolling systems, traffic and transport management systems and electronic payment systems and insurance and roadside breakdown services and other mobility-related services provided by Telepass and its subsidiaries;

g) **Atlantia and other activities**: this segment essentially includes:

1) the Parent Company, Atlantia, the strategic holding company whose business is the management of motorway and airport concessions and mobility-related services;

2) infrastructure design, construction and maintenance, essentially carried out by Spea Engineering and Pavimental;

3) Aereo I Global & International, the Luxembourg-registered investment vehicle that holds a 15.49% interest in Getlink.

A summary of the key financial performance indicators for each segment, identified in accordance with the requirements of IFRS 8, is shown below.

2020	Autostrade per l'Italia group	Abertis group	Other overseas motorways	Aeroporti di Roma group	Aéroports de la Côte D'azur group	Telepass group	Atlantia and other activities	Consolidation adjustments	Unallocated items	Total consolidated amounts
External revenue	2,970	4,054	470	271	134	213	172	-		8,284
Intersegment revenue	60	-	1	1	-	21	450	-533		-
Total operating revenue	3,030	4,054	471	272	134	234	622	-533		8,284
EBITDA	629	2,627	327	28	20	118	-24	-24		3,701
Amortisation, depreciation, impairment losses and reversals of impairment losses									-4,186	-4,186
EBIT										-485
Financial income/(expenses)									-1,681	-1,681
Profit/(Loss) before tax from continuing operations										-2,166
Income tax benefit/(expense)									524	524
Profit/(Loss) from continuing operations										-1,642
Profit/(Loss) from discontinued operations									1	1
Profit/(Loss) for the year										-1,641
Operating cash flow	517	1,608	302	-4	-17	100	-219	-19		2,268
Capital expenditure	575	537	104	154	43	88	16	17		1,534
Net debt	8,557	23,805	-636	1,426	976	557	4,612	-59		39,238

2019	Autostrade per l'Italia group	Abertis group	Other overseas motorways	Aeroporti di Roma group	Aéroports de la Côte D'azur group	Telepass group	Atlantia and other activities	Consolidation adjustments	Unallocated items	Total consolidated amounts
External revenue	4,012	5,361	694	952	290	198	123	-		11,630
Intersegment revenue	71	-	1	1	-	23	433	-529		-
Total operating revenue	4,083	5,361	695	953	290	221	556	-529		11,630
EBITDA	710	3,735	522	596	122	124	-69	-13		5,727
Amortisation, depreciation, impairment losses and reversals of impairment losses									-4,061	-4,061
EBIT										1,666
Financial income/ (expenses)									-1,195	-1,195
Profit/(Loss) before tax from continuing operations										471
Income tax benefit/(expense)									-107	-107
Profit/(Loss) from continuing operations										364
Profit/(Loss) from discontinued operations									-7	-7
Profit/(Loss) for the year										357
Operating cash flow	1,435	2,566	392	437	90	101	-50	-2		4,969
Capital expenditure	559	701	112	258	70	81	27	-14		1,794
Net debt	8,392	21,500	-687	1,120	882	592	5,022	-99		36,722

The following should be noted with regard to the operating segment information presented in the above tables:

a) intersegment revenue regards intragroup transactions between companies in different operating segments. It relates primarily to the design and construction of infrastructure carried out by Spea Engineering and Pavimental for the Italian motorway operators (€379 million), the Italian airport operators (€58 million) and other businesses (€38 million);

b) total operating revenue does not include the balance of revenue from construction services, totalling €769 million in 2020 and €989 million in 2019;

c) EBITDA is calculated by deducting all operating costs, with the exception of amortisation, depreciation, impairment losses on assets and reversals of impairment losses, provisions for renewal work and other adjustments, from operating revenue;

d) EBIT is calculated by deducting amortisation, depreciation, impairment losses on assets and reversals of impairment losses, provisions for renewal work and other adjustments from EBITDA. EBIT differs from the item "Operating profit" in the consolidated income statement due to the fact that the capitalised component of financial expenses relating to construction services is not shown in this table, as indicated in note b) above. The relevant amounts total €27 million in 2020 and €29 million inl 2019;

e) operating cash flow is calculated as profit for the period + amortisation/depreciation +/- impairments/reversals of impairments of assets +/- provisions/releases of provisions in excess of requirements and uses of provisions + other adjustments + financial expenses from discounting of provisions + dividends received from investees accounted for using equity method +/- the share of profit/(loss) of investees accounted for using equity method in profit or loss +/- (losses)/gains on sale of assets +/- other non-cash items +/- deferred tax assets/liabilities recognised in profit or loss;

f) the figure for capital expenditure includes investment in assets held under concession, in property, plant and equipment and in other intangible assets, as shown in the consolidated statement of cash flowsl;

g) net debt indicates the portion of net invested capital funded by net financial liabilities, which consist of "Current and non-current financial liabilities" after deducting "Current and non-current financial assets" and "Cash and cash equivalents".

Finally, operating revenue, EBITDA, EBIT, operating cash flow, capital expenditure and net debt are not measures of performance defined by IFRS.

Finally, it should be noted that, in 2020, the Group did not earn revenue from any specific customer in excess of 10% of the Group's total revenue for the year.

The following table shows a breakdown of revenue depending on whether or not they are recognised at a point in time or over time, as required by IFRS 15.

	2020							
€M	Autostrade per l'Italia group	Abertis group	Other overseas motorways	Aeroporti di Roma group	Aéroports de la côte D'azur group	Telepass group	Atlantia and other activities	Total consolidated amounts
Net toll revenue	2,791	3,654	425	-	-	-	-	6,870
At a point in time	*2,791*	*3,654*	*425*	-	-	-	-	*6,870*
Aviation revenue	-	-	-	171	73	-	-	244
At a point in time	-	-	-	*168*	*31*	-	-	*199*
Over time	-	-	-	*3*	-	-	-	*3*
Out of scope	-	-	-	-	*42*	-	-	*42*
Other revenue	179	400	45	100	61	213	172	1,170
At a point in time	*46*	*340*	*40*	*2*	*23*	*27*	*13*	*491*
Over time	*8*	*51*	*3*	*24*	-	*181*	*133*	*400*
Out of scope	*125*	*9*	*2*	*74*	*38*	*5*	*26*	*279*
Total external revenue	2,970	4,054	470	271	134	213	172	8,284

	2019							
€M	Autostrade per l'Italia group	Abertis group	Other overseas motorways	Aeroporti di Roma group	Aéroports de la Côte D'azur group	Telepass group	Atlantia and other activities	Total consolidated amounts
Net toll revenue	3,690	4,918	648	-	-	-	-	9,256
At a point in time	*3,690*	*4,918*	*648*	-	-	-	-	*9,256*
Over time	-	-	-	-	-	-	-	-
Out of scope	-	-	-	-	-	-	-	-
Aviation revenue	-	-	-	673	153	-	-	826
At a point in time	-	-	-	*663*	*85*	-	-	*748*
Over time	-	-	-	*10*	-	-	-	*10*
Out of scope	-	-	-	-	*68*	-	-	*68*
Other revenue	322	443	46	279	137	198	123	1,548
At a point in time	*63*	*373*	*44*	*5*	*38*	*15*	*6*	*544*
Over time	*8*	*24*	-	*60*	-	*178*	*117*	*387*
Out of scope	*251*	*46*	*2*	*214*	*99*	*5*	-	*617*
Total external revenue	4,012	5,361	694	952	290	198	123	11,630

It should be noted that, given the specific nature of the Atlantia Group's business, revenue is almost entirely classifiable as recognised "at a point in time", as shown in the table. There is no potential for a significant judgement regarding the time at which the customer obtains control of the services provided. For the same reasons, the disclosure containing a description of the nature of the individual obligations assumed (e.g., the nature of the goods/services to be transferred, payment terms, obligations for returns, etc.) is not significant.

Analysis by geographical segment

The following table shows the contribution of each geographical segment to the Atlantia Group's revenue and non-current assets.

€M	Revenue		Non-current assets [1]	
	2020	2019	31 December 2020	31 December 2019
Italy	4,162	5,958	21,762	22,444
France	1,771	2,350	14,568	15,824
Brazil	857	1,183	2,685	3,970
Chile	647	1,002	5,284	5,859
Spain	905	1,546	11,461	12,143
Poland	68	85	157	164
USA	60	72	1,946	46
Argentina	85	138	13	16
Puerto Rico	123	162	1,236	1,388
Mexico	258	-	5,487	-
UK	38	45	19	22
India	27	33	143	188
Portugal	2	3	40	40
Germany [2]	-	-	1,341	1,916
Colombia	-	-	4	5
Other countries	48	38	4	6
Total	9,051	12,615	66,150	64,031

[1] *In accordance with IFRS 8, non-current assets do not include non-current financial assets or deferred tax assets.*
[2] *This item includes the investment in Hochtief.*

10.2 Disclosures regarding non-controlling interests in consolidated companies and structured entities

Disclosure regarding non-controlling interests

The consolidated companies deemed relevant for the Atlantia Group, in terms of the percentage interests held by non-controlling shareholders for the purposes of the disclosures required by IFRS 12, are the following:

a) Autostrade per l'Italia and its subsidiaries;

b) the Spanish-registered sub-holding company, Abertis HoldCo, established with the non-controlling shareholders, ACS and Hochtief, and the parent of Abertis Infraestructuras with a 98.8% interest;

c) Abertis Infraestructuras, the parent of companies primarily holding motorway concessions in Europe, America and India;

d) the Brazilian sub-holding company, AB Concessões, and its subsidiaries;

e) the Chilean sub-holding company, Grupo Costanera, and its direct and indirect subsidiaries;

f) Azzurra Aeroporti and its subsidiaries.

The non-controlling interests in these sub-groups of companies are deemed relevant in relation to their contribution to the Atlantia Group's consolidated accounts. It should be noted that:

a) non-controlling interests in Autostrade per l'Italia break down as follows:
   1) Appia Investments Srl (a company directly and indirectly owned by Allianz Capital Partners, EDF Invest and DIF), which holds a 6.94% interest;
   2) Silk Road Fund, which holds 5%;

b) non-controlling interests in Abertis HoldCo, held by ACS and Hochtief, with interests of 30% and 20% (less one share);

c) non-controlling interests in Abertis are represented by the non-controlling interests contributed by the direct and indirect subsidiaries, not wholly owned by Abertis Infraestructuras, and the non-controlling interest of 1.1% in Abertis Infraestructuras itself;

d) the non-controlling interest in AB Concessões is held by a sole shareholder (a Bertin group company from Brazil);

e) the non-controlling interest in Grupo Costanera (49.99%) is held by the Canadian fund, Canada Pension Plan Investment Board;

f) Azzurra Aeroporti, which directly controls Aéroports de la Côte d'Azur with a 64% interest, is owned by Atlantia and Aeroporti di Roma through their respective interests of 52.69% e 7.77% interest, and by the Principality of Monaco, which has a 20.15% interest and by EDF Invest which has a 19.39% interest. The Atlantia Group's total interest amounts to 60.40% representing the sum of Atlantia's interest (52.69%) and Aeroporti di Roma's interest (7.71%).

A full list of the investments and related ownership interests held by the Group and non-controlling shareholders as at 31 December 2020 is provided in Annex 1 "The Atlantia Group's scope of consolidation and investments".

The key financial indicators presented in the following table thus include amounts for the above companies and their respective subsidiaries, extracted, unless otherwise indicated, from the reporting packages prepared by these companies for the purposes of Atlantia's consolidated financial statements, in addition to the accounting effects of acquisitions (fair value adjustments of the net assets acquired).

€M	Autostrade per l'Italia and direct subsidiaries		Abertis Holdco		Abertis Infraestructuras and direct and indirect subsidiaries		AB Concessoes and direct subsidiaries		Grupo Costanera and direct and indirect subsidiaries		Azzurra Aeroporti and direct subsidiaries	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenue [1]	3,193	4,222	-	-	4,452	5,910	214	286	240	366	153	329
Profit/(Loss) for the year	-458	-274	-1	-21	-501	310	-62	32	106	193	-274	-38
Profit/(Loss) for the year attributable to non-controlling interests [2]	**-57**	**-22**	**-**	**-10**	**-316**	**144**	**-31**	**16**	**53**	**97**	**-126**	**-11**
Net cash generated from operating activities [2]	373	1,371	93	28	2,024	2,327	78	86	49	186	-23	87
Net cash used in investing activities [2]	-578	-492	-1	17	-2,028	-141	-17	-30	-56	-101	-42	-66
Net cash generated from/(used in) financing activities [2]	684	-1,059	-	-406	466	-1,582	-90	2	-82	-74	112	-56
Effect of exchange rate movements on cash and cash equivalents [2]	-	-	-	-	5	-11	-44	-3	-8	-9	-	-
Increase/(Decrease) in cash and cash equivalents [2]	**479**	**-180**	**92**	**-361**	**467**	**593**	**-73**	**55**	**-97**	**2**	**47**	**-35**
Dividends paid to non-controlling shareholders	**-**	**41**	**432**	**432**	**32**	**221**	**-**	**4**	**30**	**171**	**-**	**33**

(1) *This item includes toll revenue, aviation revenue, revenue from construction services, contract revenue and other operating revenue.*
(2) *The amounts shown contribute to the Atlantia Group's consolidated amounts and, therefore, include the impact of any consolidation adjustments.*

€M	Autostrade per l'Italia and direct subsidiaries		Abertis Holdco		Abertis Infraestructuras and direct and indirect subsidiaries		AB Concessoes and direct subsidiaries		Grupo Costanera and direct and indirect subsidiaries		Azzurra Aeroporti and direct subsidiaries	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Non-current assets	18,254	18,453	4,978	5,821	41,903	37,882	1,216	1,819	2,852	2,939	2,512	2,764
Current assets	3,360	3,113	345	236	4,655	4,811	185	254	655	656	149	112
Non-current liabilities	11,102	13,433	-	-	33,896	31,255	755	1,022	1,756	1,854	1,625	1,586
Current liabilities	8,679	5,876	322	211	4,048	3,603	190	308	286	278	199	150
Net assets	**1,833**	**2,257**	**5,001**	**5,846**	**8,614**	**7,835**	**456**	**743**	**1,465**	**1,463**	**837**	**1,140**
Net assets attributable to non-controlling interests [2]	**532**	**585**	**2,923**	**2,923**	**2,861**	**1,972**	**229**	**372**	**744**	**744**	**682**	**798**

(2) *The amounts shown contribute to the Atlantia Group's consolidated amounts and, therefore, include the impact of any consolidation adjustments.*

Disclosures regarding structured entities not included in the scope of consolidation

As at 31 December 2020, Atlantia does not hold interests in structured entities not included in the scope of consolidation.

10.3 Guarantees

Excluding guarantees securing the Group's debt, described in note 7.15, the Group has certain personal guarantees in issue to third parties as at 31 December 2020, amounting to a total of €964 million, including €569 million guaranteeing performance of the contractual obligations of Group companies and €395 million million guaranteeing future payments. These include, listed by importance:

a) the guarantees issued by Pavimental to guarantee execution of the works it has been contracted to perform, amounting to €247 million, including approximately €197 million for the benefit of Group companies;

b) guarantees issued by Autostrade dell'Atlantico's Brazilian and Chilean operators to grantors, guaranteeing the performance of construction services and the proper upkeep of the sections of motorway they operate, totalling €132 million;

c) the guarantees issued by Group companies to public entities, with the aim of guaranteeing the performance of construction services and claims, totalling €111 million;

d) the guarantees issued by the Abertis group's Spanish and Chilean operators to their respective grantors with whom they have entered into concession arrangements, guaranteeing both the performance of construction services and fulfilment of the related contractual obligations, (€173 million), above all the guarantees given to the Spanish Ministry for Development, totalling €93 million;

e) the guarantees issued by the Telepass group for contracts entered into with third parties, totalling €79 million;

f) bank guarantees provided to the Ministry of Infrastructure and Transport, under the obligations assumed in the relevant concession arrangement, by the Italian operators, Autostrade Brescia Verona Padoa (€28 million), Tangenziale di Napoli (€22 million), Autostrade Meridionali (€16 million), Società Autostrada Tirrenica (€14 million), Raccordo Autostradale della Valle d'Aosta (€6 million) and Autostrada A31 Valdastico Sud (€2 million);

g) the guarantee of €35 million given to the Italian Civil Aviation Authority in order to guarantee compliance with the obligations assumed in Aeroporti di Roma's concession arrangement.

As at 31 December 2020, the shares of certain of the Group's operators (Rodovias das Colinas, Concessionária da Rodovia MG050, Triangulo do Sol, Intervias, Arteris Via Paulista in Brazil; Sociedad Concesionaria Costanera Norte, Sociedad Concesionaria de Los Lagos, Sociedad Concesionaria

Autopista Nororiente, Sociedad Concesionaria Litoral Central, Sociedad Concesionaria Vespucio Sur, Autopista del Sol, Elqui and Libertadores in Chile; the Mexican companies, RCO, Conipsa and Coviqsa; Elisabeth River Crossing OpCo in the USA; Autostrada A4 in Italy and Tunels de Barcelona, Aulesa and Trados in Spain), have also been pledged to the respective providers of financing, as have shares in the investees, Pune-Solapur Expressways, Lusoponte, Tangenziale Esterna and Bologna & Fiera Parking. Finally, i) all of Azzurra Aeroporti's shares and ii) this company's shareholding in Aèroports de la Côte d'Azur (ACA) have been pledged as collateral to the holders of the bonds issued by Azzurra Aeroporti.

The loan agreements to which certain Group companies are party (Rodovias das Colinas, Concessionária da Rodovia MG050, Triangulo do Sol, Intervias, Arteris Via Paulista in Brazil, Sociedad Concesionaria Costanera Norte, Sociedad Concesionaria de Los Lagos, Sociedad Concesionaria Autopista Nororiente, Sociedad Concesionaria Litoral Central, Sociedad Concesionaria Vespucio Sur, Rutas Pacifico, Los Andes, Autopista Central, Elqui and Libertadores in Chile; the Mexican company, RCO; Elisabeth River Crossing OpCo in the USA; Autostrada A4 in Italy, Metropistas in Puerto Rico, Avasa, Tunels e Aulesa in Spain in addition to the Indian subsidiaries) are subject to encumbrances on certain of the companies' assets, including fixed assets relating to the infrastructure operated under concession, guarantee deposits and receivables.

In May 2021, the standstill agreement negotiated by Atlantia with the non-controlling shareholders of Autostrade per l'Italia will expire. This governs the extension of the declarations and guarantees provided by Atlantia in connection with the sale of shares in Autostrade per l'Italia.

10.4 Reserves

As at 31 December 2020, Group companies have recognised contract reserves quantified by contractors in relation to:

a) investing activities, totalling €910 million (€958 million as at 31 December 2019). Based on past experience, only a small percentage of the reserves will actually have to be paid to contractors and, in this case, will be accounted for as an increase in intangible assets deriving from concession rights;

b) non-investing activities, amounting to approximately €37 million, the estimated future cost of which is covered by existing provisions in the consolidated financial statements.

10.5 Related party transactions

In implementation of the provisions of art. 2391-*bis* of the Italian Civil Code, the Regulations adopted by the *Commissione Nazionale per le Società e la Borsa* (the CONSOB) in Resolution 17221 of 12 March 2010, as amended, and Resolution 17389 of 23 June 2010, on 11 November 2010 Atlantia's Board of Directors - with the prior approval of the Independent Directors on the Related Party Transactions Committee – approved the new Procedure for Related Party Transactions entered into directly by the Company and/or through subsidiaries. The Procedure, which is available for inspection at the Company's website **www.atlantia.it/en/home**, establishes the criteria to be used in identifying related parties, in distinguishing between transactions of greater and lesser significance and in applying the rules governing the above transactions of greater and lesser significance, and in fulfilling the related reporting requirements.

The following table shows material amounts in the income statement and statement of financial position generated by the Atlantia Group's related party transactions, including those with Directors, Statutory Auditors and key management personnel at Atlantia.

€M	Trading and other assets		Trading and other liabilities			Trading and other income	Trading and other expenses	
	Trade receivables	Current tax assets	Trade payables	Other current liabilities	Other non-current liabilities	Other revenue	Service costs	Staff costs
	31 December 2020					2020		
Sintonia	-	8	-	-	-	-	-	-
Significant shareholder	-	8	-	-	-	-	-	-
Biuro Centrum	-	-	-	-	-	-	1	-
Bip & Drive	1	-	-	-	-	-	-	-
C.I.S.	2	-	-	-	-	-	-	-
A'lienor	3	-	1	-	-	-	-	-
Total associates	6	-	1	-	-	1	1	-
Pune Solapur Expressways Private	-	-	-	-	-	1	-	-
Areamed 2000	1	-	-	-	-	5	-	-
Total joint ventures	1	-	-	-	-	6	-	-
Autogrill	21	-	6	-	-	42	6	-
Autogrill Cote France	1	-	-	-	-	-	-	-
Nuova Sidap	-	-	-	-	-	1	-	-
Total companies under common control	22	-	6	-	-	43	6	-
ASTRI pension fund	-	-		7	-	-	-	18
CAPIDI pension fund	-	-	-	2	-	-	-	5
Total pensions funds	-	-	-	9	-	-	-	23
Key management personnel	-	-	-	2	2	-	-	11
Total key management personnel (1)	-	-	-	2	2	-	-	11
TOTAL	29	8	7	11	2	50	7	34
	31 December 2019					2019		
Sintonia	-	7	-	-	-	-	-	-
Significant shareholder	-	7	-	-	-	-	-	-
Biuro Centrum	-	-	-	-	-	-	1	-
Bip & Drive	2	-	-	-	-	-	-	-
Leonord	-	-	-	-	-	10	-	-
Routalis	-	-	-	-	-	4	-	-
C.I.S.	2	-	-	-	-	-	-	-
A'lienor	2	-	1	-	-	9	-	-
Autoroute De Liaison Seine-Sarthe (ALIS)	-	-	1	-	-	-	-	-
Total associates	6	-	2	-	-	23	1	-
Areamed 2000	5	-	-	-	-	9	-	-
Total joint ventures	5	-	-	-	-	9	-	-
Autogrill	35	-	3	-	-	97	2	-
Benetton Group	-	-	-	-	-	1	-	-
Autogrill Cote France	1	-	-	-	-	1	-	-
Autogril Iberia Slu	-	-	-	-	-	6	-	
Total companies under common control	36	-	3	-	-	105	2	-
ASTRI pension fund	-	-		6	-	-	-	17
CAPIDI pension fund	-	-	-	2	-	-	-	4
Total pensions funds	-	-	-	8	-	-	-	21
Key management personnel	-	-	-	15	19	-	-	38
Total key management personnel (1)	-	-	-	15	19	-	-	38
TOTAL	47	7	5	23	19	137	3	59

(1) *Atlantia's "key management personnel" means the Company's Directors, Statutory Auditors and other key management personnel as a whole. Expenses for each period include emoluments, salaries, benefits in kind, bonuses and other incentives (including the fair value of share-based incentive plans) for Atlantia staff and staff of the relevant subsidiaries. In addition to the information shown in the table, the consolidated financial statements include contributions of €4 million in 2020 paid on behalf of Directors, Statutory Auditors and other key management personnel and liabilities of €2 million payable to such persons as at 31 December 2020.*

€M	Financial assets			Financial liabilities	Financial income
	Other non-current financial assets	Current financial assets deriving from government grants	Other current financial assets	Medium/ long-term borrowings	Other financial assets
	31 December 2020				2020
Sintonia	-	-	-	-	1
Significant shareholder	-	-	-	-	1
Road Management Group LTD (RMG)	19	-	-	8	2
Associates	19	-	-	8	2
Rodovias do Tietê	-	-	-	-	2
Joint ventures	-	-	-	-	2
Autogrill	-	1	-	-	-
Total companies under common control	-	1	-	-	-
Pavimental Est	-	-	1	-	-
Other companies	-	-	1	-	-
TOTAL	19	1	1	8	5
	31 December 2019				2019
Leonord	1	-	-	-	-
Rio dei Vetrai	-	-	-	-	1
Road Management Group LTD (RMG)	18	-	-	9	2
Associates	19	-	-	9	3
Rodovias do Tietê	-	-	-	-	3
Joint ventures	-	-	-	-	3
Autogrill	-	1	-	-	-
Total companies under common control	-	1	-	-	-
Pavimental Est	-	-	1	-	-
Other companies	-	-	1	-	-
TOTAL	19	1	1	9	6

Related party transactions do not include transactions of an atypical or unusual nature, and are conducted on an arm's length basis.

The principal transactions entered into by the Group with related parties are described below.

Atlantia Group's transactions with the significant shareholder

As at 31 December 2020, the Group is owed €8 million by the parent, Sintonia. This amount regards tax rebates claimed by Schemaventotto in prior years in respect of income taxes paid during the period in which this company headed the Group's tax consolidation arrangement.

During 2020, the Atlantia Group did not engage in material trading or financial transactions with its direct or indirect parents.

The Atlantia Group's transactions with other related parties

For the purposes of the above CONSOB Resolution, which applies the requirements of IAS 24, the Autogrill group ("Autogrill"), like the Atlantia Group consolidated by the Edizione Group, is considered a related party. With regard to relations between the Atlantia Group's motorway operators and the Autogrill group, it should be noted that, as at 31 December 2020, Autogrill operates 120 concessions at service areas along the Atlantia Group's motorway network and 11 food service concessions at the airports managed by the Atlantia Group. During 2020, the Atlantia Group earned revenue of approximately €42 million on transactions with Autogrill, including €30 million in royalties deriving from the management of service areas and airport sub-concessions. Recurring income is generated by contracts entered into over various years, of which a large part was awarded as a result of transparent and non-discriminatory competitive tenders. As at 31 December 2020, trading assets due from Autogrill amount to €21 million.

10.6 Disclosures regarding share-based payments

In order to incentivise and foster the loyalty of directors and/or employees holding key positions and responsibilities within Atlantia or in Group companies, and to promote and disseminate a value creation culture in all strategic and operational decision-making processes, driving the Group's growth and boosting management efficiency, a number of share incentive plans based on Atlantia's shares have been introduced in previous years. The plans entail payment in the form of shares or cash and are linked to the achievement of predetermined corporate objectives.

There were no changes, during 2020, in the share-based incentive plans already adopted by the Atlantia Group as at 31 December 2019.

On 29 May 2020, based on a proposal from Atlantia's Board of Directors dated 24 April 2020, the Annual General Meeting of Atlantia's shareholders approved a new incentive scheme for all the permanent employees of the Atlantia Group's Italian companies. Under the scheme, each employee was to receive 75 shares in Atlantia (already held in treasury) free of charge. The acceptance period was initially to run from 5 October to 2 November 2020, with the deadline later extended until 6 November 2020. The plan did not include a vesting period, so that the rights immediately vested and were awarded at the end of the acceptance period. The shares will be subject to a lock-up period of three years from the allotment date, with the shares to be held on deposit in a securities escrow account; during this lock-up period, any dividends paid will be paid to beneficiaries, who will have the right to vote at general meetings. At the end of the acceptance period, in November 2020, 10,840 of the Group's employees had opted to participate in the plan, resulting in the allotment of a total of 813,000 shares. The unit fair value at the acceptance date was computed by an independent expert as €11.74.

Details of each plan are contained in specific information circulars prepared pursuant to art. 84-*bis* of CONSOB Regulation 11971/1999, as amended, and in the Remuneration Report prepared pursuant to art. 123 *ter* of the Consolidated Finance Act. These documents, to which reference should be made, are published in the "Remuneration" section of the Company's website at www.atlantia.it/en/home.

The following table shows the main aspects of existing incentive plans, as at 31 December 2020, including the options and units awarded to directors and employees of the Atlantia Group and changes during 2020 (in terms of new awards and the exercise, conversion or lapse of rights). The table also shows the fair value (at the grant date) of each option or unit awarded, as determined by a specially appointed expert, using the Monte Carlo model and other assumptions.

In accordance with the requirements of IFRS 2, as a result of existing plans, in 2020, the Group has recognised a reduction in staff costs of €14 million, based on the accrued fair value of the options and units awarded at that date, whilst the liabilities relating to the fair value of outstanding phantom options as at 31 December 2020 have been recognised in other current and non-current liabilities, based on the assumed exercise date, and total €10 million.

Further details of cost items are provided in note 8.7, "Staff costs" in these consolidated financial statements.

	Number of options/ units awarded	Vesting date	Exercise/grant date	Exercise price (€)	Fair value of each option or unit at grant date (€)	Expected expiration at grant date (years)	Risk free interest rate used at grant date	Expected volatility (based on historic mean) at grant date	Expected dividends at grant date
CASH-SETTLED PLANS									
2014 PHANTOM SHARE OPTION PLAN									
Options outstanding as at 1 January 2020									
- 9 May 2014 grant	2,718,203	9 May 2017	9 May 2020	N/A (***)	2.88	3.0 - 6.0	1.10%	28.9%	5.47%
- 8 May 2015 grant	2,971,817	8 May 2018	8 May 2021	N/A (***)	2.59	3.0 - 6.0	1.01%	25.8%	5.32%
- 10 June 2016 grant	3,067,666	10 June 2019	10 June 2022	N/A (***)	1.89	3.0 - 6.0	0.61%	25.3%	4.94%
- options lapsed	-2,458,474								
- options exercised	-3,564,080								
Total	**2,735,132**								
Changes in options in 2020									
- options exercised	-47,578								
Options outstanding as at 31 December 2020	**2,687,554**								
2017 PHANTOM SHARE OPTION PLAN									
Options outstanding as at 1 January 2020									
- 12 May 2017 grant	2,111,351	15 June 2020	1 July 2023	N/A (***)	2.37	3.13 - 6.13	1.31%	25.6%	4.40%
- 3 August 2018 grant	1,761,076	15 June 2021	1 July 2024	N/A (***)	2.91	5.9	2.35%	21.9%	4.12%
- 7 June 2019 grant	2,422,319	15 June 2022	1 July 2025	N/A (***)	2.98	6.06	1.72%	24.3%	4.10%
- options lapsed	-1,269,003								
Total	**5,025,743**								
Changes in options in 2020									
- options lapsed	-2,255,249								
Options outstanding as at 31 December 2020	**2,770,494**								
SUPPLEMENTARY INCENTIVE PLAN 2017 - PHANTOM SHARE OPTIONS									
Options outstanding as at 1 January 2020									
- 29 October 2018 grant	4,134,833	29 Oct 2021	29 Oct 2024	N/A (***)	1.79	3.0 - 6.0	2.59%	24.6%	4.12%
Total	**4,134,833**								
Changes in options in 2020	-								
Options outstanding as at 31 December 2020	**4,134,833**								
2017 PHANTOM SHARE GRANT PLAN									
Units outstanding as at 1 January 2020									
- 12 May 2017 grant	196,340	15 June 2020	1 July 2023	N/A	23.18	3.13 - 6.13	1.31%	25.6%	4.40%
- 3 August 2018 grant	181,798	15 June 2021	1 July 2024	N/A	24.5	5.9	2.35%	21.9%	4.12%
- 7 June 2019 grant	231,293	15 June 2022	1 July 2025	N/A	22.57	6.06	1.72%	24.3%	4.10%
- options lapsed	-103,342								
Total	**506,089**								
Changes in units in 2020									
- units lapsed	-212,454								
Units outstanding as at 31 December 2020	**293,635**								
Total options and units for cash-settled plans	**9,886,516**								

(*) *Given that these are cash bonus plans, involving payment of a gross amount in cash, the 2014 Phantom Share Option Plan, the 2017 Phantom Share Option Plan and the Supplementary Incentive Plan 2017 – Phantom Share Options do not require an exercise price. However, the Terms and Conditions of the plans indicate an "Exercise price" (equal to the arithmetic mean of Atlantia's share price in a determinate period) as the basis on which to calculate the gross amount to be paid to beneficiaries.*

2014 Phantom Share Option Plan

Description

On 16 April 2014, the Annual General Meeting of Atlantia's shareholders approved the new incentive plan named the "2014 Phantom Share Option Plan", subsequently approved, within the scope of their responsibilities, by the boards of directors of the subsidiaries employing the beneficiaries. The plan entails the award of phantom share options free of charge in three annual award cycles (2014, 2015 and 2016), being options that give beneficiaries the right to payment of a gross amount in cash, computed on the basis of the increase in the value of Atlantia's ordinary shares in the relevant three-year period.

In accordance with the Terms and Conditions of the plan, the options granted will only vest if, at the end of the vesting period (equal to three years from the date on which the options were awarded to the beneficiaries by the Board of Directors), a minimum operating/financial performance target for (alternatively) the Atlantia Group, the Company or for one or more of Atlantia's subsidiaries, as indicated for each Plan beneficiary (the "hurdle"), has been met or exceeded. The vested options may be exercised from, in part, the first day immediately following the vesting period, with the remaining part exercisable from the end of the first year after the end of the vesting period and, in any event, in the three years after the end of the vesting period (without prejudice to the Terms and Conditions of the plan as regards minimum holding requirements for executive directors and key management personnel). The number of exercisable options is to be computed in application of a mathematical algorithm, taking into account, among other things, the current value, the target value and the exercise price, in order to cap the realisable gain.

Changes in option in 2020

47,578 options were exercised in 2020. The unit fair values of the options awarded under the second and third award cycles were remeasured as at 31 December 2020 (both, at such date, already in the exercise period) as €0.06 and €1.14, respectively, in place of the unit fair values at the grant date.

2017 Phantom Share Option Plan

Description

On 21 April 2017, the Annual General Meeting of Atlantia's shareholders approved the new incentive plan named the "2017 Phantom Share Option Plan", subsequently also approved, within the scope of their responsibilities, by the boards of directors of the subsidiaries employing the beneficiaries. The Plan entails the award of phantom share options free of charge in three annual award cycles (2017, 2018 and 2019), to be awarded to directors and employees with key roles within the Atlantia Group. The options grant beneficiaries the right to payment of a gross amount in cash, computed on the basis of the increase in the value of Atlantia's ordinary shares in the relevant period.

In accordance with the Terms and Conditions of the Plan, the options granted will only vest if, at the end of the vesting period (15 June 2020 for options awarded in 2017, 15 June 2021 for options awarded in 2018 and 15 June 2022 for options awarded in 2019), minimum operating/financial performance targets for (alternatively) the Atlantia Group, the Company or one or more of Atlantia's subsidiaries, as indicated for each Plan beneficiary (the "hurdle"), have been met or exceeded. A portion of the vested options may be exercised from the 1 July immediately following the end of the vesting period, with the remaining options exercisable from the end of the first year after the end of the vesting period and, in any event, in the three years from 1 July of the year in which the vesting period ends (without prejudice to the Terms and Conditions of the Plan as regards minimum holding requirements for executive directors and key management personnel). The number of exercisable options is to be computed in application of a model, taking into account, among other things, the current value, the target value and the exercise price, in order to cap the realisable gain.

Changes in options in 2020

On 11 June 2020, Atlantia's Board of Directors Atlantia's Board of Directors noted that the hurdles provided for in the terms and conditions with regard to the first cycle of the plan had not been met. As a result, the related options have lapsed.

A total of 2,255,249 options lapsed in 2020.

The unit fair value of the options awarded under the second and third cycles were remeasured as at 31 December 2020 (both, at such date, still in the vesting period) as €1.58 and €1.52, respectively, in place of the unit fair value at the grant date.

Supplementary Incentive Plan 2017 – Phantom Share Options

Description

On 20 April 2018, Atlantia's Annual General Meeting voted to modify certain definitions in the "Supplementary Incentive Plan 2017 – Phantom Share Options", approved by the General Meeting of Atlantia's shareholders on 2 August 2017. Following the changes made by the above Annual General Meeting, therefore, the plan entails the award of up to 5 million phantom share options free of charge, in a single cycle and within 3 months of the date of the acquisition of control of Abertis (being options that give beneficiaries the right to payment of a gross amount in cash). The options are to be awarded to the Chairman, Chief Executive Officer and employees of the Company and its subsidiaries, limited to core people involved the integration process and the creation of value for the Atlantia Group.

The options awarded will vest in accordance with the specified Terms and Conditions and may in part be exercised from the first day immediately after the vesting period, with the remaining options exercisable at the end of the first year following the end of the vesting period, and in any event in the three years following the expiry of this period (without prejudice to the provisions of the Plan Terms and Conditions as regards minimum holding requirements for executive directors and key management personnel). The number of exercisable options is to be computed in application of a model, taking into account, among other things, the current value, the target value and the exercise price, in order to cap the realisable gain.

Changes in options in 2020

There were no changes in options outstanding as at 31 December 2019 during 2020.

The unit fair value of the options awarded as at 31 December 2020 (still in the vesting period) was remeasured as €1.58 in place of the unit fair value at the grant date.

2017 Phantom Share Grant Plan

Description

On 21 April 2017, the Annual General Meeting of Atlantia's shareholders approved the new incentive plan named the "2017 Phantom Share Option Plan", subsequently also approved, within the scope of their responsibilities, by the boards of directors of the subsidiaries employing the beneficiaries. The Plan entails the award of phantom share options free of charge in three annual award cycles (2017, 2018 and 2019), to be awarded to directors and employees with key roles within the Atlantia Group. The options grant beneficiaries the right to payment of a gross amount in cash, computed on the basis of the increase in the value of Atlantia's ordinary shares in the relevant period.

In accordance with the Terms and Conditions of the Plan, the options granted will only vest if, at the end of the vesting period (15 June 2020 for options awarded in 2017, 15 June 2021 for options awarded in 2018 and 15 June 2022 for options awarded in 2019), minimum operating/financial performance targets for (alternatively) the Atlantia Group, the Company or one or more of Atlantia's subsidiaries, as indicated for each Plan beneficiary (the "hurdle"), have been met or exceeded. A portion of the vested options may be exercised from the 1 July immediately following the end of the vesting period, with the remaining options exercisable from the end of the first year after the end of the vesting period and, in any event, in the three years from 1 July of the year in which the vesting period ends (without prejudice to the Terms and Conditions of the Plan as regards minimum holding requirements for executive directors and key management personnel). The number of exercisable options is to be computed in application of a model, taking into account, among other things, the current value, the target value and the exercise price, in order to cap the realisable gain.

Changes in options in 2020

On 11 June 2020, Atlantia's Board of Directors noted that the hurdles provided for in the terms and conditions with regard to the first cycle of the plan had not been met. As a result, the related units have lapsed.

A total of 212,454 units lapsed in 2020.

The unit fair values of the remaining units as at 31 December 2020 from the second and third cycle (both, at such date, still in the vesting period) were remeasured as €15.28 and €14.60, respectively, in place of the unit fair value at the grant date.

The official prices of Atlantia's ordinary shares in the various periods covered by the above plans are shown below:

a) price as at 31 December 2020: €14.64;

b) the weighted average price for the period 2020: €15.02;

c) price as at 6 November 2020: €14.29;

d) the weighted average price for the period 6 November - 31 December 2020; €15.01.

10.7 Significant legal and regulatory aspects

Details of the main pending litigation involving Atlantia Group companies and significant regulatory events affecting the Group's operators are provided below.

At this time, it is deemed unlikely that current litigation will give rise to significant charges for Group companies in excess of the provisions already accounted for in the consolidated statement of financial position as at 31 December 2020.

Autostrade per l'Italia group

Talks with the Government regarding the dispute over alleged serious breaches

Following the collapse of the road bridge, the Ministry of Infrastructure and Transport (the "MIT") formally accused Autostrade per l'Italia of certain breaches of its contractual obligations under the Single Concession Arrangement, to which Autostrade per l'Italia replied with counterarguments.

From July 2019, talks have been underway with representatives of the Government with the aim of reaching a negotiated settlement and Autostrade per l'Italia, whilst denying any responsibility for the above collapse, has submitted a series of improved proposals in the public interest.

Against this backdrop, whilst confident that a settlement of the dispute for serious breaches can be reached, Autostrade per l'Italia has always stated that it continues to have the option to exercise the rights granted to it under the Concession Arrangement.

Following numerous meetings and exchanges of correspondence designed to arrive at the content of a potential settlement agreement that would be in the public interest, Autostrade per l'Italia sent letters on 11, 13, 14 and 15 July 2020 (the latter two also signed by the parent, Atlantia) in which, whilst continuing to deny any of the alleged breaches in relation to its management of the Polcevera road bridge, the company put forward new comprehensive proposal. Atlantia's letter of 14 July 2020, among other things, expressed a willingness to enter into an agreement to carry out a market transaction designed to result in Atlantia giving up control of Autostrade per l'Italia, and make it possible for a publicly owned entity, such as Cassa Depositi e Prestiti ("CDP"), to acquire an interest, whilst respecting the rights of all the stakeholders and minority shareholders involved.

In response, on 15 July 2020, the Cabinet Office announced that, in view of the proposed settlement, the Government "*has decided to begin the process of formalising the settlement provided for by law, without prejudice to the fact that the right to revoke the concession will only be waived once the settlement agreement has been finalised*".

On 23 July 2020, Autostrade per l'Italia also responded to the request from the Grantor and submitted its Financial Plan, previously submitted on 8 April 2020, having revised the document to include the measures put forward by the Grantor.

A series of meetings between Autostrade per l'Italia, the MIT, the Ministry of the Economy and Finance (the "MEF") and the Cabinet Office were then held from 31 July 2020 with the aim of resolving the dispute and agreeing on the related documents, including the "Settlement Agreement" and the "Outline Addendum to the Single Concession Arrangement". Among other things, the two documents were intended to amend numerous provisions in the concession arrangement and the operator's obligations, to revise many elements of the Financial Plan, and to establish the procedures to be followed and the conditions to be met in order to settle the dispute and render the Addendum and the Financial Plan effective.

The text of the Agreement sent by the Grantor on 23 September 2020 required the following commitments from Autostrade per l'Italia:

a) a commitment amounting to €3,400 million, to be funded entirely at the company's own expense and without any related return, to finance reductions in tolls for the benefit of road users (€1,500 million), additional work on the infrastructure operated under concession during the regulatory period 2020-2024 (€1,200 million) and work on reconstruction of the Polcevera road bridge and all other related expenses (€700 million);

b) a commitment to accept the tariff regime set out in the Transport Regulator's determinations 16/2019 and 71/2019, applying annual toll increases of 1.75% from 1 January 2021, as indicated by representatives of the Government. This annual increase was later reduced to 1.64%, as described in greater detail below;

c) a commitment to withdraw a series of pending legal actions relating to reconstruction of the road bridge, the tariff regime introduced by the Transport Regulator and the provisions of the *Milleproroghe* Law Decree;

d) the acceptance of a condition making effectiveness of the Agreement dependent on completion of the corporate reorganisation following a positive conclusion of talks between Atlantia and Cassa Depositi e Prestiti ("CDP") (art. 10 (ii)).

On 29 September 2020, Atlantia also replied to the Government's letter dated 23 September. In addition to referring to certain aspects regarding the sale of Autostrade per l'Italia, the letter noted that the Government's request to make effectiveness of the settlement agreement dependent on the Company's transfer of control of Autostrade per l'Italia to CDP is to no extent pertinent to or in line with the objective of the Agreement, nor with the content of the commitments in the letter sent by Atlantia to the Government on 14 and 15 July 2020.

On 8 October 2020, Autostrade per l'Italia sent the Government's representatives a letter expressing its willingness to sign the proposed Settlement Agreement, subject solely to removal of the previously mentioned condition precedent contained in art. 10 (ii).

In terms of the draft Addendum sent by the Government's representatives on 2 September 2020, Autostrade per l'Italia responded on 21 November 2020, expressing a willingness to sign the proposed text.

Briefly, the draft Addendum provides for:

a) a survey of all the investment commitments, with the addition of those considered priority under art. 15 of the Concession Arrangement;

b) application of the tariff framework set out in the Transport Regulator's determinations 16/2019 and 71/2019;

c) a reformulation of the articles regarding breaches committed by the Operator and termination of the Concession Arrangement only in cases of extremely serious and irremediable compromise of the operation and safety of an essential part of the motorway network, where there is certain proof of the operator's sole responsibility, with compensation to be determined in accordance with the above art. 35 of Law Decree 162/2019 (the *Milleproroghe* Decree), using ITA GAAP accounting standards, and be paid by the new operator at the time of the handover of the infrastructure by Autostrade per l'Italia;

d) an obligation on Autostrade per l'Italia's part to conduct feasibility studies for new projects;

e) an extraordinary maintenance plan, with the related binding timescale.

This was followed by further meetings between Autostrade per l'Italia, the MIT and the MEF (the Interministerial Technical Committee) and, on 3 December 2020, Autostrade per l'Italia sent the Grantor the latest version of the Financial Plan agreed with the representatives of the MIT and the MEF, reflecting the observations received from the Transport Regulator on 14 October 2020[2]. The document also set out the various items of expenditure and the timing of the related works covered by the commitment of €3.4 billion, and included the average annual increase in tolls of 1.64% designed to make up for the impact of Covid-19 in the months from March to June 2020. A decision has, on the other hand, yet to be made on how the motorway sector as whole will recover the revenue lost in the subsequent period.

In addition to the Financial Plan, Autostrade per l'Italia also sent the other annexes to the Addendum, requesting the MIT to pass this latter document on to the Interministerial Committee for Economic Planning ("CIPE") with the changes and amendments previously announced during earlier meetings.

On 29 December 2020, Autostrade per l'Italia reiterated its request to receive *"the amended Addendum, with the related annexes, with due urgency, bearing in mind the time that has passed and the commitment demonstrated by the parties, in order to enable it to finalise the document and submit it to the CIPE for its approval"*. With regard to the Agreement, the subsidiary confirmed what was written in its previous letter of 8 October 2020, in which it expressed a willingness to sign the Settlement Agreement attached to the letter from the Government dated 23 September without any changes, with the sole exception of removal of the condition precedent contained in art. 10 (ii).

Subsequently, on 1 March 2021, Atlantia sent a note to the newly appointed Minister of Infrastructure and Sustainable Mobility, reiterating the urgent need to finalise the Settlement Agreement (with the sole exclusion of art. 10(ii)) and the Addendum including the Financial Plan drawn up on the basis of the Transport Regulator's determinations.

Atlantia also noted that submission of the documentation to the CIPE, following its prior signature, would avoid the risk of compromising delivery of the business plan already prepared and being implemented by Autostrade per l'Italia.

On the same date, Autostrade per l'Italia sent the Grantor and members of the Interministerial Technical Committee a similar note, confirming that it had already begun to implement its transformation plan, which involves a major investment programme and numerous other initiatives. In particular, Autostrade per l'Italia emphasised the fact that formal approval of all parts of the agreement reached with the Government and the agreed settlement of the dispute, including the revised Financial Plan, could no longer be delayed, as this could potentially compromise delivery of a transformation plan of great importance for the country.

Five-yearly update of Autostrade per l'Italia's Financial Plan

Following the Transport Regulator's introduction of the new tariff framework, on 8 April 2020, Autostrade per l'Italia submitted the Financial Plan to the Grantor, ahead of the deadline extended by the MIT in art. 103 of Law Decree 103 of 17 March 2020, whilst continuing to stand by its earlier opposition and reservations in this regard.

This was followed by the above letter of 15 July 2020, relating to settlement of the dispute with the MIT over alleged serious breaches of the Concession Arrangement, in which the MIT requested Autostrade per l'Italia to submit the revised Financial Plan by 23 July 2020. As requested, on 23 July, Autostrade per l'Italia submitted the above Financial Plan.

In a letter dated 3 August 2020, the MIT set out its conclusions regarding the proposed Financial Plan submitted by Autostrade per l'Italia on 23 July 2020, setting out the changes to be made. In subsequent letters, the first dated 1 September 2020 and the second 14 September 2020, Autostrade per l'Italia submitted further versions of the Financial Plan to the Government and the Grantor, taking into account the observations made by the Grantor and the following talks with personnel from the MEF.

As referred to above, on 14 October 2020, the Transport Regulator published the opinion provided to the MIT in accordance with art. 43 of Law Decree 201 of 2011 regarding the update of the Financial Plan. The regulator's opinion expresses certain reservations regarding the Plan drawn up by Autostrade per l'Italia.

In its letter dated 22 October 2020, the Grantor, in response to the proposed Financial Plan submitted by Autostrade per l'Italia on 14 September 2020 and the regulator's opinion, requested Autostrade per l'Italia to amend the proposed plan and to provide clarifications, details and documentation regarding a number of concerns raised by the regulator.

On 19 November 2020, Autostrade per l'Italia sent the MIT, the MEF and the Cabinet Office a new version of the Financial Plan, reflecting the indications in the above letter from the Grantor dated 22 October. The Plan made reference to the sum of €3.4 billion included in the Agreement reached with representatives of

[2] *Details of the approval process for the Financial Plan are provided in the following paragraph.*

the Government, setting out the various items of expenditure and the related timescale. The new Plan also reflected the Government's request to include the measure designed to make up for lost revenue in the period between March and June 2020 due to Covid-19, to be recovered by raising the average annual toll increase to 1.64%, deeming this to cover the amount necessary in order to recover the losses incurred.

Finally, following later talks, as noted above, on 3 December 2020, Autostrade per l'Italia sent the Grantor the latest version of the Financial Plan agreed with the representatives of the MIT and the MEF, together with the Addendum to the Concession Arrangement and the other annexes to this document. At the date of preparation of Autostrade per l'Italia's financial statements, formal approval of the Agreement with the Government, on the basis described in the previous paragraph, and settlement of the dispute over serious breaches, including the revised Financial Plan, had yet to occur.

Legal action over failure to approve the five-yearly update of the Financial Plan

To complete the description of the situation regarding the approval process for the Financial Plan, it should be remembered that on 3 January 2020, the Grantor, in compliance with judgement 13789 of 2 December 2019 handed down by Lazio Regional Administrative Court, informed Autostrade per l'Italia that the proposed update of its financial plan, submitted on 15 June 2018, was unacceptable. On 3 march 2020, Autostrade per l'Italia brought an action before Lazio Regional Administrative Court, challenging the legitimacy of the determination implemented by the Grantor on a number of grounds, and also due to the EU and constitutional illegitimacy of its regulatory requirement, namely art. 13 of the *Milleproroghe* Decree, requesting its disapplication or, alternatively, referral of the matter to the European Court of Justice, for flagrant violation of EU principles, or to the Constitutional Court, for flagrant violation of constitutional principles. The case is pending.

Extraordinary tunnel inspections – Launch of a procedure for serious breach pursuant to art. 8 of the Single Concession Arrangement

With reference to the announcement of 22 July 2020 to launch the procedure of serious breach pursuant to art. 8 of the Single Concession Arrangement, regarding the checks carried out by Autostrade per l'Italia on tunnels around the network it operates, with particular regard to those in the Liguria region, on 21 August 2020, Autostrade per l'Italia submitted its counterarguments to the Grantor, asking the latter to dismiss the proceedings on the grounds that the alleged serious breach did not take place, whilst requesting a hearing in order to provide further clarifications.

The counterarguments submitted by Autostrade per l'Italia contain a detailed and accurate report, in which the progress of discussions and correspondence with the Grantor regarding inspection methods for motorway tunnels is reviewed. These counterarguments sought to demonstrate, on the one hand, the uniform interpretation of the relative legislation made by the operating companies and the Grantor until May 2020, and on the other hand, Autostrade per l'Italia's prompt compliance with the requirements - which moreover were contradictory - laid down by the Grantor during the last period between May and July 2020.

On 23 February 2021, a hearing, called by the MIT, was held at which Autostrade per l'Italia submitted additional documentation to support its position.

In a specific reference in the Agreement regarding a negotiated settlement of the procedure for alleged serious breaches referred to in the paragraph on "Talks with the Government regarding the dispute over alleged serious breaches", it is pointed out that this challenge does not entail possible termination and/or revocation consequences for the Single Concession Arrangement, notwithstanding the potential application of the penalties provided for in the Single Concession Arrangement, as amended by the draft Addendum to the Arrangement.

Talks with Cassa Depositi e Prestiti and launch of the dual-track process

As noted previously, in parallel with the talks between Autostrade per l'Italia and the MIT, Atlantia held a series of talks with Cassa Depositi e Prestiti ("CDP").

In view of the difficulties encountered in reaching an agreement, on 4 August 2020, the Company's Board of Directors decided to look into the possibility of launching a dual-track process consisting of the following two options:

a) the sale via a competitive international auction – managed by independent advisors – of the Company's entire stake of approximately 88% in Autostrade per l'Italia, in which CDP could participate alongside other institutional investors of its choosing, as mentioned previously; or alternatively

b) the partial, proportional demerger of a stake of up to 88% in Autostrade per l'Italia through the creation of a special purpose vehicle to be listed on the stock market, thus creating a contestable public company.

On 9 September 2020, believing that it was duty bound to report information on events and transactions capable of impacting on the correct functioning of the single market and, in particular, of the capital markets union, Atlantia wrote to the European Commission to report the inadmissibility of the provision unilaterally introduced into the text of the Settlement Agreement received from the MIT. This, as mentioned above, made effectiveness of the Agreement subject to completion of the reorganisation of ownership of Autostrade per l'Italia and thus to a positive outcome to the talks between Atlantia and CDP.

On 24 September, in view of the ongoing difficulties that had emerged during talks with CDP, Atlantia's Board of Directors decided to launch the dual-track process that would lead to the disposal of Atlantia's investment in Autostrade per l'Italia whatever the circumstances. This was in keeping with what was communicated to the Italian Government on 14 July 2020 and designed to provide market transparency, whilst also safeguarding the interests of all Atlantia's and Autostrade per l'Italia's stakeholders. To this end, the Board approved the plan for the partial, proportional demerger of Atlantia in favour of the newly established beneficiary, Autostrade Concessioni e Costruzioni SpA, and, at the same time, launched a competitive auction, managed by independent financial advisors, with a view to the outright sale of the Company's approximately 88% stake in Autostrade per l'Italia.

On 13 October 2020, Atlantia's Board of Directors, in a spirit of cooperation, agreed to examine potential proposals put forward by CDP – acting together with other Italian and international investors – for a possible agreement, as referred to in the letter of 14 July, for the outright purchase of the Company's interest in Autostrade per l'Italia, provided that the transaction is concluded on the basis of a fair market value for the stake.

On 19 October 2020, and then on 27 October 2020, CDP Equity SpA, The Blackstone Group International Partners and Macquarie Infrastructure and Real Assets ("the CDP Consortium") submitted preliminary offers to acquire the entire stake in Autostrade per l'Italia. However, Atlantia's Board of Directors deemed that the terms of the offer did not adequately reflect the fair market value of the stake.

Then, on 28 October 2020, in response to the letter unexpectedly sent by the MIT to Autostrade per l'Italia regarding the opinion provided to the MIT by the Transport Regulator, the Board of Directors also decided to withdraw item 3 on the agenda for the Extraordinary General Meeting of shareholders ("EGM") originally scheduled for 30 October 2020. This item regarded the partial, proportional demerger in favour of Autostrade Concessioni e Costruzioni SpA ("ACC"). In this letter, the MIT, on the basis of the observations made by ART, requests that "*in order to proceed with the approval process… it is necessary to amend the Financial Plan*" submitted by Autostrade per l'Italia on 14 September 2020.

At their meeting held on 14 December 2020, the Board of Directors approved the partial, proportional demerger in favour of the beneficiary, ACC, and decided to call an Extraordinary General Meetings of shareholders ("EGM") to be held on 15 January 2021 to approve the plan. Following the decision of 28 October 2020 to withdraw the agenda item for the EGM called for 30 October 2020 due to the uncertainties created by the MIT's letter of 22 October 2020 regarding potential approval of the Financial Plan, Autostrade per l'Italia continued to hold talks with the relevant ministries regarding the update of the Financial Plan and the Addendum to the Single Concession Arrangement referred to previously. As a result, the Board deemed that it was at that time possible for the EGM to take an informed decision on how to proceed. On 19 November, Autostrade per l'Italia had in fact submitted a new version of the Financial Plan to the

MIT. This new version took into account the concerns raised by the Transport Regulator. Subsequently, on 21 November, Autostrade per l'Italia also notified the MIT that it was willing to agree to the proposed version of the Addendum put forward on 2 September 2020. As a result, on 25 November 2020, the Interministerial Technical Committee and Autostrade per l'Italia deemed that agreement had been reached on the Addendum and the Financial Plan, whilst awaiting completion of the normal approval process for the two documents. As previously noted, on 3 December 2020, Autostrade per l'Italia then sent the Grantor the latest version of the Financial Plan agreed on with the Interministerial Technical Committee, together with the draft Addendum to the Concession Arrangement and the other annexes to this document.

On 14 December 2020, Atlantia's Board of Directors thus defined the following transactions to be implemented at one and the same time:

a) the demerger of the 33% interest in Autostrade per l'Italia and transfer in kind of the remaining 55% stake to Autostrade Concessioni e Costruzioni, with this to be followed by the beneficiary's admission to listing on the stock market at the same time as Atlantia's exit via the sale of its shares to a stable group of core shareholders by 31 March 2021;
b) the outright sale of the 88% stake (directly) or of the 55% stake (indirectly following the demerger and transfer) in Autostrade per l'Italia, in both cases thus enabling Atlantia to relinquish control of the company.

The above transactions were subject to a number of conditions precedent to be fulfilled by 30 September 2021 at the latest, as indicated in the demerger plan.

On 28 December 2020, Atlantia's Board of Directors examined a further non-binding offer for Atlantia's entire stake in Autostrade per l'Italia, received from the CDP Consortium on 23 December 2020, again deeming the offer not to be in the Company's interests.

The EGM of 15 January 2021 thus approved, by a majority of 99.7% of the shareholders present, the plan for the partial, proportional demerger of Atlantia SpA in favour of the wholly owned beneficiary company, Autostrade Concessioni e Costruzioni SpA, as described above.

On 31 January 2021, European Commission sources confirmed that the Commission had initiated an "*administrative dialogue*" with Italy "*certain aspects of the new legislation governing motorway concession arrangements, introduced by Law Decree 162 of 31 December 2019*" (the so-called *Milleproroghe* Decree), raising concerns regarding the compatibility of certain provisions introduced by the Decree with EU law, following the Decree's unilateral imposition *in pejus* of changes to Autostrade per l'Italia's Single Concession Arrangement.

On 31 January 2021, the CDP Consortium sent Atlantia a letter in which it requested an extension of the deadline for submission of a final offer to acquire the 88% stake in Autostrade per l'Italia.

On 5 February 2021, Atlantia's Board of Directors expressed a willingness to grant a further extension until 24 February 2021, requesting that, by this date, the CDP Consortium submit a binding offer not conditional on syndication or financing.

On 24 February 2021, the CDP Consortium submitted its binding offer to acquire Atlantia's entire stake in Autostrade per l'Italia. The CDP Consortium has set 16 March 2021 as the date on which the validity of the offer will expire.

An urgent meeting of Atlantia's Board of Directors was held on 26 February 2021 in order to examine the offer received. Having examined the offer, on 26 February 2021, Atlantia's Board of Directors considered that the offer fell below expectations, as effectively confirmed by the matching valuation of independent advisors, and that the proposed financial and contractual terms were not consistent with the interests of Atlantia or its stakeholders as a whole. Despite this, the Board has authorised the Chairman and the Chief Executive Officer, assisted by the Company's appointed advisors, to assess the potential for the necessary substantial improvements to the offer. The Board will, therefore, hold a further meeting in order to take a final decision, which will naturally be promptly announced to the market.

In line with the dual-track process launched on 24 September 2020 and approved by the General Meeting of shareholders held on 15 January 2021, the Board of Directors also decided to call an EGM for 29 March 2021. This Meeting will be asked to deliberate on an extension of the deadline for the potential submission by third parties of binding offers for Atlantia's controlling interest (represented by a 62.8% stake) in Autostrade Concessioni e Costruzioni SpA until 31 July 2021, compared with the original deadline of 31 March 2021.

Investigation by the Public Prosecutor's Office in Genoa of the collapse of a section of the Polcevera road bridge

The above-mentioned collapse of a section of the Polcevera road bridge on the A10 Genoa–Ventimiglia motorway has resulted in criminal action being brought before the Court of Genoa against 39 personnel, including executives and other people employed at the company's Rome headquarters and the relevant area office in Genoa. The investigation relates, among other things, to the offences of "accessory to culpable collapse", "violation of transport safety regulations aggravated by culpable disaster" and "culpable vehicular homicide".

As part of the same procedure, Autostrade per l'Italia is also under investigation pursuant to art. 25-septies of Legislative Decree 231/2001, relating to "culpable homicide or grievous or very grievous bodily harm resulting from breaches of occupational health and safety regulations".

Two pre-trial hearings were arranged by the preliminary investigating magistrate. The first, aimed at ascertaining the conditions at the disaster scene, concluded with the filing of an initial report prepared by experts on 31 July 2019, followed by a hearing to examine it on 20 September 2019.

With regard to the second pre-trial hearing, the purpose of which is to determine the causes of the collapse, on 21 December 2020, the experts filed a relevant technical report, which provided evidence of:

a) deficiencies in the design that did not adequately take particular construction requirements into account;
b) defects arising during construction;
c) shortcomings in the checks carried out during construction by project managers and in the tests carried out prior to the bridge's opening;
d) shortcomings in checks and maintenance work which, if they had been carried out correctly - in the opinion of the experts - would most likely have prevented the disaster from occurring.

The hypothesis that a coil could have fallen from a lorry while it was passing over the joint between pylon 9 and the buffer beam (as argued by the defence consultants) should most likely be excluded.

The first three pieces of evidence, according to the experts, would have led to severe corrosion of the secondary and primary cable stays of pylon 9 on the Genoa/sea side, given that, in their opinion, "*the inspection and monitoring systems implemented were inadequate to identify the problems affecting the collapsed part of the bridge*".

During the hearings at the beginning of February 2021, the experts explained the content of the first six sections of the report. The preliminary investigating magistrate then suspended the pre-trial hearing for 15 days to allow the technical consultants of the persons under investigation to acquire and analyse the software used by the experts to calculate the resistance of the cable stays used in the Morandi road bridge.

Finally, during the hearings of 18, 19 and 20 February, the experts completed the presentation of their report.

Investigation by the Public Prosecutor's Office in Genoa regarding the installation of integrated safety and noise barriers on the A12

On 10 December 2019, the *Guardia di Finanza* (Finance Police) of Genoa made several visits to the Genoa and Rome offices of Autostrade per l'Italia and a number of Group companies in order to seize technical documents (i.e., designs, calculation reports, test certificates) and organisational documents (i.e., service orders and organisational arrangements in place since 2013) regarding the installation and maintenance of "Integautos" model noise barriers.

The new line of investigation, which derives from two accidents that occurred on 6 November 2016 and 17 January 2017 due to the collapse of the aforementioned barriers positioned respectively on the Rio Rezza and Rio Castagna bridges on the A12, involves investigation of former managers and managers and employees with technical expertise working for Autostrade per l'Italia.

All of the barriers were inspected and appropriate steps taken to make them safe between the end of 2019 and January 2020, as part of a general assessment of motorway infrastructure launched by Autostrade per l'Italia across the entire network. At the same time, at the beginning of 2020, a replacement plan was agreed with the MIT to replace the barriers, divided into three phases: an initial preparatory phase for the works, which are currently in progress; a second phase, involving replacement of barriers at the points most exposed to noise impact, is planned for the second half of 2021; and a subsequent third phase which will complete the replacement on the other points. The total cost of the replacement work, amounting to approximately €170 million, was already authorised by the Board of Directors of Autostrade per l'Italia in April 2020 and will be fully borne by the company.

All the monitoring and safety procedures, as well as the design solutions for replacement of the barriers, have been defined with the relevant technical bodies of the Ministry of Infrastructure and Transport.

Investigation by the Public Prosecutor's Office in Genoa of alleged false statements regarding several of the network's bridges

Following investigations by the judiciary into reports regarding network inspections, in which four managers and one employee were under investigation at the time, an audit was undertaken and the results were submitted to the judiciary.

At the same time, a plan to transform the way inspections are carried out was initiated. In particular, Autostrade per l'Italia has acquired a new monitoring platform, which will use IBM's artificial intelligence, drones, IoT (Internet of Things) and Fincantieri NexTech's 3D digital modelling to radically innovate the surveillance and monitoring of over 4,500 works across Autostrade per l'Italia's motorway network, thereby greatly increasing the efficiency and transparency of these processes. In addition, the inspectors, who are highly qualified professionals from internationally renowned third-party engineering companies, will be able to check the state of each project by accessing all relevant information in real time via a tablet computer.

The new software tracks and manages all the various steps involved in taking care of the infrastructure: from the organisation and conduct of inspections to the planning and implementation of maintenance or upgrade activities, in accordance with clear priority criteria agreed with the MIT.

The platform is being used on 430 works on the Cassino and Bari motorway sections and will be progressively extended to all 1,943 bridges and 2,000 flyovers on Autostrade per l'Italia's network by the end of the year.

During 2021, its application will be extended to the maintenance processes of bridges and flyovers and to all 587 tunnels on the network. The technologies deployed by Autostrade Tech, IBM and Fincantieri NexTech will also enable new infrastructure safety models, algorithms and parameters to be scientifically tested.

To this end, Autostrade Tech has set up a technical and scientific committee with the participation of the polytechnic universities of Trento, Turin, Rome, Naples and Milan, tasked with coordinating these experimental activities and defining new operating procedures to be agreed with the MIT. The first research project will be devoted to the use of state-of-the-art sensors for monitoring infrastructure behaviour. Total investment for the new system amounts to more than €60 million, entirely provided by Autostrade per l'Italia.

Declaratory action before the Lazio Regional Administrative Court regarding the validity and effectiveness of articles 8, 9 and 9-*bis* of the Single Concession Arrangement

Following the law converting the *Milleproroghe* Decree, on 4 March 2020, Autostrade per l'Italia appealed to the Lazio Regional Administrative Court to ascertain - after non-application of art. 35 of the above Decree, or after referring matters of interpretation of European law and incidental matters of constitutional legitimacy - the validity and applicability of articles 8, 9 and 9-*bis* of the Single Concession Arrangement that governs Autostrade per l'Italia's concession. On 3 April 2020, Autostrade per l'Italia filed a request to expedite the scheduling of a hearing, which has yet to be determined.

Legal challenges against the actions taken by the Special Commissioner pursuant to Law Decree 109/2018

With reference to Autostrade per l'Italia's legal challenges of the Special Commissioner's measures before the Liguria Regional Administrative Court, following the injunctions of 6 December 2019 - whereby the Liguria Regional Administrative Court referred the matters of constitutional legitimacy raised by Autostrade per l'Italia to the Constitutional Court - in a ruling of 27 July 2020, the Court deemed these matters to be partly unfounded and partly inadmissible.

The hearing to discuss all the challenges, originally scheduled for 10 February 2021, at the request of the Attorney General, has been scheduled for 15 December 2021.

With regard to the appeals brought by the Cabinet Office, the Ministry of Infrastructure and Transport and the Special Commissioner before the Council of State on 5 January 2020, challenging the Liguria Regional Administrative Court's ruling on the preliminary questions proposed by the authorities as part of the related judgements at first instance, on 30 September 2020, with the support of the Attorney General and the cross-appellants, Autostrade per l'Italia filed a request to have the hearing postponed. This request is motivated by the fact that, as already pointed out, an agreed settlement of the dispute launched by the MIT on 16 August 2018 is being defined, which, if finalised, would entail lack of interest and therefore waiver of the legal actions brought. Therefore, the Council of State has postponed the hearing to a date to be determined.

Autostrade per l'Italia's toll increases for 2019

With regard to the toll increase of 0.81% for 2019, as authorised by the MIT and the MEF, Autostrade per l'Italia has volunteered to extend suspension of the increase through to 31 May 2021.

Toll increases for 2020

On 31 December 2019, the MIT confirmed deferment of the deadline for toll increases for 2020 until the procedure for revising the Financial Plan, drawn up in accordance with the resolutions of the Transport Regulator, has been defined.

Autostrade per l'Italia challenged this measure and the litigation is pending, as already described in the paragraph "Litigation relating to the failure to approve the five-year update of the Financial Plan".

On 31 December 2019, the Grantor sent similar communications to the companies, Raccordo Autostradale Valle d'Aosta, Tangenziale di Napoli, Autostrada Tirrenica and Autostrade Meridionali.

All the companies appealed to request annulment.

Toll increases for 2021

In a letter sent to the Grantor in October 2020, Autostrade per l'Italia set out two alternative requests for toll increases, namely: (i) one, relating to the *"unlikely event that, as part of the overall agreed settlement of the dispute, the addendum being drawn up with the appended revised Financial Plan has not become effective by 31 December 2020"*, to be determined on the basis of the toll increase formula provided for in the Single Concession Arrangement and amounting to 0.47%; and (ii) another one based on the new framework for toll increases (in line with the Financial Plan), amounting to 1.75%, subsequently readjusted to 1.64%.

In a letter dated 31 December 2020, the Grantor informed Autostrade per l'Italia that no toll increase with effect from 1 January 2021 would be applied, pending approval of the Financial Plan.

On 1 March 2021 - as the company did last year to contest the rejection of the toll increase for 2020 - Autostrade per l'Italia challenged the Grantor's above measure before the Regional Administrative Court.

On 31 December 2020, the Grantor sent letters with similar content to the letter sent to Autostrade per l'Italia to the companies, Raccordo Autostradale Valle d'Aosta, Tangenziale di Napoli, Società Autostrada Tirrenica and Autostrade Meridionali.

All four companies, as well as Autostrade per l'Italia, have lodged appeals against the above decisions by the Grantor.

Autostrade Meridionali – request for adoption of the Financial Plan

Following the ruling by the Campania Regional Administrative Court stating that it lacked territorial jurisdiction to hear the case brought by Autostrade Meridionali to verify the illegitimacy of the Ministry of Infrastructure and Sustainable Mobility's silence regarding the company's request to adopt a Financial Plan for the period 2013-2022, on 12 February 2020 Autostrade Meridionali resumed proceedings before the Lazio Regional Administrative Court, asking the Court to verify the illegitimacy of the Grantor Ministry's continued silence regarding its requests for adoption of a Financial Plan and the proposed Financial Plan submitted by the company in a memorandum dated 24 May 2019, and, accordingly, to order the Grantor to take action on the merits. Subsequently, following the aforementioned Resolution 38/2019, the Grantor asked Autostrade Meridionali to incorporate the rate of return set out in the Resolution into the Financial Plan. The company appealed on additional grounds against the aforementioned Resolution 38/2019, and claimed that the Grantor's request was unlawful.

On 2 February 2021, the Lazio Regional Administrative Court published a ruling accepting Autostrade Meridionali's request, which: (i) annulled the Grantor's decision, as Resolution 38/2019 does not apply in cases where the rate of return is set in the Single Concession Arrangement, as is the case for Autostrade Meridionali; (ii) upheld the illegitimacy of the silence regarding Autostrade Meridionali's request, and ordered the Ministry of Infrastructure and Sustainable Mobility to adopt the final decision of the proceedings within 30 days of notification of the ruling on 2 February 2021.

On 2 March 2021, the Grantor appealed against the Lazio Regional Administrative Court's ruling, and also requested that it be suspended. At the same time, the Grantor sent the company a memorandum in which, in execution of the aforementioned Lazio Regional Administrative Court ruling, it communicated its final determinations regarding the Financial Plan proposal submitted by the company on 24 May 2019. In particular, the Grantor deemed that the proposed Financial Plan does not comply with the criteria set out by its Directorate General, or with CIPE Resolution 38/2019, as it would establish a higher rate of return on invested capital than the rate set by the Ministry. Autostrade Meridionali will take action in the appeal proceedings, and will counter and challenge the latest memorandum received from the Grantor.

Raccordo Autostradale Valle d'Aosta's toll increase for 2020

On 2 March 2020, Raccordo Autostradale Valle d'Aosta brought an action before Aosta Regional Administrative Court challenging the MIT's decision of 31 December 2019 not to award a toll increase for 2020.

On 29 June 2020, the above Court dismissed the challenge, ruling that the measures challenged were lawful, and that they did not represent a refusal to approve a toll increase for 2020, but rather a postponement of determination and application of the increase until the company's submission of a revised financial plan that complies with the Transport Regulator's determinations, as required by art. 13 of the 2019 *Milleproroghe* Law Decree.

The Court also ruled against the company's claim that the new regulations are in conflict with EU legislation and in breach of the constitution.

On 29 January 2021, Raccordo Autostradale Valle d'Aosta lodged an appeal before the Council of State against the above ruling of the Valle d'Aosta Regional Administrative Court.

Autostrada Tirrenica - non-application of art. 35 of the *Milleproroghe* Law Decree

On 14 May 2020, Autostrade Tirrenica filed a legal challenge with Lazio Regional Administrative Court. The operator has requested the Court to rule on whether the articles in the operator's Concession Arrangement are still valid and in force, subject to granting relief in the form of non-application of art. 35, paragraphs 1 and 1-*ter* of Law Decree 162 of 30 December 2019, converted with amendments into Law 8 of 28 February 2020, or relief in relation to issues regarding the interpretation of EU law and connected issues relating to constitutional law.

The operator's challenge primarily requests the Court to confirm the validity and effectiveness of the provisions in the concession arrangement, having granted relief in the form of non-application of art. 35, paragraphs c(1) and c(1-*ter*) of the *Milleproroghe* Decree as it breaches numerous constitutional principles, in addition to certain basic EU principles, above all those regarding legal certainty and legitimate expectations forming the basis of the fundamental freedoms established by articles 49 et seq. and 63 *et seq.* of the Treaty on the Functioning of the European Union.

The challenge also requests the Court to rule on the validity and effectiveness of the provisions in the Single Concession Arrangement, following the referral of preliminary issues to the European Court, and of the issue of constitutional legitimacy to the Constitutional Court.

Autostrada Tirrenica – Toll increases for the years from 2014 to 2020

With regard to the absence or partial application of toll increases for the years 2014, 2016, 2017 and 2018, following a request by Autostrada Tirrenica, and in view of the failure of the authorities to proceed, the Lazio Regional Administrative Court issued an order on 30 June 2020 to appoint an Acting Commissioner.

Following a decree from the Acting Commissioner relating to the ruling that recognised the toll increase due to the company for 2014, the company applied the increase of 2.54% with effect from 9 November 2020.

As a result of subsequent decrees issued by the Acting Commissioner relating to rulings on toll increases for 2016, 2017 and 2018, Autostrada Tirrenica applied a total increase of 11.30% from 28 December 2020.

Notwithstanding the foregoing, as the aforementioned decrees relating to the latter rulings (increases for 2016, 2017 and 2018) did not fully recognise the toll increases requested by the company, the latter filed challenges against the rulings to obtain the unrecognised portion.

With reference to 2019 and 2020, Autostrada Tirrenica, which was awarded a toll increase of 0% with regard to the requests made, amounting to 1.59% for 2019 and 3.39% for 2020, brought two legal challenges before the Lazio Regional Administrative Court, which were filed on 1 March 2019 for 2019, and 2 March 2020 for 2020.

Award of the concession for the A3 Naples – Pompei – Salerno motorway

With regard to Autostrade Meridionali's appeal to the Campania Regional Administrative Court against the decision to award the SIS Consortium the new concession to operate the A3 Naples-Pompei-Salerno motorway, requesting its cancellation after suspension of the award, on 21 October 2020 the ruling in which the Campania Regional Administrative Court rejected the appeal filed by Autostrade Meridionali and, consequently, declared the appeal filed by SIS to be inadmissible, was published. Autostrade Meridionali challenged the above ruling of the Campania Regional Administrative Court by appealing to the Council of State on 9 November 2020. The scheduling of a hearing to discuss the appeal is pending.

Proceeding initiated by the Antitrust Authority

On 16 June 2020, officials from the Antitrust Authority, assisted by the *Guardia di Finanza* (Finance Police), carried out an inspection at the Rome headquarters and the Cassino area office 6. The officials notified the commencement of proceedings pursuant to article 27.3 of the Consumer Code, with a view to ascertaining whether Autostrade per l'Italia had engaged in unfair commercial practice by taking actions relating to the narrowing of carriageways and reduced speed limits on sections of the A/16 and A/14 motorways, with particular reference to information provided to motorway users regarding toll reductions and suspensions to compensate for any inconvenience caused.

Whilst believing that the violations of the Consumer Code alleged by the Antitrust Authority were unwarranted, on 31 July Autostrade per l'Italia submitted the commitments provided for in the regulations for investigations relating to consumer protection pursuant to art. 27, paragraph 7 of Legislative Decree 206 of 2005, with a view to improving the management and communication of information to motorway users regarding road conditions and refund procedures, in order to reach a rapid settlement of the proceeding.

However, the proposed commitments were rejected by the Authority in its decision of 24 September 2020, which also broadened the scope of the proceeding, extending the allegations made at the outset to include other motorway sections managed by Autostrade per l'Italia (A/14 Bologna/Taranto, A/26 Genoa Voltri Gravellona-Toce and, for the part falling under its responsibility, the A/7 Milan-Serravalle-Genoa, A/10 Genoa-Savona-Ventimiglia and A/12 Genoa-Rosignano). According to the Authority, the deterioration of the service provided by Autostrade per l'Italia on those sections of motorway constitutes a breach of art. 20 of the Consumer Code, because the increase in journey times arising from traffic disruption is not matched by appropriate toll reductions. It is also alleged that articles 24 and 25 of the above Code were breached, because road users were encouraged to access the motorway network and then obliged to pay the full toll amount despite the inconvenience suffered.

On 23 December 2020, the Antitrust Authority set out its preliminary findings, confirming and specifying the allegations already made against Autostrade per l'Italia. In reaffirming its rejection of the proposed commitments presented during the proceeding, the Authority dwelt on the prejudicial nature of Autostrade per l'Italia's conduct, deeming that it has demonstrated that the disruption caused to motorway users was not adequately compensated for by measures to eliminate, suspend or reduce tolls. The Antitrust Authority considers that Autostrade per l'Italia's conduct led to a significant deterioration in the quality of the service offered, and as such constitutes an unfair and aggressive commercial practice.

The deadline for concluding the proceeding has been deferred until 17 March 2021.

Accident on the Acqualonga bridge of the A16 Naples-Canosa motorway occurring on 28 July 2013

With regard to the road accident that occurred on 28 July 2013 on the Acqualonga bridge involving a coach travelling on the A/16 Naples/Canosa motorway, first instance proceedings have been concluded before the Avellino court of first instance which were brought against 12 managers, former managers and employees of Autostrade per l'Italia S.p.A. who were charged with being accessories to culpable multiple manslaughter and criminal negligence.

The local public prosecutor's office and the defence lawyers of the convicted defendants, including some Autostrade per l'Italia employees and former employees, have appealed against this ruling. At a hearing on 25 February, the Public Prosecutor requested the rehearing of nine witnesses who had already appeared at the first instance hearing, as well as the acquisition of certain documents from other proceedings. The defence counsel for Autostrade per l'Italia, which was sued as civilly liable, requested a new expert's report, a new examination of the expert witnesses and the acquisition of a new technical report refuting certain technical aspects contained in the expert's report ordered at first instance.

The defence counsel of the defendants from the area office made similar requests for renewal, as well as for acquisition of the correspondence between Autostrade per l'Italia and the MIT regarding the replacement of Liebig anchor bolts with threaded starter bars.

Finally, all the defence counsels opposed the requests for renewal made by the Public Prosecutor, and also requested a deadline for the defence to comment on the documents whose acquisition had been requested, which had only been filed during the hearing. The Court of Appeal granted the request for a deadline and adjourned the hearing until 25 March 2021.

In addition to the criminal proceedings, a number of civil actions were brought by the claimants who did not join the civil action in the criminal proceedings, all aimed at obtaining compensation for damages, which were then merged by the Civil Court of Avellino.

Autostrade per l'Italia's lawyer appealed against the ruling in which the Court of Avellino declared that Autostrade per l'Italia and the owner of the agency that rented the coach were jointly and equally liable (50% each).

At a hearing on 1 December 2020, the two appeal cases brought by Autostrade per l'Italia and the owner of the agency were merged and the Court, deeming it unnecessary to notify Autostrade per l'Italia's appeal, also with regard to some of the parties who failed to appear in court for the first instance proceedings, scheduled the hearing for presentation of the conclusions on 17 May 2022.

Criminal proceedings brought relating to the event that took place in the Bertè tunnel on the A26 motorway on 30 December 2019

With reference to the investigation launched by the Genoa Public Prosecutor's Office into tunnel maintenance, Autostrade per l'Italia carried out safety checks in tunnels on the company's network, as agreed with the Ministry of Infrastructure and Transport. The checks covered 587 tunnels nationwide and were carried out in accordance with the best industry standards (the guidelines of the CETU, the French government's Centre d'Etudes Des Tunnels, used for monitoring the Mont Blanc tunnel), and taking advantage of the most advanced technologies available on the market.

Investigation by the Public Prosecutor's Office of Ancona regarding the collapse of the SP10 flyover above the A14 Bologna-Taranto

The collapse of the SP10 flyover over the A14 at km 235+794 on 9 March 2017 resulted in the death of the driver and one passenger of a vehicle, and injuries to three workers from a Pavimental subcontractor, to whom Autostrade per l'Italia had previously allocated the works for widening the third lane along the A14 Bologna-Bari-Taranto in the Rimini North-Porto Sant'Elpidio section. Criminal proceedings have been brought regarding the offences of ("*accessory to culpable collapse*") and ("*accessory to multiple negligent homicide*"). Moreover, Autostrade per l'Italia S.p.A. is under investigation pursuant to art. 25-*septies* of Legislative Decree 231/2001 ("*culpable homicide or grievous or very grievous bodily harm resulting from breaches of occupational health and safety regulations*").

On 7 October 2019, the preliminary investigating magistrate dismissed the case for four Autostrade per l'Italia managers.

The criminal proceedings under review thus continued against only three Autostrade per l'Italia employees and the company itself pursuant to Legislative Decree 231/2001.

At a preliminary hearing on 15 October 2020, the preliminary hearing judge, accepting the Public Prosecutor's request, indicted all the defendants, both natural and legal persons.

The hearing to discuss the case has been scheduled for 21 September 2021.

Claim for damages from the Ministry of the Environment

The criminal case brought before the Court of Florence regarding alleged violations of environmental laws relating to construction works for the *Variante di Valico* (offences provided for and punished in accordance with art. 260, "organised trafficking in waste", in relation to art. 186, paragraph 5 "use of soil and rocks from excavation work as by-products and not as waste" in the Consolidated Law on the Environment 152/06; art. 256, paragraph 1(a) and (b) "unauthorised management of waste" and paragraph three, "fly tipping" of the Consolidated Law), concluded in first instance with the full acquittal of Autostrade per l'Italia's Joint General Manager for Network Development and Project Manager as "*there was no case to answer*".

The Public Prosecutor's office in Florence filed a *per saltum* appeal before the Supreme Court.

At a hearing on 19 January 2021, the Supreme Court upheld the *per saltum* appeal, thereby annulling the acquittal ruling, and referred the case back to the Court of Appeal of Florence for a new trial.

Filing of the grounds for this ruling is pending.

Autostrade per l'Italia group proceedings against Alessandro Patané

With ruling 120/2019, the Court of Rome rejected the request for an investigation, made by Autostrade per l'Italia and Autostrade Tech, regarding the groundlessness of Mr Patanè's financial claims with regard to SICVe software, as ownership of this software had not been proved. The Court also rejected Mr Patanè's counterclaim. Autostrade per l'Italia and Autostrade Tech challenged the ruling before the Court of Appeal of Rome.

The Court of Appeal scheduled a face-to-face hearing for 15 June 2021 in order to allow Mr Patanè to bring an action for fraud in relation to certain documents filed by Autostrade per l'Italia.

On 6 July 2020, Mr Patanè filed a bankruptcy petition with the Court of Rome against Atlantia, claiming that Atlantia should be held liable for Autostrade per l'Italia's use of the SICVe system software, the ownership of which, as per the above-mentioned dispute, is still *sub judice*. On 6 November 2020, the Court of Rome (Bankruptcy Section) dismissed Mr Patanè's petition in its entirety, deeming it to be groundless and stating that no amount was payable by Atlantia. Moreover, the Court ordered Mr Patanè to pay damages for a vexatious claim, amounting to €36,000. On 14 January 2021, Mr Patanè notified a claim against the decree issued by the Court of Rome (Bankruptcy Section) before the Court of Appeal of Rome. The hearing has been scheduled on 14 May 2021. As in first instance, the proposed action appears to be groundless, due to Atlantia's lack of capacity to be sued and the pending dispute between Autostrade per l'Italia and Mr Patanè.

Other overseas motorways

Brazil

Infinity group labour litigation

Following a number of labour disputes brought against the Brazilian group Infinity, whose companies were declared bankrupt and whose ownership, according to the assessments of judges from local labour courts, can be traced back to the Bertin group, a shareholder of AB Concessões, certain labour courts have ordered seizures from AB Concessões group bank accounts. The Brazilian courts granted the seizures on the basis of Brazilian labour law and prevailing case law, which makes companies that are part of a group to which an employer belongs liable for the payment of labour debts. On this legal basis, the courts deemed AB Concessoes and its subsidiaries to be part of the Bertin group and, as such, jointly and severally liable for payment of amounts due to Infinity group workers. At the end of the second half of 2020, seizures had been carried out from the bank accounts of ABC Group companies, amounting to approximately 205 million Brazilian reals. The Court has already released previously frozen monies amounting to approximately 38 million Brazilian reals to the workers. AB Concessões SA is pursuing a defence strategy aimed at demonstrating that it does not belong to either the Bertin group or the Infinity group. The company is also appealing to the Federal Courts to challenge the violation of the right to defence, as the seizures were carried out without prior notification of the precautionary measure, which made it impossible to oppose the enforcement procedure. Moreover, AB Concessões has filed a claim in the Infinity insolvency proceedings in order to recover the amounts already paid to the workers, and is considering further legal action to recover the amounts paid and the damages incurred.

Aeroporti di Roma Group

Extension of airport concession

Art. 202 of Law Decree 34/20 (the *Rilancio* Decree), as converted into and amended by Law 77 of 17 July 2020, which includes the new paragraph 1-*bis*, provides that "in view of the decline in traffic at Italian airports as a result of the Covid-19 health emergency, and the measures taken to combat the outbreak by the Government and regional authorities, in order to curb the resulting economic impact, concessions for the management and development of airports, in effect at the date of entry into force of the law converting this decree, are hereby extended by two years".

As a result, ADR's concession term has been extended until 30 June 2046.

Transport Regulator – Tariff regimes

ADR has challenged Determination 118 of 1 August 2019 of the Transport Regulator ("ART") before the Lazio Regional Administrative Court. This determination regards "Proceedings initiated by Determination 84/2018 - Introduction of a public consultation relating to the review of the airport fee regulation models approved by Determination 92/2017", claiming that the regulator does not have the power to introduce changes to the tariff regime provided for in the Planning Agreement signed between the Civil Aviation Authority and ADR in October 2012, pursuant to art. 17, paragraph 34-*bis*, of Law Decree 78/2009. Indeed, by express legal provision, the tariff regime provided for in the planning agreements "in derogation" is a "long-term" tariff regime, including review procedures that are "valid for the entire duration of the concession arrangement".

On additional grounds, on 15 October 2020, ADR subsequently appealed against Resolution 136/2020 of 16 July 2020 by which the Transport Regulator concluded the procedure and approved the frameworks for setting airport fees appended to said resolution, confirming, among other things, that the regulator deems it has the presumed power to set fees, including with regard to operators such as ADR, who operate under a planning agreement in derogation, entered into pursuant to art. 17, paragraph 34-*bis*, of Legislative Decree 78 of 1 July 2009.

ADR then applied for access to the records, in order to examine and obtain copies of the ministerial opinions cited in the latest challenged resolution; the request was granted by ART on 10 November 2020.

On 13 November 2020, IBAR also challenged ART Resolution 136/2020 with an extraordinary appeal to the Head of State; the appeal was then transferred to the Piedmont Regional Administrative Court and ADR is preparing its own defence in this case. A hearing on the merits of the case has not yet been scheduled.

New airport development Master Plan

Following the discussions already begun with the Civil Aviation Authority, on 22 January 2021 ADR sent the Authority the new version of the airport development plan (the New ADP). This version fully complies with the provisions of art. 1, paragraph 4, of the current Agreement, which identifies the creation of an infrastructure system that "guarantees development of an airport system for Rome that is able to cope with the traffic volumes estimated for the various timeframes (100 million passengers per year by 2044)" as the goal to be achieved via the agreement instruments identified in art. 17, paragraph 34-*bis*, of Decree Law 78 of 2009 converted by Law 102 of 2009. This Plan is the solution the Company identified after the Master Plan to 2030 (the so-called Fiumicino North Master Plan) was deemed to be unfeasible, and regarding which the Ministry of the Environment expressed a negative opinion in relation to its environmental compatibility via Ministerial Decree 79/20.

Airport fees – Annual monitoring of the Planning Agreement

In an extraordinary appeal to the President of the Republic on 11 April 2019, ADR challenged the measure of 24 December 2018 in which the Director General of the Civil Aviation Authority - in implementation of the annual monitoring of tariff parameters k, v and ε provided for in art. 37-*bis*, paragraph 4 of the Operating agreement/Planning Agreement entered into by the Civil Aviation Authority and ADR - raised the 2019 fees for regulated services provided to users by the airport operator.

On 10 June 2019, the Civil Aviation Authority challenged the extraordinary appeal and, therefore, ADR transferred the appeal to the Lazio Regional Administrative Court in accordance with art. 48, paragraph 1, of the Code of Administrative Procedure. A hearing has yet to be scheduled.

Claim brought by Alitalia in Extraordinary Administration

On 4 May 2020, ADR was notified of a claim filed before the Civil Court of Civitavecchia by Alitalia SAI in Extraordinary Administration, requesting the return of payments made to ADR in the six months prior to the date of the court order admitting the claimant to extraordinary administration on 2 May 2017.

The value of the claim for payments made to ADR between November 2016 and January 2017, which the claimant is seeking to have declared null and void and to have returned to Alitalia in AS, amounts to a total of approximately €34 million plus legal interest and monetary revaluation.

The hearing of the Parties on 11 February 2021 referred to in the records has been postponed to 8 April 2021.

Atlantia and other activities

Spea Engineering - Investigation by the Public Prosecutor's Office in Genoa of the collapse of a section of the Polcevera road bridge

Following the collapse of a section of the Polcevera road bridge, criminal proceedings were filed with the Court of Genoa, which with respect to Spea, involved 21 persons under investigation (eight former managers, 11 employees and two former employees of the company). Twenty persons under investigation were accused of offences under articles 449-434 of the criminal code ("accessory to culpable collapse of buildings"); 449-432 of the criminal code ("violation of transport safety regulations aggravated by culpable disaster"); 589-*bis*, paragraph 1 of the criminal code ("culpable vehicular homicide"); 590-*bis*, paragraph 1 of the criminal code ("grievous or very grievous bodily harm caused by road traffic violations"); 589, paragraphs 1, 2 and 3 of the criminal code ("culpable homicide resulting from breaches of occupational health and safety regulations"); and 590, paragraphs 1, 3 and 4 of the criminal code.

Six employees and three former managers were charged with the offence referred to in art. 479 of the criminal code, while two employees were also charged with the offence referred to in art. 378 of the criminal code.

SPEA is also under investigation for an administrative offence pursuant to art. 25-*septies* of Legislative Decree 231/2001 ("culpable homicide or grievous or very grievous bodily harm resulting from breaches of occupational health and safety regulations").

For details on the status of the proceedings, see the paragraph "Investigation by the Public Prosecutor's Office in Genoa into the collapse of a section of the Polcevera road bridge".

Spea Engineering – Collapse of a flyover on the A14 at Ancona

The collapse of the SP10 flyover crossing the A14 at km 235+794 on 9 March 2017 resulted in the death of the driver and one passenger of a vehicle, and injuries to three workers from a Pavimental subcontractor, to whom Autostrade per l'Italia had previously allocated the works for widening the Rimini North-Porto Sant'Elpidio section of the A14 Bologna-Bari-Taranto to three lanes. Criminal proceedings have been brought regarding the offences of "*accessory to culpable collapse*" and "*accessory to multiple negligent homicide*", which involved five Spea employees. In addition to drawing up the design, Spea's role, was to carry out project management and safety coordination during execution of the project.

Moreover, Spea Engineering is charged with an administrative offence pursuant to art. 25-*septies* of Legislative Decree 231/2001, arising from the alleged commission of the above-mentioned offences of homicide and/or negligent injury in the context of the collapse of the flyover due to the presence of the construction site.

At a preliminary hearing on 15 October 2020, the preliminary hearing judge, accepting the Public Prosecutor's request, indicted all the defendants, both natural and legal persons. The hearing to discuss the case has been scheduled for 21 September 2021.

Electronic Transaction Consultants (ETC)

In July 2020, as part of its asset portfolio rotation strategy, Atlantia sold its stake in ETC, which was held through Autostrade dell'Atlantico. The proceeds of the sale for the Atlantia Group amount to approximately US$34 million. Prior to the sale, on 8 May 2020, ETC had reached a settlement with the Miami-Dade Expressway Authority ("MDX"), which definitively ended the existing litigation between the two parties, thereby facilitating the sale of the interest.

Abertis group

Spain

Royal Decree 457/2006 (Acesa)

Acesa has filed a complaint against the Grantor in relation to the failure to pay the compensation payable under the agreement of 2006 between the Spanish Government and the company (approved with Royal Decree 457/2006) and the subject of litigation in 2015. The agreement called for, among other things, compensation for investment in certain sections of the AP-7 motorway, and for possible negative impacts on traffic deriving from the construction of second lanes on parallel roads (N-II and CN). The compensation linked to investment in the construction of additional lanes on the AP-7 motorway, amounting to approximately €1.010 million as of 31.12.20, has been recognised in full in the financial statements, whilst the amount receivable in relation to the loss of traffic has been fully provisioned in Abertis' accounts, as it is disputed. This latter amount has been estimated on the basis of the Royal Decree as approximately €2.8 billion, as presented in the consolidated financial statements for the year ended 31 December 2020.

Following the legal proceedings, on 5 June 2019, Acesa received notice of the Supreme Court judgement, which – without taking a position with regard to the amount of the compensation - has established that the amount due may only be determined by the parties on expiry of the concession on 31 August 2021.

Investment in Alazor

Regarding a dispute related to the obligations assumed under the financial support agreement between Iberpistas and Acesa with the lending banks of the investee, Alazor Inversiones SA (a company undergoing liquidation proceedings), on 22 January 2019, 5 funds deemed to be the current creditors for part of Alazor Inversiones SA's debt, began legal proceedings in order to obtain payment of a total amount of €228 million, corresponding to the guarantees provided by the above-mentioned financial support agreement. As described in note 7.14 in Atlantia's consolidated financial statements, provisions for risks and charges have been made for this amount as at 31 December 2020.

Autema

The government of the Catalonia Autonomous Community issued a Decree unilaterally modifying the concession contract. As a result of the amendment of the terms and conditions of the concession contract, Autema filed pleadings with the government expressly opposing the projected amendment. The pleadings were not addressed by the government of the Catalonia Autonomous Community.

Autema then filed an appeal against this Decree at the Catalonia High Court. On 19 March 2019, the Decree was dismissed by the Catalonia High Court. Against that judgement, Autema then filed the corresponding cassation appeal to the Catalonia High Court. On June 5 2019, it was notified that the appeal was deemed to have been filed and the proceedings were submitted to the Supreme Court, which had to decide on the admissibility or inadmissibility of said appeal. On 1 October 2020, the Supreme Court issued an order to declare the inadmissibility of the cassation appeal filed by Autema against the judgement. The aforementioned judgement has then become final, despite the appeal for annulment of the proceedings that is still pending.

Brazil

Expiry of Centrovias concession

Centrovias concession expired on 3 June 2020 and the 218-km section of motorway was handed over to the operator awarded the new concession.

10.8 Events after 31 December 2020

New bond issue by Atlantia SpA

On 12 February 2021, Atlantia SpA issued new bonds worth €1.0 billion reserved for institutional investors. The bonds, which mature in 2028, have enabled the early refinancing of debt falling due in 2022 (€1 billion out of a total of €1.2 billion). The new bonds are listed on the Irish Stock Exchange's Global Exchange Market (MTF) and pay fixed annual coupon interest of 1.875%.

Refinancing of key subsidiaries

On 15 January 2021, Autostrade per l'Italia return to the market with the placement of bonds worth €1 billion with institutional investors. The bonds mature in 2030.

The transaction follows the €1.25 billion issue of December 2020 and has bolstered the resources available to the company to fund the investment, maintenance and development plans included in its Business Plan and the repayment of debt. The new bonds are listed on the Irish Stock Exchange's Global Exchange Market (MTF) and pay fixed annual coupon interest of 2.0%.

Under Abertis's plan to issue perpetual medium-term hybrid bonds, after the first issue in November 2020, on 13 and 15 January 2021, the company, acting through Abertis Infraestructuras Finance BV, issued new hybrid bonds worth €750 million, paying coupon interest of 2.625%.

Corporate reorganisation relating to the investment in Pavimental

On 21 January 2021, Aeroporti di Roma completed the acquisition, from Pavimental, of the company to which airport construction and development activities had been transferred. On 22 January, the subsidiary then accepted Autostrade per l'Italia's offer to acquire its 20% stake in Pavimental, with the transaction due to completed by the end of March 2021. On 29 January 2021, Atlantia transferred its controlling 59.4% interest in Pavimental to Autostrade per l'Italia.

On completion of the transactions, Autostrade per l'Italia will thus own a 99.4% stake in Pavimental. This transaction will enable Autostrade per l'Italia and Aeroporti di Roma to implement their respective development using in-house contractors, thereby guaranteeing direct control over timing and the quality of the work carried out using sustainable materials and techniques.

Atlantia's Board of Directors examines offer for 88% of Autostrade per l'Italia SpA

New General Meeting called to approve extension of demerger plan deadline

On 26 February 2021, Atlantia's Board of Directors took note of the binding offer to acquire Atlantia's entire 88% stake in Autostrade per l'Italia SpA ("ASPI"), submitted on 24 February 2021 by the consortium consisting of CDP Equity SpA, The Blackstone Group International Partners LLP and Macquarie Infrastructure and Real Assets LTD (the "Consortium").

Following an initial assessment, the Board considered that the offer fell below expectations, as effectively confirmed by the matching valuation of independent advisors, and that the proposed financial and contractual terms were not consistent with the interests of Atlantia or its stakeholders as a whole.

In line with the dual-track process launched on 24 September 2020 and approved by the General Meeting of shareholders held on 15 January 2021 (almost unanimously, with shareholders representing 99.7% of the issued capital voting in favour), the Board of Directors also decided to call an Extraordinary General Meeting of shareholders for 3.00pm on 29 March 2021. This Meeting will be asked to deliberate on an extension of the deadline for the potential submission by third parties of binding offers for Atlantia's controlling interest (represented by a 62.8% stake) in Autostrade Concessioni e Costruzioni SpA until 31 July 2021, compared with the original deadline of 31 March 2021. It should be noted that, on completion of the transaction described in the demerger plan (involving the demerger, transfer and concomitant listing of Autostrade Concessioni e Costruzioni SpA), will hold an 88% interest in ASPI.

Investment in Volocopter

On 3 March 2021, Atlantia SpA took part in a private placement by the German company, Volocopter, the world leader in the commercialisation of innovative and sustainable urban air mobility solutions, investing €15 million. The investment is in keeping with Atlantia's new growth strategy, focusing heavily on innovation and sustainability.

Annexes to the consolidated financial statements

Annex 1

The Atlantia Group's scope of consolidation and investments as at 31 December 2020

Name	Registered office	Business	Currency	Share capital / Consortium fund	Held by	% Interest	Total interest Group	Total interest Non-controlling
PARENT COMPANY								
ATLANTIA SpA	ROME	Holding company	EURO	825,783,990				
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-BASIS								
A4 HOLDING SpA	VERONA	Holding company	EURO	134,110,065	Abertis Italia Srl	90.03%	44.51%	55.49%
A4 MOBILITY Srl	VERONA	Maintenance, operation and maintenance of infrastructure	EURO	100,000	A4 Holding SpA	100.00%	44.51%	55.49%
A4 TRADING Srl	VERONA	Other activities	EURO	3,700,000	A4 Holding SpA	100.00%	44.51%	55.49%
AB CONCESSÕES SA	SAO PAULO (BRAZIL)	Holding company	BRAZILIAN REAL	738,652,989	Autostrade Concessões e Participações Brasil limitada	50.00%	50.00%	50.00% [1]
ABERTIS AUTOPISTAS ESPAÑA SA	MADRID (SPAIN)	Design, construction and maintenance	EURO	551,000,000	Abertis Infraestructuras SA	100.00%	49.44%	50.56%
ABERTIS HOLDCO SA	MADRID (SPAIN)	Holding company	EURO	100,059,990	Atlantia SpA	50.00%	50.00%	50.00% [2]
ABERTIS INDIA TOLL ROAD SERVICES LLP	MUMBAI (INDIA)	Holding company	INDIAN RUPEE	185,053,700			100.00%	49.44%	50.56%
					Abertis India S.L.	99.00%		
					Abertis Internacional SA	1.00%		
ABERTIS INDIA S.L.	MADRID (SPAIN)	Holding company	EURO	17,113,500	Abertis Internacional SA	100.00%	49.44%	50.56%
ABERTIS INFRAESTRUCTURAS FINANCE B.V.	AMSTERDAM (NETHERLANDS)	Financial services	EURO	18,000	Abertis Infraestructuras SA	100.00%	49.44%	50.56%
ABERTIS INFRAESTRUCTURAS SA	MADRID (SPAIN)	Holding company	EURO	2,734,696,113	Abertis HoldCo SA	98.88%	49.44%	50.56% [3]
ABERTIS INTERNACIONAL SA	MADRID (SPAIN)	Holding company	EURO	33,687,000	Abertis Infraestructuras SA	100.00%	49.44%	50.56%
ABERTIS ITALIA Srl	VERONA	Holding company	EURO	341,000,000	Abertis Internacional SA	100.00%	49.44%	50.56%
ABERTIS MOBILITY SERVICES S.L.	BARCELONA (SPAIN)	Holding company	EURO	1,003,000	Abertis Infraestructuras SA	100.00%	49.44%	50.56%
ABERTIS MOTORWAYS UK LTD.	LONDON (UK)	Holding company	POUND STERLING	10,000,000	Abertis Infraestructuras SA	100.00%	49.44%	50.56%
ABERTIS TELECOM SATÉLITES SA	MADRID (SPAIN)	Holding company	EURO	242,082,290	Abertis Infraestructuras SA	100.00%	49.44%	50.56%
ACA HOLDING SAS	NICE (FRANCE)	Holding company	EURO	17,000,000	Aéroports de la Côte d'Azur	100.00%	38.66%	61.34%
AD MOVING SpA	ROME	Other activities	EURO	1,000,000	Autostrade per l'Italia SpA	100.00%	88.06%	11.94%

(1) *The Atlantia Group holds 50% plus one share in the companies and exercises control on the base of partnership and governance agreements.*
(2) *The Atlantia Group holds 50% plus one share in the companies and exercises control on the base of partnership and governance agreements.*
(3) *As at 31 December 2020, Abertis Infraestructuras possied 1,557,660 azioni proprie. Abertis HoldCo's interest is 98.88%, whilst the percentage interest based on the number of shares held by Abertis HoldCo as a percentage of the subsidiary's total shares in issue is 98.70%. The Atlantia Group's interest is, instead 49.44%.*

Name	Registered office	Business	Currency	Share capital / Consortium fund	Held by	% Interest	Total interest	
							Group	Non-controlling
ADR ASSISTANCE Srl	FIUMICINO	Airport services	EURO	4,000,000	Aeroporti di Roma SpA	100.00%	99.38%	0.62%
AERO 1 GLOBAL & INTERNATIONAL S.à.r.l.	LUXEMBOURG	Holding company	EURO	6,670,862	Atlantia SpA	100.00%	100.00%	-
AEROPORTI DI ROMA SpA	FIUMICINO	Airport operator	EURO	62,224,743	Atlantia SpA	99.38%	99.38%	0.62%
AÉROPORTS DE LA CÔTE D'AZUR SA	NICE (FRANCE)	Airport operator	EURO	148,000	Azzurra Aeroporti SpA	64.00%	38.66%	61.34%
AÉROPORTS DU GOLFE DE SAINT TROPEZ SA	SAINT TROPEZ (FRANCE)	Airport operator	EURO	3,500,000	Aéroports de la Côte d'Azur	99.94%	38.63%	61.37%
AIRPORT CLEANING Srl	FIUMICINO	Airport services	EURO	1,500,000	Aeroporti di Roma SpA	100.00%	99.38%	0.62%
ADR INFRASTRUTTURE SPA	ROME	Design, construction and maintenance	EURO	50,000	Pavimental S.p.A	100.00%	96.89%	3.11%
ADR MOBILITY Srl	FIUMICINO	Airport services	EURO	1,500,000	Aeroporti di Roma SpA	100.00%	99.38%	0.62%
ADR SECURITY Srl	FIUMICINO	Airport services	EURO	400,000	Aeroporti di Roma SpA	100.00%	99.38%	0.62%
ADR INGEGNERIA SpA	FIUMICINO	Design, construction and maintenance	EURO	100,000	Aeroporti di Roma SpA	100.00%	99.38%	0.62%
ADR TEL SpA	FIUMICINO	Other activities	EURO	600,000		100.00%	99.38%	0.62%
					Aeroporti di Roma SpA	99.00%		
					ADR Ingegneria SpA	1.00%		
ARTERIS PARTICIPAÇÕES SA	SAO PAULO (BRAZIL)	Holding company	BRAZILIAN REAL	73,842,009	Arteris SA	100.00%	20.75%	79.25%
ARTERIS SA	SAO PAULO (BRAZIL)	Holding company	BRAZILIAN REAL	5,103,847,555		82.29%	20.75%	79.25%
					Participes en Brasil SA	33.16%		
					Participes en Brasil II S.L.	40.87%		
					PDC Participaçoes SA	8.26%		
AUTOPISTA FERNÃO DIAS SA	POUSO ALEGRE (BRAZIL)	Motorway operator	BRAZILIAN REAL	1,452,884,583	Arteris SA	100.00%	20.75%	79.25%
AUTOPISTA FLUMINENSE SA	RIO DE JANEIRO (BRAZIL)	Motorway operator	BRAZILIAN REAL	991,789,100	Arteris SA	100.00%	20.75%	79.25%
AUTOPISTA LITORAL SUL SA	JOINVILLE (BRAZIL)	Motorway operator	BRAZILIAN REAL	1,287,995,511	Arteris SA	100.00%	20.75%	79.25%
AUTOPISTA PLANALTO SUL SA	RIO NEGRO (BRAZIL)	Motorway operator	BRAZILIAN REAL	1,034,034,052	Arteris SA	100.00%	20.75%	79.25%
AUTOPISTA RÉGIS BITTENCOURT SA	SAO PAULO (BRAZIL)	Motorway operator	US DOLLAR	1,175,785,422	Arteris SA	100.00%	20.75%	79.25%
AUTOPISTAS AUMAR SA (AUMAR)	VALENCIA (SPAIN)	Motorway operator	EURO	213,595,500	Abertis Autopistas España SA	100.00%	49.44%	50.56%
AUTOPISTAS DE LEÓN SACE (AULESA)	LEON (SPAIN)	Motorway operator	EURO	34,642,000	Iberpistas SA	100.00%	49.44%	50.56%
AUTOPISTAS DE PUERTO RICO Y COMPAÑÍA S.E. (APR)	SAN JUAN (PUERTO RICO)	Motorway operator	US DOLLAR	3,503,002	Abertis Infraestructuras SA	100.00%	49.44%	50.56%
AUTOPISTAS DEL SOL SA (AUSOL)	BUENOS AIRES (ARGENTINA)	Motorway operator	ARGENTINE PESO	88,384,092	Abertis Infraestructuras SA	31.59%	15.62%	84.38% [4]
AUTOPISTAS METROPOLITANAS DE PUERTO RICO LLC	SAN JUAN (PUERTO RICO)	Motorway operator	US DOLLAR	500,323,664	Abertis Infraestructuras SA	51.00%	25.21%	74.79%
AUTOPISTAS VASCO-ARAGONESA C.E.SA (AVASA)	OROZCO (SPAIN)	Motorway operator	EURO	237,094,716	Iberpistas SA	100.00%	49.44%	50.56%

[4] *The company is listed on Buenos Aires Stock Exchange.*

Name	Registered office	Business	Currency	Share capital / Consortium fund	Held by	% Interest	Total interest	
							Group	Non-controlling
AUTOPISTAS CONCESIONARIA ESPAÑOLA SA (ACESA)	BARCELONA (SPAIN)	Motorway operator	EURO	319,488,531	Abertis Autopistas España SA	100.00%	49.44%	50.56%
AUTOPISTA TRADOS-45 SA (TRADOS-45)	MADRID (SPAIN)	Motorway operator	EURO	21,039,015	Iberpistas SA	51.00%	25.21%	74.79%
AUTOPISTES DE CATALUNYA SA (AUCAT)	BARCELONA (SPAIN)	Motorway operator	EURO	96,160,000	Societat d'Autopistes Catalanes SA	100.00%	49.44%	50.56%
AUTOSTRADA BS VR VI PD SPA	VERONA	Motorway operator	EURO	125,000,000	A4 Holding SpA	100.00%	44.51%	55.49%
AUTOSTRADE CONCESSIONI E COSTRUZIONI SpA	ROME	Holding company	EURO	100,000	Atlantia SpA	100.00%	100.00%	-
AUTOSTRADE CONCESSÕES E PARTICIPACÕES BRASIL LIMITADA	SAO PAULO (BRAZIL)	Holding company	BRAZILIAN REAL	729,590,863		100.00%	100.00%	-
					Autostrade Portugal Srl	25.00%		
					Autostrade dell'Atlantico Srl	41.14%		
					Autostrade Holding do Sur SA	33.86%		
AUTOSTRADE DELL'ATLANTICO Srl	ROME	Holding company	EURO	1,000,000	Atlantia SpA	100.00%	100.00%	-
AUTOSTRADE HOLDING DO SUR SA	SANTIAGO (CHILE)	Holding company	CHILEAN PESO	51,496,805,692		100.00%	100.00%	- [5]
					Autostrade dell'Atlantico Srl	100%		
					Autostrade per l'Italia SpA	0.00%		
AUTOSTRADE INDIAN INFRASTRUCTURE DEVELOPMENT PRIVATE LIMITED	MUMBAI - MAHARASHTRA (INDIA)	Holding company	INDIAN RUPEE	500,000		100.00%	100.00%	-
					Atlantia SpA	99.99%		
					Spea Engineering SpA	0.01%		
AUTOSTRADE MERIDIONALI SpA	NAPOLI	Motorway operator	EURO	9,056,250	Autostrade per l'Italia SpA	58.98%	51.94%	48.06% [6]
AUTOSTRADE PER L'ITALIA SpA	ROME	Motorway operator	EURO	622,027,000	Atlantia SpA	88.06%	88.06%	11.94%
AUTOSTRADE PORTUGAL Srl	ROME	Holding company	EURO	30,000,000	Autostrade dell'Atlantico Srl	100.00%	100.00%	
AUTOSTRADE TECH SpA	ROME	Motorway services	EURO	1,120,000	Autostrade per l'Italia SpA	100.00%	88.06%	11.94%
AUTOVÍAS SA	RIBERAO PRETO (BRAZIL)	Motorway operator	BRAZILIAN REAL	128,514,447	Arteris SA	100.00%	20.75%	79.25%
AZZURRA AEROPORTI SpA	ROME	Holding company	EURO	3,221,234		60.46%	60.40%	39.60% [7]
					Atlantia SpA	52.69%		
					Aeroporti di Roma SpA	7.77%		
BIP&GO SAS.	ISSY-LES-MOULINEAUX (FRANCE)	Management of tolling/electronic tolling services	EURO	1,000	Sanef SA	100.00%	49.44%	50.56%
CASTELLANA DE AUTOPISTAS SAC.E.	SEGOVIA (SPAIN)	Motorway operator	EURO	98,000,000	Iberpistas SA	100.00%	49.44%	50.56%
CENTROVIAS SISTEMAS RODOVIÁRIOS SA	ITIRAPINA (BRAZIL)	Motorway operator	BRAZILIAN REAL	104,798,079	Arteris SA	100.00%	20.75%	79.25%

[5] *The company's shares are held by: Autostrade dell'Atlantico Srl, with a holding of 1,000,000 shares, and Autostrade per l'Italia SpA, with 1 share.*
[6] *The company is listed on Borsa Italiana SpA's Expandi market.*
[7] *The issued capital is made up of €2,500,000 in ordinary shares and €721,234 in preference shares. The percentage interest in the issued capital refers to the total shares in issue, whilst the percentage of voting rights is 52.51% in Atlantia SpA's case and 10.00% in Aeroporti di Roma SpA's case.*

Name	Registered office	Business	Currency	Share capital / Consortium fund	Held by	% Interest		Total interest	
								Group	Non-controlling
CONCESSIONÁRIA DA RODOVIA MG050 SA	SAO PAULO (BRAZIL)	Motorway operator	BRAZILIAN REAL	518,878,027	AB Concessões SA		100.00%	50.00%	50.00%
CONCESIONARIA DE RODOVIAS DO INTERIOR PAULISTA SA	ARARAS (BRAZIL)	Motorway operator	BRAZILIAN REAL	129,625,130			100.00%	20.75%	79.25%
					Arteris SA	51.00%			
					Arteris Participaçoes SA	49.00%			
ABERTIS USA HOLDCO LLC	VIRGINIA (USA)	Holding company	US DOLLAR	694,500,000	Abertis Infraestructuras, SA		100.00%	49.44%	50.56%
VIRGINIA TOLLROAD TRANSPORTCO LLC	VIRGINIA (USA)	Holding company	US DOLLAR	1,257,656,000	Abertis USA HoldCo LLC		55.20%	27.29%	72.71%
ELISABETH RIVER CROSSINGS HOLDCO LLC	VIRGINIA (USA)	Motorway operator	US DOLLAR	193,431,000	Virginia Tollroad TransportCo LLC		100.00%	27.29%	72.71%
ELISABETH RIVER CROSSINGS OPCO LLC	VIRGINIA (USA)	Motorway operator	US DOLLAR	193,431,000	Elisabeth River Crossings Holdco, LLC		100.00%	27.29%	72.71%
EMOVIS OPERATIONS IRELAND LTD	DUBLIN (IRELAND)	Management of tolling/electronic tolling services	EURO	10	Emovis SAS.		100.00%	49.44%	50.56%
EMOVIS OPERATIONS LEEDS (UK)	LEEDS (UK)	Management of tolling/electronic tolling services	POUND STERLING	10	Emovis SAS.		100.00%	49.44%	50.56%
EMOVIS OPERATIONS MERSEY LTD	HARROGATE (UK)	Management of tolling/electronic tolling services	POUND STERLING	10	Emovis SAS.		100.00%	49.44%	50.56%
EMOVIS OPERATIONS PUERTO RICO INC.	LUTHERVILLE TIMONIUM (MARYLAND - USA)	Management of tolling/electronic tolling services	US DOLLAR	1,000	Emovis technologies US INC.		100.00%	49.44%	50.56%
EMOVIS SAS.	ISSY-LES-MOULINEAUX (FRANCE)	Management of tolling/electronic tolling services	EURO	11,781,984	Abertis Mobility Services S.L.		100.00%	49.44%	50.56%
EMOVIS TAG UK LTD	LEEDS (UK)	Management of tolling/electronic tolling services	POUND STERLING	10	Emovis SAS.		100.00%	49.44%	50.56%
EMOVIS TECHNOLOGIES BC INC.	VANCOUVER (CANADA)	Management of tolling/electronic tolling services	CANADIAN DOLLAR	450,100	Emovis SAS.		100.00%	49.44%	50.56%
EMOVIS TECHNOLOGIES CHILE SA (IN LIQUIDATION)	SANTIAGO (CHILE)	Management of tolling/electronic tolling services	CHILEAN PESO	460,948,000	Emovis SAS.		100.00%	49.44%	50.56%
EMOVIS TECHNOLOGIES D.O.O.	SPLIT (CROATIA)	Management of tolling/electronic tolling services	CROATIAN KUNA	2,364,600	Emovis SAS.		100.00%	49.44%	50.56%
EMOVIS TECHNOLOGIES IRELAND LIMITED	DUBLIN (IRELAND)	Management of tolling/electronic tolling services	EURO	10	Emovis SAS.		100.00%	49.44%	50.56%
EMOVIS TECHNOLOGIES QUÉBEC INC.	MONTREAL (CANADA)	Management of tolling/electronic tolling services	CANADIAN DOLLAR	100	Emovis SAS.		100.00%	49.44%	50.56%
EMOVIS TECHNOLOGIES UK LIMITED	LONDON (UK)	Management of tolling/electronic tolling services	POUND STERLING	130,000	Emovis SAS.		100.00%	49.44%	50.56%
EMOVIS TECHNOLOGIES US INC.	LUTHERVILLE TIMONIUM (MARYLAND - USA)	Management of tolling/electronic tolling services	US DOLLAR	1,000	Emovis SAS.		100.00%	49.44%	50.56%
EUROTOLL CENTRAL EUROPE ZRT	BUDAPEST (HUNGARY)	Management of tolling/electronic tolling services	EURO	16,633	Eurotoll SAS		100.00%	49.44%	50.56%
EUROTOLL SAS.	ISSY-LES-MOULINEAUX (FRANCE)	Management of tolling/electronic tolling services	EURO	3,300,000	Abertis Mobility Services S.L.		100.00%	49.44%	50.56%
ESSEDIESSE SOCIETÀ DI SERVIZI SpA	ROME	Administrative services	EURO	500,000	Autostrade per l'Italia SpA		100.00%	88.06%	11.94%

Name	Registered office	Business	Currency	Share capital / Consortium fund	Held by	% Interest		Total interest	
								Group	Non-controlling
FIUMICINO ENERGIA Srl	FIUMICINO	Other activities	EURO	741,795	Atlantia SpA		87.14%	87.14%	12.86%
GESTORA DE AUTOPISTAS SpA (GESA)	SANTIAGO (CHILE)	Motorway services	CHILEAN PESO	837,978,217	Vias Chile SA		100.00%	39.55%	60.45%
GIOVE CLEAR Srl	ROME	Motorway services	EURO	10,000	Autostrade per l'Italia SpA		100.00%	88.06%	11.94%
GLOBALCAR SERVICES SPA	VERONA	Other activities	EURO	2,000,000	A4 Holding SpA		100.00%	44.51%	55.49%
GRUPO CONCESIONARIO DEL OESTE SA (GCO)	ITUZAINGO' (ARGENTINA)	Motorway operator	ARGENTINE PESO	160,000,000	Acesa		42.87%	21.19%	78.81% [8]
GRUPO COSTANERA SpA	SANTIAGO (CHILE)	Holding company	CHILEAN PESO	328,443,738,418	Autostrade dell'Atlantico Srl		50.01%	50.01%	49.99%
HOLDING D'INFRASTRUCTURES DE TRANSPORT 2 SAS	ISSY-LES-MOULINEAUX (FRANCE)	Holding company	EURO	5,010,000	Abertis Infraestructuras SA		100.00%	49.44%	50.56%
HOLDING D'INFRASTRUCTURES DE TRANSPORT SAS	ISSY-LES-MOULINEAUX (FRANCE)	Holding company	EURO	1,512,267,743	Abertis Infraestructuras SA		100.00%	49.44%	50.56%
IBERPISTAS SA	SEGOVIA (SPAIN)	Motorway operator	EURO	54,000,000	Abertis Autopistas España SA		100.00%	49.44%	50.56%
INFOBLU SpA	ROME	Motorway services	EURO	5,160,000	Telepass SpA		75.00%	75.00%	25.00%
INFRAESTRUCTURES VIÀRIES DE CATALUNYA SA (INVICAT)	BARCELONA (SPAIN)	Motorway operator	EURO	92,037,215	Societat d'Autopistes Catalanes SA		100.00%	49.44%	50.56%
INFRAESTRUCTURAS VIARIAS MEXICANAS, SA DE C.V	MEXICO	Holding company	MEXICAN PESO	1,000	Abertis Infraestructuras SA		100.00%	49.44%	50.56%
RED DE CARRETERAS DE OCCIDENTE, SAB DE C.V. (RCO)	MEXICO	Motorway operator	MEXICAN PESO	2,337,967,405	Infraestructuras Viarias Mexicanas, SA de C.V		53.12%	26.26%	73.74%
PRESTADORA DE SERVICIOS RCO, S. DE R. L. DE C.V. (PSRCO)	MEXICO	Administrative services	MEXICAN PESO	3,000			99.99%	26.26%	73.74%
					Red de Carreteras de Occidente, SA de C.V.	99.96%			
					Infraestructuras Viarias Mexicanas, SA de CV	0.03%			
RCO CARRETERAS, S. DE R.L. DE C.V. (RCA)	MEXICO	Design, construction and maintenance	MEXICAN PESO	5,003,000			99.99%	26.26%	73.74%
					Red de Carreteras de Occidente, SA de C.V.	99.96%			
					Infraestructuras Viarias Mexicanas, SA de CV	0.03%			
CONCESIONARIA DE VÍAS IRAPUATO QUERÉTARO, SA DE C.V. (COVIQSA)	MEXICO	Motorway operator	MEXICAN PESO	1,226,685,096			100.00%	26.26%	73.74%
					Red de Carreteras de Occidente, SA de C.V.	99.99%			
					RCO Carreteras, S. de R.L. de C.V.	0.01%			
CONCESIONARIA IRAPUATO LA PIEDAD, SA DE C.V. (CONIPSA)	MEXICO	Motorway operator	MEXICAN PESO	264,422,673			100.00%	26.26%	73.74%
					Red de Carreteras de Occidente, SA de C.V.	99.99%			
					RCO Carreteras, S. de R.L. de C.V.	0.01%			

(8) *The percentage interest is calculated with reference to all shares in issue, whereas the 49.99% of voting rights is calculated with reference to ordinary voting shares.*

Name	Registered office	Business	Currency	Share capital / Consortium fund	Held by	% Interest	Total interest Group	Total interest Non-controlling
CONCESIONARÍA TEPIC SAN BLAS, S. DE R.L. DE C.V. (COTESA)	MEXICO	Motorway operator	MEXICAN PESO	270,369,940		100.00%	26.26%	73.74%
					Red de Carreteras de Occidente, SA.de C.V.	99.99%		
					RCO Carreteras, S. de R.L. de C.V.	0.01%		
AUTOVÍAS DE MICHOACÁN, SA DE C.V. (AUTOVIM)	MEXICO	Motorway operator	MEXICAN PESO	423,982,000		100.00%	26.26%	73.74%
					Red de Carreteras de Occidente, SA de C.V.	99.99%		
					RCO Carreteras, S. de R.L. de C.V.	0.01%		
INVERSORA DE INFRAESTRUCTURAS S.L. (INVIN)	MADRID (SPAIN)	Holding company	EURO	116,047,578	Abertis Infraestructuras SA	80.00%	39.55%	60.45%
JADCHERLA EXPRESSWAYS PRIVATE LIMITED (JEPL)	HYDERABAD (INDIA)	Motorway operator	INDIAN RUPEE	2,100,402,530		100.00%	49.44%	50.56% [9]
					Abertis India S.L.	100%		
					Abertis Infraestructuras SA	0.00%		
K-MASTER Srl	ROME	Motorway services	EURO	10,000	Telepass SpA	100.00%	100.00%	0.00%
LATINA MANUTENÇÃO DE RODOVIAS LTDA.	SAO PAULO (BRAZIL)	Design, construction and maintenance	BRAZILIAN REAL	31,048,345		99.99%	20.75%	79.25%
					Arteris SA	99.99%		
					Participes en Brasil SA	0.00%		
LEONARDO ENERGIA – SOCIETA' CONSORTILE a rl	FIUMICINO	Other activities	EURO	10,000		100.00%	88.36%	11.64%
					Fiumicino Energia Srl	90.00%		
					Aeroporti di Roma SpA	10.00%		
LEONORD EXPLOITATION SAS	ISSY-LES-MOULINEAUX (FRANCE)	Other activities	EURO	40,000	Sanef SA	85.00%	42.02%	57.98%
MULHACEN Srl	VERONA	Other activities	EURO	10,000	A4 Holding SpA	100.00%	44.51%	55.49%
PAVIMENTAL POLSKA SP.ZO.O.	TRZEBINIA (POLAND)	Design, construction and maintenance	POLISH ZLOTY	3,000,000	Pavimental SpA	100.00%	96.89%	3.11%
PAVIMENTAL SpA	ROME	Design, construction and maintenance	EURO	10,116,452		99.40%	96.89%	3.11%
					Atlantia SpA	59.40%		
					Autostrade per l'Italia SpA	20.00%		
					Aeroporti di Roma SpA	20.00%		
OPERAVIAS SA	SANTIAGO (CHILE)	Holding company	CHILEAN PESO	4,230,063,893	Vías Chile SA	100.00%	39.55%	60.45%
PARTÍCIPES EN BRASIL II SL	MADRID (SPAIN)	Holding company	EURO	3,100	Participes en Brasil SA	100.00%	25.21%	74.79%
PARTÍCIPES EN BRASIL SA	MADRID (SPAIN)	Holding company	EURO	41,093,222	Abertis Infraestructuras SA	51.00%	25.21%	74.79%
PDC PARTICIPAÇÕES SA	SAO PAULO (BRAZIL)	Holding company	BRAZILIAN REAL	602,684,727	Participes en Brasil SA	100.00%	25.21%	74.79%
RACCORDO AUTOSTRADALE VALLE D'AOSTA SpA	AOSTA	Motorway operator	EURO	343,805,000	Società Italiana per Azioni per il Traforo del Monte Bianco	47.97%	21.54%	78.46% [10]

[9] *Abertis Infraestructuras SA holds 1 share in the company.*
[10] *The issued capital is made up of €284,350,000 in ordinary shares and €59,455,000 in preference shares. The percentage interest is calculated with reference to all shares in issue, whereas the 58.00% of voting rights is calculated with reference to ordinary voting shares.*

Name	Registered office	Business	Currency	Share capital / Consortium fund	Held by	% Interest	Total interest Group	Total interest Non-controlling
RODOVIAS DAS COLINAS SA	SAO PAULO (BRAZIL)	Moroway operator	BRAZILIAN REAL	226,145,401	AB Concessões SA	100.00%	50.00%	50.00%
SANEF 107.7 SAS	ISSY-LES-MOULINEAUX (FRANCe)	Motorway services	EURO	15,245	Sanef SA	100.00%	49.44%	50.56%
SANEF AQUITAINE SAS	ISSY-LES-MOULINEAUX (FRANCIA)	Property management	EURO	500,000	Sanef SA	100.00%	49.44%	50.56%
SANEF SA	ISSY-LES-MOULINEAUX (FRANCE)	Motorway operator	EURO	53,090,462	Holding d'Infraestructures de Transport (HIT)	100.00%	49.44%	50.56%
SAPN SA (SOCIÉTÉ DES AUTOROUTES PARIS-NORMANDIE)	ISSY-LES-MOULINEAUX (FRANCE)	Motorway operator	EURO	14,000,000	Sanef SA	99.97%	49.42%	50.58%
SCI LA RATONNIÉRE SAS	NICE (FRANCE)	Property services	EURO	243,918	Aéroports de la Côte d'Azur	100.00%	38.66%	61.34%
SE BPNL SAS	ISSY-LES-MOULINEAUX (FRANCE)	Design, construction and maintenance	EURO	40,000	Sanef SA	100.00%	49.44%	50.56%
SERENISSIMA PARTECIPAZIONI SPA	VERONA	Property management	EURO	2,314,063	A4 Holding SPA	100.00%	44.51%	55.49%
SKY VALET PORTUGAL LDA	CASCAIS (PORTUGAL)	Airport services	EURO	50,000	Aca Holding SAS	100.00%	38.66%	61.34%
SKY VALET SPAIN S.L.	MADRID (SPAIN)	Airport services	EURO	231,956	Aca Holding SAS	100.00%	38.66%	61.34%
SOCIEDAD CONCESIONARIA AMB SA	SANTIAGO (CHILE)	Motorway operator	CHILEAN PESO	5,875,178,700		100.00%	50.01%	49.99%
					Grupo Costanera sPa	99.98%		
					Sociedad Gestion Vial SA	0.02%		
SOCIEDAD CONCESIONARIA AMERICO VESPUCIO ORIENTE II SA	SANTIAGO (CHILE)	Motorway operator	CHILEAN PESO	100,000,000,000		100.00%	50.01%	49.99% [11]
					Grupo Costanera SpA	100%		
					Sociedad Gestion Vial SA	0.00%		
SOCIEDAD CONCESIONARIA AUTOPISTA CENTRAL SA	SANTIAGO (CHILE)	Motorway operator	CHILEAN PESO	76,694,956,663	Vías Chile SA	100.00%	39.55%	60.45%
SOCIEDAD CONCESIONARIA AUTOPISTA DE LOS ANDES SA	SANTIAGO (CHILE)	Motorway operator	CHILEAN PESO	35,466,685,791		100.00%	39.55%	60.45%
					Gestora de Autopistas SpA	0.00%		
					Vías Chile SA	100%		
SOCIEDAD CONCESIONARIA AUTOPISTA DEL SOL SA	SANTIAGO (CHILE)	Motorway operator	CHILEAN PESO	19,960,726,041		100.00%	39.55%	60.45%
					Vías Chile SA	100%		
					Gestora de Autopistas SA	0.00%		
SOCIEDAD CONCESIONARIA AUTOPISTA LOS LIBERTADORES SA	SANTIAGO (CHILE)	Motorway operator	CHILEAN PESO	16,327,525,305		100.00%	39.55%	60.45%
					Vías Chile SA	100%		
					Gestora de Autopistas SpA	0.00%		
SOCIEDAD CONCESIONARIA AUTOPISTA NORORIENTE SA	SANTIAGO (CHILE)	Motorway operator	PESO CHILENO	22,738,904,654		100.00%	50.01%	49.99%
					Grupo Costanera SpA	99.90%		
					Sociedad Gestion Vial SA	0.10%		

[11] *The issued capital amounts to 50,000,000,000 Chilean pesos.*

Name	Registered office	Business	Currency	Share capital / Consortium fund	Held by	% held	% Interest	Total interest Group	Total interest Non-controlling
SOCIEDAD CONCESIONARIA AUTOPISTA NUEVA VESPUCIO SUR SA	SANTIAGO (CHILE)	Motorway operator	CHILEAN PESO	166,967,672,229			100.00%	50.01%	49.99%
					Grupo Costanera SpA	100%			
					Sociedad Gestion Vial SA	0.00%			
SOCIEDAD CONCESIONARIA CONEXION VIAL RUTA 78 - 68 SA	SANTIAGO (CHILE)	Motorway operator	CHILEAN PESO	32,000,000,000			100.00%	50.01%	49.99%
					Grupo Costanera SpA	100%			
					Sociedad Gestion Vial SA	0.00%			
SOCIEDAD CONCESIONARIA COSTANERA NORTE SA	SANTIAGO (CHILE)	Motorway operator	CHILEAN PESO	58,859,765,519			100.00%	50.01%	49.99%
					Grupo Costanera SpA	100%			
					Sociedad Gestion Vial SA	0.00%			
SOCIEDAD CONCESIONARIA DEL ELQUI SA (ELQUI)	SANTIAGO (CHILE)	Motorway operator	CHILEAN PESO	44,000,000,000			100.00%	39.55%	60.45%
					Gestora de Autopistas SpA	0.06%			
					Vías Chile SA	99.94%			
SOCIEDAD CONCESIONARIA DE LOS LAGOS SA	LLANQUIHUE (CHILE)	Motorway operator	CHILEAN PESO	53,602,284,061			100.00%	100.00%	-
					Autostrade Holding Do Sur SA	99.95%			
					Autostrade dell'Atlantico Srl	0.05%			
SOCIEDAD CONCESIONARIA LITORAL CENTRAL SA	SANTIAGO (CHILE)	Motorway operator	CHILEAN PESO	18,368,224,675			100.00%	50.01%	49.99%
					Grupo Costanera SpA	99.99%			
					Sociedad Gestion Vial SA	0.01%			
SOCIEDAD CONCESIONARIA RUTAS DEL PACÍFICO SA	SANTIAGO (CHILE)	Motorway operator	CHILEAN PESO	51,000,000,000			100.00%	39.55%	60.45%
					Gestora de Autopistas SpA	0.01%			
					Vías Chile SA	99.99%			
SOCIEDADE PARA PARTICIPAÇÃO EM INFRAESTRUCTURA SA	SAO PAULO (BRAZIL)	Holding company	BRAZILIAN REAL	22,506,527	Abertis Infraestructuras SA		51.00%	25.21%	74.79%
SOCIETAT D'AUTOPISTES CATALANES SAU	BARCELONA (SPAIN)	Design, construction and maintenance	EURO	1,060,000	Abertis Infraestructuras SA		100.00%	49.44%	50.56%
SOCIEDAD GESTION VIAL SA	SANTIAGO (CHILE)	Design, construction and maintenance	CHILEAN PESO	11,397,237,788			100.00%	50.01%	49.99%
					Grupo Costanera SpA	99.99%			
					Sociedad Operacion y Logistica de Infraestructuras SA	0.01%			
SOCIEDAD OPERACION Y LOGISTICA DE INFRAESTRUCTURAS SA	SANTIAGO (CHILE)	Motorway services	CHILEAN PESO	11,736,819			100.00%	50.01%	49.99%
					Grupo Costanera SpA	99.99%			
					Sociedad Gestion Vial SA	0.01%			
SOCIETÀ AUTOSTRADA TIRRENICA p.A.	ROME	Motorway operator	EURO	24,460,800	Autostrade per l'Italia SpA		99.93%	88.06%	11.94% [12]

[12] *On 29 December 2015, Autostrada Tirrenica, following authorisation by the general meeting of shareholders held on the same date, purchased 109,600 own shares from non-controlling shareholders. Autostrade per l'Italia's interest is thus 99.99%, whilst the percentage interest based on the number of shares held by Autostrade per l'Italia as a percentage of the subsidiary's total shares in issue is 99.93%. The Atlantia Group's interest is, instead, 88.06%.*

Name	Registered office	Business	Currency	Share capital / Consortium fund	Held by	% held	% Interest	Total interest Group	Total interest Non-controlling
SOCIETÀ ITALIANA PER AZIONI PER IL TRAFORO DEL MONTE BIANCO	PRE' SAINT DIDIER (AOSTA)	Motorway operator	EURO	198,749,200	Autostrade per l'Italia SpA		51.00%	44.91%	55.09%
SOLUCIONA CONSERVACAO RODOVIARIA LTDA	MATAO (BRAZIL)	Property management	BRAZILIAN REAL	500,000	AB Concessões SA		100.00%	50.00%	50.00%
SPEA DO BRASIL PROJETOS E INFRA ESTRUTURA LIMITADA	SAO PAULO (BRAZIL)	Design, construction and maintenance	BRAZILIAN REAL	4,504,000			100.00%	97.49%	2.51%
					Spea Engineering SpA	100%			
					Austostrade Concessoes e Partecipacoes Brasil Limitada	0.00%			
SPEA ENGINEERING SpA	ROME	Design, construction and maintenance	EURO	6,966,000			100.00%	97.49%	2.51%
					Atlantia SpA	60.00%			
					Autostrade per l'Italia SpA	20.00%			
					Aeroporti di Roma SpA	20.00%			
STALEXPORT AUTOSTRADA MAŁOPOLSKA SA	MYSŁOWICE (POLAND)	Motorway operator	POLISH ZLOTY	66,753,000	Stalexport Autostrady SA		100.00%	61.20%	38.80%
STALEXPORT AUTOSTRADY SA	MYSLOWICE (POLAND)	Holding company	POLISH ZLOTY	185,446,517	Atlantia SpA		61.20%	61.20%	38.80% [13]
TANGENZIALE DI NAPOLI SpA	NAPLES	Motorway operator	EURO	108,077,490	Autostrade per l'Italia SpA		100.00%	88.06%	11.94%
TECNE GRUPPO AUTOSTRADE PER L'ITALIA SPA	ROME	Design, construction and maintenance	EURO	100,000	Autostrade per l'Italia SpA		100.00%	88.06%	11.94%
TELEPASS SpA	ROME	Management of tolling/electronic tolling services	EURO	26,000,000	Atlantia SpA		100.00%	100.00%	-
TELEPASS ASSICURA Srl	ROME	Financial services	EURO	3,000,000	Telepass SpA		100.00%	100.00%	-
TELEPASS BROKER Srl	ROME	Financial services	EURO	500,000	Telepass SpA		100.00%	100.00%	-
TELEPASS PAY SpA	ROME	Financial services	EURO	702,983	Telepass SpA		100.00%	100.00%	-
TOLLING OPERATIONS PUERTO RICO INC.	SAN JUAN (PUERTO RICO)	Management of tolling/electronic tolling services	US DOLLAR	1,000,000	Emovis SAS.		100.00%	49.44%	50.56%
TRIANGULO DO SOL AUTO-ESTRADAS SA	MATAO (BRAZIL)	Motorway operator	BRAZILIAN REAL	71,000,000	AB Concessões SA		100.00%	50.00%	50.00%
TRICHY TOLLWAY PRIVATE LIMITED (TTPL)	HYDERABAD (INDIA)	Motorway operator	INDIAN RUPEE	1,946,215,010			100.00%	49.44%	50.56% [14]
					Abertis India S.L.	100%			
					Abertis Infraestructuras SA	0.00%			
TÚNELS DE BARCELONA I CADÍ CONCESIONARIA DE LA GENERALITAT DE CATALUNYA SA	BARCELONA (SPAIN)	Motorway operator	EURO	60,000	Infraestructures Viàries de Catalunya SA (INVICAT)		50.01%	24.72%	75.28%
URBANnext SA	CHIASSO (SWITZERLAND)	Other activities	SWISS FRANC	100,000	Telepass SpA		70.00%	70.00%	30.00%
URBI DE GmbH	BERLIN (GERMANY)	Other activities	EUR	25,000	URBANnext SA		100.00%	70.00%	30.00%
VIA4 SA	MYSŁOWICE (POLAND)	Motorway services	POLISH ZLOTY	500,000	Stalexport Autostrady SA		55.00%	33.66%	66.34%
VIANORTE SA	SERTAOZINHO (BRAZIL)	Motorway operator	BRAZILIAN REAL	113,651,571	Arteris SA		100.00%	20.75%	79.25%

[13] *This company is listed on the Warsaw Stock Exchange.*
[14] *Abertis Infraestructuras SA holds 1 share in the company.*

Name	Registered office	Business	Currency	Share capital / Consortium fund	Held by	% Interest	Total interest	
							Group	Non-controlling
VIAPAULISTA SA	RIBERAO PRETO (BRAZIL)	Design, construction and maintenance	BRAZILIAN REAL	1,348,385,843	Arteris SA	100.00%	20.75%	79.25%
VÍAS CHILE SA	SANTIAGO (CHILE)	Holding company	CHILEAN PESO	93,257,077,900	Inversora de Infraestructuras S.L. (INVIN)	100.00%	39.55%	60.45%
WASH OUT Srl	MILAN	Other activities	EURO	17,129	Telepass SpA	69.97%	69.97%	30.03%
YELLOWSTONE ETC HOLDINGS, INC.	RICHARDSON (TEXAS)	Other activities	US DOLLAR	16,998	Autostrade dell'Atlantico Srl	65.23%	65.23%	34.77%

Name	Registered office	Business	Currency	Share capital/ Consortium fund	Held by		% Interest
INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD							
Associates							
AEROPORTO GUGLIELMO MARCONI DI BOLOGNA SpA	BOLOGNA	Airport operator	EURO	90,314,162	Atlantia SpA		29.38%
A'LIENOR SAS.	PAU (FRANCE)	Motorway operator	EURO	275,632,000	Sanef SA		35.00%
ALAZOR INVERSIONES SA	MADRID (SPAIN)	Holding company	EURO	223,600,000	Iberpistas SA		31.22%
AUTOPISTA TERRASSA-MANRESA CONCESSIONÀRIA DE LA GENERALITAT DE CATALUNYA SA (AUTEMA)	BARCELONA (SPAIN)	Motorway operator	EURO	83,410,572	Autopistas Concesionaria Española SA (ACESA)		23.72%
BIP & DRIVE SA	MADRID (SPAIN)	Management of tolling/electronic tolling services	EURO	4,612,969	Abertis Autopistas España SA		35.00%
C.I.S. SpA (IN LIQUIDATION)	VICENZA	Design, construction and maintenance	EURO	5,236,530	A4 HOLDING SpA		25.23%
CIRALSA SAC.E.	ALICANTE (SPAIN)	Design, construction and maintenance	EURO	50,167,000	Autopistas Aumar SA Concesionaria del Estado		25.00%
CONCESIONARIA VIAL DE LOS ANDES SA (COVIANDES)	BOGOTA' (COLOMBIA)	Motorway operator	COLOMBIAN PESO	27,400,000,000	Abertis Infraestructuras SA		40.00%
CONFEDERAZIONA AUTOSTRADE SpA	VERONA	Design, construction and maintenance	EURO	50,000	A4 Holding SpA		25.00%
CONSTRUCTORA DE INFRAESTRUCTURA VIAL SAS.	BOGOTA' (COLOMBIA)	Design, construction and maintenance	COLOMBIAN PESO	50,000,000	Abertis Infraestructuras SA		40.00%
BOLOGNA & FIERA PARKING SpA	BOLOGNA	Other concessions	EURO	2,715,200	Autostrade per l'Italia SpA		36.81%
BIURO CENTRUM SP. Z O.O.	KATOWICE (POLAND)	Administrative services	POLISH ZLOTY	80,000	Stalexport Autostrady SA		40.63%
GETLINK SE	PARIS (FRANCE)	Other concessions	EURO	220,000,000	Aero 1 Global & International Sàrl		15.49% (1)
G.R.A. DI PADOVA SpA	VENICE	Design, construction and maintenance	EURO	2,950,000	Autostrada BS VR VI PD SpA		33.90%
INFRAESTRUCTURAS Y RADIALES SA (IRASA)	MADRID (SPAIN)	Design, construction and maintenance	EURO	11,610,200			30.00%
					Iberpistas SA	15.00%	
					Autopistas Vasco-Aragonesa C.E.SA (AVASA)	15.00%	
LEONORD SAS	LYON (FRANCE)	Motorway services	EURO	697,377	Sanef SA		35.00%
M-45 CONSERVACION SA	MADRID (SPAIN)	Design, construction and maintenance	EURO	553,000	Autopista Trados-45 SA		50.00%
ROAD MANAGEMENT GROUP LTD (RMG)	LONDON (UK)	Motorway operator	POUND STERLING	25,335,000	Abertis Motorways UK Ltd		33.33%
ROUTALIS SAS.	GUYANCOURT (FRANCE)	Design, construction and maintenance	EURO	40,000	SAPN SA		30.00%
TANGENZIALI ESTERNE DI MILANO SpA	MILAN	Design, construction and maintenance	EURO	220,344,608	Autostrade per l'Italia SpA		27.45% (2)

(1) *Aero 1 Global & International Sàrl holds 23.74% of Getlink SE's voting rights. Interests are calculated on the basis of the total number of shares in issue, amounting to 550,000,000, and of the total number of voting rights, equal to 717,548,158, according to the information published by Getlink on 25 January 2021.*

Name	Registered office	Business	Currency	Share capital/ Consortium fund	Held by	% Interest
Joint ventures						
A&T ROAD CONSTRUCTION MANAGEMENT AND OPERATION PRIVATE LIMITED	PUNE - MAHARASHTRA (INDIA)	Motorway services	INDIAN RUPEE	100,000	Autostrade Indian Infrastructure Development Private Limited	50.00%
AIRPORT ONE SAS	NICE (FRANCE)	Property management	EURO	1,000	Aéroports de la Côte d'Azur	49.00%
AIRPORT HOTEL SAS	NICE (FRANCE)	Property management	EURO	1,000	Aéroports de la Côte d'Azur	49.00%
AREAMED 2000 SA	BARCELONA (SPAIN)	Other concessions	EURO	2,070,012	Abertis Autopistas España SA	50.00%
CONCESSIONÁRIA RODOVIAS DO TIETÊ SA	SAO PAULO (BRAZIL)	Motorway operator	BRAZILIAN REAL	303,578,476	AB Concessões SA	50.00%
GEIE DEL TRAFORO DEL MONTE BIANCO	COURMAYEUR (AOSTA)	Motorway services	EURO	2,000,000	Società Italiana per Azioni per il Traforo del Monte Bianco	50.00%
PUNE SOLAPUR EXPRESSWAYS PRIVATE LIMITED	PATAS - DISTRICT PUNE - MAHARASHTRA (INDIA)	Motorway operator	INDIAN RUPEE	100,000,000	Atlantia SpA	50.00%

(2) *On 22 January 2019, as a result of Autostrade per l'Italia's exercise of its pre-emption rights, Autostrade Lombarde SpA sold 3,518,908 shares in Tangeziale Esterna di Milano SpA, equal to an interest of approximately 1.20%, to Autostrade per l'Italia.*

Name	Registered office	Business	Currency	Share capital/ Consortium fund	Held by		% interest
INVESTMENTS ACCOUNTED FOR AT FAIR VALUE							
Unconsolidated subsidiaries							
DOMINO S.r.l. (IN LIQUIDATION)	ROME	Other activities	EURO	10,000	Atlantia SpA		100%
PAVIMENTAL EST AO (IN LIQUIDATION)	MOSCOW (RUSSIA)	Design, construction and maintenance	RUSSIAN ROUBLE	4,200,000	Pavimental SpA		100%
PEDEMONTANA VENETA SpA (IN LIQUIDATION)	VERONA	Motorway operator	EURO	6,000,000			61.70% (1)
					Autostrade per l'Italia SpA	29.77%	
					Autostrada BS VR VI PD SpA	31.93%	
PETROSTAL SA (IN LIQUIDATION)	WARSAW (POLAND)	Property management	POLISH ZLOTY	2,050,500	Stalexport Autostrady SA		100%
Other investments							
AEROPORTO DI GENOVA SpA	GENOA	Airport operator	EURO	7,746,900	Aeroporti di Roma SpA		15.00%
ARGENTEA GESTIONE	BRESCIA	Design, construction and maintenance	EURO	120,000	Autostrada BS VR VI PD SpA		5.84%
AUTOROUTES TRAFIC SAS.	PARIS (FRANCE)	Motorway services	EURO	349,000	Sanef SA		15.00%
AUTOSTRADA DEL BRENNERO SpA	TRENTO	Design, construction and maintenance	EURO	55,472,175	Serenissima Partecipazioni SpA		4.23%
AUTOSTRADE LOMBARDE SpA	BRESCIA	Design, construction and maintenance	EURO	501,726,626	Autostrada BS VR VI PD SpA		4.90%
AUTOVIE VENETE SpA	TRIESTE	Design, construction and maintenance	EURO	157,965,738	A4 Holding SpA		0.42%

(1) *The company is accounted for using the equity method.*

Name	Registered office	Business	Currency	Share capital/ Consortium fund	Held by		% interest
CENTAURE PARIS-NORMANDIE SAS.	BOSGOUET (FRANCE)	Motorway services	EURO	700,000	SAPN SA		49.90%
CENTAURE NORD PAS-DE-CALAIS	HENIN BEAUMONT (FRANCE)	Motorway services	EURO	320,000	Sanef SA		34.00%
CENTAURE GRAND EST SAS.	GEVREY CHAMBERTIN (FRANCE)	Motorway services	EURO	450,000	Sanef SA		14.44%
CENTRO INTERMODALE TOSCANO AMERIGO VESPUCCI SpA	LIVORNO	Other activities	EURO	11,756,695	Società Autostrada Tirrenica p.A.		0.43%
COMPAGNIA AEREA ITALIANA SpA	FIUMICINO	Airport services	EURO	3,526,846	Atlantia SpA		6.52%
CONVENTION BUREAU ROMA E LAZIO SCRL	ROME	Promotion and development of MICE and business travel	EURO	132,000	Aeroporti di Roma SpA		0.76%
HOCHTIEF AKTIENGESELLSCHAFT	ESSEN (GERMANY)	Holding company	EURO	180,855,570	Atlantia SpA		23.86%
HOLDING PARTECIPAZIONI IMMOB.	VERONA	Holding company	EURO	1	Serenissima Partecipazioni SpA		13.00%
HUTA JEDNOŚĆ SA	SIEMIANOWICE (POLAND)	Other activities	POLISH ZLOTY	27,200,000	Stalexport Autostrady SA		2.40%
INTERPORTO PADOVA SpA	PADUA	Other activities	EURO	36,000,000	A4 Holding SpA		3.27%
INWEST STAR SA (IN LIQUIDATION)	STARACHOWICE (POLAND)	Other activities	POLISH ZLOTY	11,700,000	Stalexport Autostrady SA		0.26%
LUSOPONTE - CONCESSIONARIA PARA A TRAVESSIA DO TEJO	SA MONTIJO (PORTUGAL)	Motorway operator	EURO	25,000,000	Autostrade Portugal - Concessoes de Infraestructuras SA		17.21%
LIGABUE GATE GOURMET ROMA SpA (INSOLVENT)	TESSERA	Airport services	EURO	103,200	Aeroporti di Roma SpA		20.00%
NOGARA MARE ADRIATICO	VERONA	Design, construction and maintenance	EURO	120,000			2.50%
					Autostrada BS VR VI PD SpA	2.00%	
					A4 Mobility S.r.l.	0.50%	
SACAL. SpA	LAMEZIA TERME	Airport operator	EURO	13,920,225	Aeroporti di Roma SpA		9.23%
SOCIETA' DI PROGETTO BREBEMI SpA	BRESCIA	Motorway operator	EURO	51,141,227			0.60%
					Spea Engineering SpA	0.05%	
					Autostrada BS VR VI PD SpA	0.54%	
STRADIVARIA SpA	CREMONA	Design, construction and maintenance	EURO	20,000,000	A4 Mobility S.r.l.		1.00%
TANGENZIALE ESTERNA SpA	MILAN	Motorway operator	EURO	464,945,000			1.25%
					Autostrade per l'Italia SpA		0.25% (2)
					Pavimental SpA		1.00%
TERRA MITICA, PARQUE TEMATICO DE BENIDORM SA	ALICANTE (SPAIN)	Other concessions	EURO	247,487,181	Abertis Infraestructuras SA		1.29%
UIRNET SpA	ROME	Other activities	EURO	1,142,000	Autostrade per l'Italia SpA		1.40%
WALCOWNIA RUR JEDNOŚĆ SP. Z O. O.	SIEMIANOWICE (POLAND)	Other activities	POLISH ZLOTY	220,590,000	Stalexport Autostrady SA		0.01%
ZAKŁADY METALOWE DEZAMET SA	NOWA DĘBA (POLAND)	Other activities	POLISH ZLOTY	19,241,750	Stalexport Autostrady SA		0.26%

(2) *Tangenziali esterne di Milano SpA (in which Autostrade per l'Italia SpA holds a 27.45% interest, accounted for using the equity method) holds a 48.4% intrest in Tangenziale Esterna SpA.*

Name	Registered office	Business	Currency	Share capital / consortium fund	Held by		% interest
CONSORTIA							
BMM SCARL	TORTONA	Design, construction and maintenance	EURO	10,000	A4 Mobility Srl		12.00%
CONSORCIO ANHANGUERA NORTE	RIBERAO PRETO (BRAZIL)	Design, construction and maintenance	BRAZILIAN REAL	-	Autostrade Concessoes e Participacoes Brasil		13.13%
CONSORZIO AUTOSTRADE ITALIANE ENERGIA	ROME	Other activities	EURO	114,853			38.41%
					Autostrade per l'Italia SpA	27.05%	
					Tangenziale di Napoli SpA	1.93%	
					Società Italiana per Azioni per il Traforo del Monte Bianco	1.81%	
					Raccordo Autostradale Valle d'Aosta SpA	1.08%	
					Società Autostrada Tirrenica p.A.	0.48%	
					Autostrade Meridionali SpA	0.97%	
					Aeroporti di Roma SpA	0.99%	
					Autostrada BS VR VI PD SpA	3.10%	
					Pavimental SpA	1.00%	
CONSORZIO COSTRUTTORI TEEM	TORTONA	Design, construction and maintenance	EURO	10,000	Pavimental SpA		1.00%
CONSORZIO E.T.L. – EUROPEAN TRANSPORT LAW (IN LIQUIDATION)	ROME	Other activities	EURO	-	Aeroporti di Roma SpA		25.00%
CONSORZIO MIDRA	FLORENCE	Other activities	EURO	73,989	Autostrade Tech SpA		33.33%
CONSORZIO NUOVA ROMEA ENGINEERING	MONSELICE	Design, construction and maintenance	EURO	60,000	Spea Engineering SpA		16.67%
CONSORZIO PEDEMONTANA ENGINEERING (IN LIQUIDATION)	VERONA	Design, construction and maintenance	EURO	19,800	Spea Engineering SpA		23.54%
CONSORZIO RAMONTI S.C.A.R.L. (IN LIQUIDATION)	TORTONA	Design, construction and maintenance	EURO	10,000	Pavimental SpA		49.00%
CONSORZIO R.F.C.C. (IN LIQUIDATION)	TORTONA	Design, construction and maintenance	EURO	510,000	Pavimental SpA		30.00%
CONSORZIO SPEA-GARIBELLO	SAO PAULO (BRAZIL)	Design, construction and maintenance	BRAZILIAN REAL	-	SPEA do Brasil Projetos e Infra Estrutura Limitada		50.00%
CONSORZIO TANGENZIALE ENGINEERING	MILAN	Design, construction and maintenance	EURO	20,000	Spea Engineering SpA		30.00%
CONSORZIO 2050	ROME	Design, construction and maintenance	EURO	50,000	Spea Engineering SpA		0.50%
COSTRUZIONI IMPIANTI AUTOSTRADALI S.C.A.R.L. (IN LIQUIDATION)	ROME	Design, construction and maintenance	EURO	10,000			100%
					Pavimental SpA	75.00%	
					Autostrade Tech SpA	20.00%	
					Pavimental Polska Sp. z o.o.	5.00%	
ELMAS S.C.A.R.L. (IN LIQUIDATION)	ROME	Design, construction and maintenance	EURO	10,000	Pavimental SpA		60.00%

Name	Registered office	Business	Currency	Share capital / consortium fund	Held by	% interest
LAMBRO S.C.A.R.L.	TORTONA	Design, construction and maintenance	EURO	200,000	Pavimental SpA	2.78%
SAFE ROADS S.C.A.R.L.	TORTONA	Design, construction and maintenance	EURO	10,000	Autostrade Tech SpA	17.22%
SAT LAVORI S.C.A.R.L. (IN LIQUIDATION)	ROME	Design, construction and maintenance	EURO	100,000	Società Autostrada Tirrenica SpA	1.00%
SMART MOBILITY SYSTEMS S.C. A R.L.	TORTONA	Design, construction and maintenance	EURO	10,000	Autostrade Tech SpA	24.50%
INVESTMENTS ACCOUNTED FOR IN CURRENT ASSETS						
DOM MAKLERSKI BDM SA	BIELSKO-BIAŁA (POLAND)	Holding company	POLISH ZLOTY	19,796,924	Stalexport Autostrady SA	2.71%
STRADA DEI PARCHI SpA	ROME	Motorway operator	EURO	48,114,240	Autostrade per l'Italia SpA	2.00%

Atlantia

Annex 2

Disclosure pursuant to art. 149-*Duodecies* of the Consob regulations for issuers 11971/1999

Atlantia SpA			(€000)
Type of service	**Provider of service**	**Note**	**Fees**
Audit	Parent Company's auditor		319
Other services	Parent Company's auditor	(1)	140
Other services	Network of the Parent Company's auditor	(2)	25
Total parent Company			**484**
Subsidiaries			(€000)
Type of service	**Provider of service**	**Note**	**Fees**
Audit	Parent Company's auditor		1,072
Audit	Network of the Parent Company's auditor		2,452
Other services	Parent Company's auditor	(3)	274
Other services	Network of the Parent Company's auditor	(4)	956
Total subsidiaries			**4,754**
Total Atlantia Group			**5,238**

(1) *Signature of consolidated and 770 tax forms, review of the consolidated non-financial statement, agreed upon procedures on data, accounting information and remuneration plans, comfort letters for loans and bonds.*
(2) *Agreed upon procedures on the accounts payable cycle.*
(3) *Signature of consolidated and 770 tax forms, agreed upon procedures on data and accounting information, and comfort letters for loans and bonds.*
(4) *Audit of the internal control system, limited assurance of the non-financial statement, agreed upon procedures on data and accounting information, and comfort letters for loans and bonds.*

12. Separate financial statements as at and for the year ended 31 December 2020

FINANCIAL STATEMENTS

Statement of financial position[1]

€	31 December 2020	31 December 2019
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	11,869,489	19,774,558
Property, plant and equipment	7,583,896	15,254,158
Investment property	4,285,593	4,520,400
Intangible assets	274,351	228,942
Investments	14,708,376,940	15,521,257,831
Non-current financial assets	678,332,046	686,256,587
Non-current derivative assets	386,753,535	208,045,840
Other non-current financial assets	291,578,511	478,210,747
Deferred tax assets, net	127,956,022	59,971,492
Other non-current assets	-	30,604
TOTAL NON-CURRENT ASSETS	15,526,808,848	16,287,520,014
CURRENT ASSETS		
Trading assets	7,642,386	9,190,073
Trade receivables	7,642,386	9,190,073
Cash and cash equivalents	2,261,370,724	596,986,220
Cash	1,686,177,227	550,710,694
Cash equivalents	575,000,000	-
Intercompany current account receivables due from related parties	193,497	46,275,526
Current financial assets	5,451,350	19,406,368
Current portion of medium/long-term financial assets	844,704	1,021,997
Current derivative assets	-	1,162,378
Other current financial assets	4,606,646	17,221,993
Current tax assets	79,276,520	88,222,462
Other current assets	13,892,059	18,470,688
Non-current assets held for sale or related to discontinued operations	24,024,910	-
TOTAL CURRENT ASSETS	2,391,657,949	732,275,811
TOTAL ASSETS	17,918,466,797	17,019,795,825

(1) *As required by CONSOB Resolution 15519 of 27 July 2006, the impact of related party transactions on Atlantia SpA's statement of financial position are shown in the statement of financial position, expressed in thousands of euros, on the following pages. The impact is also described in further detail in note 8.2.*

Statement of financial position

€	31 December 2020	31 December2019
EQUITY AND LIABILITIES		
EQUITY		
Issued capital	825,783,990	825,783,990
Reserves and retained earnings	9,811,471,719	9,722,605,531
Treasury shares	-150,188,750	-166,086,931
(Loss)/Profit for the year	-29,153,456	426,613,505
TOTAL EQUITY	10,457,913,503	10,808,916,095
NON-CURRENT LIABILITIES		
Non-current provisions	318,097	403,378
Non-current provisions for employee benefits	318,097	403,378
Non-current financial liabilities	7,176,567,731	5,968,485,050
Bond issues	1,737,597,282	1,735,699,792
Medium/long-term borrowings	5,234,422,368	3,986,377,549
Non-current derivative liabilities	204,548,081	246,407,709
Other non-current liabilitie	7,351,336	20,747,421
TOTAL NON-CURRENT LIABILITIES	7,184,237,164	5,989,635,849
CURRENT LIABILITIES		
Trading liabilities	13,862,689	15,990,206
Trade payables	13,862,689	15,990,206
Current provisions	1,387,965	1,386,819
Current provisions for employee benefits	62,644	61,498
Other current provisions	1,325,321	1,325,321
Current financial liabilities	204,639,735	134,966,152
Intercompany current account payables due to related parties	238,479	5,932,813
Current portion of medium/long-term financial liabilities	204,071,794	47,541,499
Current derivative liabilities		1,162,378
Other current financial liabilities	329,462	80,329,462
Current tax liabilities	39,721,561	35,232,750
Other current liabilities	16,704,180	33,667,954
TOTAL CURRENT LIABILITIES	276,316,130	221,243,881
TOTAL LIABILITIES	7,460,553,294	6,210,879,730
TOTAL EQUITY AND LIABILITIES	17,918,466,797	17,019,795,825

Income statement[2]

€	2020	2019
REVENUE		
Operating revenue	4,205,977	2,565,914
TOTAL REVENUE	4,205,977	2,565,914
COSTS		
Raw and consumable materials	-89,422	-119,214
Service costs	-25,187,866	-23,750,913
Staff costs	-18,076,846	-59,057,985
Other operating costs	-11,101,959	-8,803,267
Lease expense	-395,262	-397,855
Other	-10,706,697	-8,405,412
Operating change in provisions	-	79,434
Amortisation and depreciation	-1,669,909	-1,335,335
Depreciation of property, plant and equipment	-141,448	-79,323
Depreciation of right-of-use assets	-1,256,064	-1,011,282
Depreciation of investment property	-234,806	-234,806
Amortisation of intangible assets	-37,591	-9,924
Impairment losses on current assets	-24,282	-
TOTAL COSTS	-56,150,284	-92,987,280
OPERATING PROFIT/(LOSS)	-51,944,307	-90,421,366
Financial income	579,497,092	694,925,199
Dividends received from investees	502,215,337	636,207,598
Other financial income	77,281,755	58,717,601
Financial expenses	-652,681,012	-212,480,443
Financial expenses from discounting of provisions	-1,536	-6,920
Impairment losses on financial assets and investments	-219,919,953	-39,040,285
Other financial expenses	-432,759,523	-173,433,238
Foreign exchange gains/(losses)	-1,595,099	136,199
FINANCIAL INCOME/(EXPENSES)	-74,779,019	482,580,955
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	-126,723,326	392,159,589
Income tax (expense)/benefit	101,530,203	39,714,474
Current tax expense	6,143,774	38,836,686
Differences on tax expense for previous years	9,808,363	242,470
Deferred tax income and expense	85,578,066	635,318
PROFIT/(LOSS) FROM CONTINUING OPERATIONS	-25,193,123	431,874,063
Profit/(Loss) from discontinued operations	-3,960,333	-5,260,558
(LOSS)/PROFIT FOR THE YEAR	-29,153,456	426,613,505

[2] *As required by CONSOB Resolution 15519 of 27 July 2006, the impact of related party transactions on Atlantia SpA's income statement are shown in the income statement, expressed in thousands of euros, on the following pages. The impact is also described in further detail in note 8.2.*

Statement of cash flows[3]

€	2020	2019
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
(Loss)/Profit for the year	-29,153,456	426,613,505
Adjusted by:		
Amortisation and depreciation	1,669,909	1,335,335
Operating change in provisions	2,139	-77,147
Financial expenses from discounting of provisions	1,536	6,920
Impairment losses/(Reversal of impairment losses) on financial assets and investments	223,880,286	44,300,843
(Gains)/Losses on sale of non-current assets	-328,282	-
Net change in deferred tax (assets)/liabilities through profit or loss	-85,578,066	-635,318
Other non-cash costs (income)	82,091,329	-6,718,700
Change in trading assets and liabilities and other non-financial assets and liabilities	-12,640,730	25,430,146
Net cash generated from/(used in) operating activities [a]	179,944,665	490,255,584
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Purchases of property, plant and equipment	-6,198,359	-628,049
Purchases of other intangible assets	-83,000	-21,833
Purchases of investments	-100,000	-337,516
Proceeds from distribution of reserves by subsidiaries	-	462,225,649
Net change in other non-current assets	30,604	61,042
Net change in current and non-current financial assets	195,657,638	20,746,114
Net cash generated from/(used in) investing activities [b]	189,306,883	482,045,407
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Dividends paid	-	-736,153,166
Proceeds from exercise of rights under share-based incentive plans	-	749,712
Increase in medium/long-term borrowings (excluding lease liabilities)	3,250,000,000	732,535,250
Increase in lease liabilities	5,425,496	628,049
Repayment of merdium/long-term borrowings (excluding lease liabilities)	-2,000,000,000	-675,000,000
Repayment of lease liabilities	-1,300,553	-1,206,201
Net change in other current and non-current financial liabilities	46,702,347	17,505,298
Net cash generated from/(used in) financing activities [c]	1,300,827,290	-660,941,058
Increase/(Decrease) in cash and cash equivalents [a+b+c]	1,670,078,838	311,359,933
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	591,053,407	279,693,474
NET CASH AND CASH EQUIVALENTS AT END OF YEAR	2,261,132,245	591,053,407

[3] *As required by CONSOB Resolution 15519 of 27 July 2006, the impact of related party transactions on Atlantia SpA's statement of cash flows is shown in the statement of cash flows, expressed in thousands of euros, on the following pages.*

Statement of financial position

€000	Note	31 December 2020	of which related party transactions	31 December 2019	of which related party transactions
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	5.1	11,869		19,775	
Property, plant and equipment		7,584		15,254	
Investment property		4,285		4,521	
Intangible assets	5.2	274		229	
Investments	5.3	14,708,376		15,521,258	
Non-current financial assets	5.4	678,332		686,257	
Non-current derivative assets		386,753		208,046	
Other non-current financial assets		291,579	126,299	478,211	475,074
Deferred tax assets, net	5.5	127,957		59,971	
Other non-current assets	5.6	-		31	
TOTAL NON-CURRENT ASSETS		15,526,808		16,287,521	
CURRENT ASSETS					
Trading assets	5.7	7,642		9,190	
Trade receivables		7,642	6,093	9,190	7,463
Cash and cash equivalents	5.8	2,261,371		596,986	
Cash		1,686,177		550,711	
Cash equivalents		575,000		-	-
Intercompany current account receivables due from related parties		194	-	46,275	46,275
Current financial assets	5.4	5,451		19,406	
Current portion of medium/long-term financial assets		844	-	1,022	-
Current derivative assets		-		1,162	1,162
Other current financial assets		4,607	4,607	17,222	17,222
Current tax assets	5.9	79,276	15,739	88,222	34,675
Other current assets	5.10	13,892	-	18,471	-
Non-current assets held for sale or related to discontinued operations	5.3	24,026		-	
TOTAL CURRENT ASSETS		2,391,658		732,275	
TOTAL ASSETS		17,918,466		17,019,796	

Statement of financial position

€000	Note	31 December 2020	of which related party transactions	31 December 2019	of which related party transactions
EQUITY AND LIABILITIES					
EQUITY					
Issued capital		825,784		825,784	
Reserves and retained earnings		9,811,471		9,722,605	
Treasury shares		-150,189		-166,087	
(Loss)/Profit for the year		-29,153		426,614	
TOTAL EQUITY	5.11	10,457,913		10,808,916	
NON-CURRENT LIABILITIES					
Non-current provisions	5.12	318		403	
Non-current provisions for employee benefits		318		403	
Non-current financial liabilities	5.13	7,176,568		5,968,486	
Bond issues		1,737,598		1,735,700	
Medium/long-term borrowings		5,234,422		3,986,378	12,475
Non-current derivative liabilities		204,548		246,408	
Other non-current liabilities	5.14	7,351	1,663	20,747	15,027
TOTAL NON-CURRENT LIABILITIES		7,184,237		5,989,636	
CURRENT LIABILITIES					
Trading liabilities	5.15	13,862		15,991	
Trade payables		13,862	3,789	15,991	6,521
Current provisions	5.12	1,388		1,387	
Current provisions for employee benefits		63		62	
Other current provisions		1,325		1,325	
Current financial liabilities	5.13	204,640		134,966	
Intercompany current account payables due to related parties		238	-	5,933	5,933
Current portion of medium/long-term financial liabilities		204,073	-	47,542	609
Current derivative liabilities		-		1,162	
Other current financial liabilities		329		80,329	80,000
Current tax liabilities	5.9	39,722	39,722	35,232	35,232
Other current liabilities	5.16	16,704	2,901	33,668	17,383
Liabliities related to discontinued operations		-		-	
TOTAL CURRENT LIABILITIES		276,316		221,244	
TOTAL LIABILITIES		7,460,553		6,210,880	
TOTAL EQUITY AND LIABILITIES		17,918,466		17,019,796	

Income statement

€000	Note	2020	of which related party transactions	2019	of which related party transactions
REVENUE					
Operating revenue	6.1	4,205	2,228	2,566	2,302
TOTAL REVENUE		4,205		2,566	
COSTS					
Raw and consumable materials	6.2	-89	-	-119	-
Service costs	6.3	-25,188	-3,150	-23,751	-3,501
Staff costs	6.4	-18,077	-8,329	-59,058	-27,846
Other operating costs	6.5	-11,102		-8,803	
Lease expense		-395	-	-398	-
Other		-10,707	-	-8,405	-
Operating change in provisions				79	
Amortisation and depreciation		-1,669	-674	-1,335	-674
Depreciation of property, plant and equipment	5.1	-141		-79	
Depreciation of right-of-use assets	5.1	-1,256	-674	-1,011	-674
Depreciation of investment property	5.1	-234		-234	
Amortisation of intangible assets	5.2	-38		-11	
Impairment losses on current assets		-24		-	
TOTAL COSTS		-56,125		-92,987	
OPERATING PROFIT/(LOSS)		-51,944		-90,421	
Financial income		579,497		694,925	
Dividends received from investees		502,215		636,207	
Other financial income		77,282	17,496	58,718	28,142
Financial expenses		-652,681		-212,480	
Financial expenses from discounting of provisions		-2		-7	
Impairment losses on financial assets and investments		-219,920		-39,040	
Other financial expenses		-432,759	-1,730	-173,433	-764
Foreign exchange gains/(losses)		-1,595		136	
FINANCIAL INCOME/(EXPENSES)	6.6	-74,779		482,581	
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		-126,723		392,160	
Tax benefits	6.7	101,530		39,715	
Current tax expense		6,144		38,837	
Differences on tax expense for previous years		9,808		243	
Deferred tax income and expense		85,578		635	
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		-25,193		431,875	
Profit/(Loss) from discontinued operations	6.8	-3,960		-5,261	
(LOSS)/PROFIT FOR THE YEAR		-29,153		426,614	

€	Note	2020	2019
Basic (loss)/earnings per share	6.9	-0.04	0.52
of which:			
- from continuing operations		-0.04	0.52
- from discontinued operations		-	-
Diluted (loss)/earnings per share	6.9	-0.04	0.52
of which:			
- from continuing operations		-0.04	0.52
- from discontinued operations		-	-

Statement of comprehensive income

€000		2020	2019
(Loss)/Profit for the year	(A)	-29,153	426,614
Fair value gains/(losses) on cash flow hedges		-	-171,895
Tax effect of fair value gains/(losses) on cash flow hedges		-	50,830
Other comprehensive income/(loss) reclassifiable to profit or loss for the year	(B)	-	-121,065
Fair value (losses)/gains on investments		-575,530	-67,412
Tax effect		6,906	809
Gains/(Losses) on fair value measurement of fair value hedges		168,976	101,151
Tax effect of fair value gains/(losses) on fair value hedges		3,187	1,538
Gains/(losses) from actuarial valuations of provisions for employee benefits		-14	-39
Tax effect of gains/(losses) from actuarial valuations of provisions for employee benefits		4	12
Other comprehensive income/(loss) not reclassifiable to profit or loss for the year	(C)	-396,471	36,059
Reclassifications of other components of comprehensive income to profit or loss for the year	(D)	65,078	-
Total other comprehensive income/(loss) reclassified to profit or loss for the year	(E=B+C+D)	-331,393	-85,006
Comprehensive income/(loss) for the year	(A+E)	-360,546	341,608

Statement of changes in equity

€000	Issued capital	Reserves and retained earnings												Treasury shares	(Loss)/Profit for the year after payment of interim dividend	Total equity
		Share premium reserve	Legal reserve	Extraordinary reserve	Merger reserve	Cash flow hedge reserve	Fair value hedge reserve	Reserve for actuarial gains and losses on post-employment benefits	Reserve for gains/(losses) on fair value measurement of investments	Restricted reserve for Contingent Value Rights	Other reserves	Retained earnings	Reserves and retained earnings			
Balance as at 31 December 2018	825,784	154	261,410	5,022,976	2,987,182	-36,159	-	-500	-421,931	18,456	64,549	1,952,930	9,849,067	-166,846	694,721	11,202,726
Comprehensive income/(loss) for the year						-121,065	102,689	-27	-66,603	-	-	-	-85,006	-	426,614	341,608
Owner transactions and other changes																
Final dividebd for 2018 (€0.84 per share)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-687,090	-687,090
Transfer of profit/(loss) for previous year to retained earnings	-	-	-	-	-	-	-	-	-	-	-	7,631	7,631	-	-7,631	-
Dividends paid from retained earnings (equal to €0.06 per share)	-	-	-	-	-	-	-	-	-	-	-	-49,078	-49,078	-	-	-49,078
Share-based incentive plans																
Exercise/conversion/lapse of options/units	-	-	-	-	-	-	-	-	-	-	-43	34	-9	759	-	750
Balance as at 31 December 2019	825,784	154	261,410	5,022,976	2,987,182	-157,224	102,689	-527	-488,534	18,456	64,506	1,911,517	9,722,605	-166,087	426,614	10,808,916
Comprehensive income/(loss) for the year	-	-	-	-	-	65,078	172,163	-10	-568,624	-	-	-	-331,393	-	-29,153	-360,546
Owner transactions and other changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer of profit/(loss) for previous year to retained earnings	-	-	-	-	-	-	-	-	-	-	-	426,614	426,614	-	-426,614	-
Share-based incentive plans																-
Exercise of options/units	-	-	-	-	-	-	-	-	-	-	-	-6,355	-6,355	15,898	-	9,543
Reclassifications and other changes	-	-	-	18,456	-	-	-	-	-	-18,456	-	-	-	-	-	-
Balance as at 31 December 2020	825,784	154	261,410	5,041,432	2,987,182	-92,146	274,852	-537	-1,057,158	-	64,506	2,331,776	9,811,471	-150,189	-29,153	10,457,913

Statement of cash flows

€000	Note	2020	of which related party transactions	2019	of which related party transactions
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES					
(Loss)/Profit for the year		-29,153		426,614	
Adjusted by:					
Amortisation and depreciation		1,669	674	1,335	674
Operating change in provisions		2		-77	
Financial expenses from discounting of provisions	6.6	2		7	
Impairment losses/(Reversal of impairment losses) on financial assets and investments	6.6 / 6.8	223,880		44,301	
(Gains)/Losses on sale of non-current assets	6.6	-329		-	
Net change in deferred tax (assets)/liabilities through profit or loss	6.7	-85,578		-635	
Other non-cash costs (income)		82,093	-4,801	-6,719	-6,719
Change in trading assets and liabilities and other non-financial assets and liabilities		-12,640	5,761	25,430	-18,845
Net cash generated from/(used in) operating activities [a]	7.1	179,946		490,256	
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES					
Purchases of property, plant and equipment	5.1	-6,198		-628	
Purchases of other intangible assets		-83		-22	
Purchases of investments	5.3	-100		-338	
Proceeds from distribution of reserves by subsidiaries		-		462,226	462,226
Net change in other non-current assets		31		61	
Net change in current and non-current financial assets		195,657	-363,002	20,746	-61,800
Net cash generated from/(used in) investing activities [b]	7.1	189,307		482,045	
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES					
Acquisto di azioni proprie		-		-736,153	
Dividends paid		-		750	
Proceeds from exercise of rights under share-based incentive plans	5.13	3,250,000		732,535	
Increase in medium/long-term borrowings (excluding lease liabilities)		5,427		628	
Repayment of merdium/long-term borrowings (excluding lease liabilities)	5.13	-2,000,000		-675,000	
Repayment of lease liabilities		-1,300	-892	-1,206	-862
Net change in other current and non-current financial liabilities		46,700	-92,192	17,505	12,330
Net cash generated from/(used in) financing activities [c]	7.1	1,300,827		-660,941	
Increase/(Decrease) in cash and cash equivalents [a+b+c]		1,670,080		311,360	
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		591,053		279,693	
NET CASH AND CASH EQUIVALENTS AT END OF YEAR		2,261,133		591,053	

Additional information on the statement of cash flows

€000	2020	2019
Income taxes paid to/(refunded by) the tax authorities	-	246,169
Income taxes refunded by/(paid to) companies participating in tax consolidation	22,049	307,851
Interest and other financial income collected	64,576	51,020
Interest and other financial expenses paid	220,357	141,793
Dividends received and returns of capital from investees	501,312	1,081,719
Foreign exchange gains collected	254	8
Foreign exchange losses incurred	54	23

Reconciliation of net cash and cash equivalents

€000	NOTE	2020	2019
Net cash and cash equivalents at beginning of year		591,053	279,693
Cash and cash equivalents	5.8	596,986	281,267
Intercompany current account payables due to related parties	5.13	-5,933	-1,574
Net cash and cash equivalents at end of year		2,261,133	591,053
Cash and cash equivalents	5.8	2,261,371	596,986
Intercompany current account payables due to related parties	5.13	-238	-5,933

Notes

1. Introduction

Atlantia SpA (or the "Company") was formed in 2003. The Company's registered office is in Rome, at Via Nibby, 20. The Company does not have branch offices.

The duration of the Company is currently until 31 December 2050.

The Company is listed on the screen-based trading system *(Mercato Telematico Azionario)* operated by Borsa Italiana SpA and is, therefore, subject to supervision by the CONSOB (the *Commisione Nazionale per le Società e la Borsa*, Italy's Securities and Exchange Commission). It is a strategic investment holding company with investments in companies whose business is primarily the operation of motorways and airports and the provision of mobility services.

Atlantia is not subject to management and coordination by another entity: Sintonia SpA (hereinafter also the "significant shareholder" and in turn a subsidiary of Edizione Srl) is the shareholder that holds a relative majority of the issued capital of Atlantia SpA.

Atlantia's Board of Directors approved these financial statements for the year ended 31 December 2020 at its meeting of 11 March 2021.

Due to the fact that the Company has significant controlling interests in other companies, it also prepares consolidated financial statements that are presented together with the Company's separate financial statements.

2. Going concern assumption and basis of preparation

Going concern assumption

The Annual Report for the year ended 31 December 2019 highlighted the presence of certain material uncertainties casting significant doubt on use of the going concern assumption. This was primarily linked to the potential for an agreed settlement of the dispute over alleged serious breaches of the concession arrangement of the subsidiary, Autostrade per l'Italia (the latest developments are described in note 10.7, "Significant legal and regulatory aspects" in the consolidated financial statements), and this company's and Atlantia's exposure to liquidity and financial risk, in part as a result of the spread of the Covid-19 pandemic.

Based on developments regarding the above material uncertainties, Atlantia's Board of Directors considered the risk factors and uncertainties present at the date of preparation of the financial statements as at and for the year ended 31 December 2020 to be surmountable and concluded that the going concern assumption had been satisfied by the Company. This took into account the actions taken and to be taken by Atlantia and its subsidiaries, including those aimed at mitigating the impact of the continuing Covid-19 pandemic.

Assessment of whether the going concern assumption is appropriate requires a judgement, at a certain time, of the future outcome of events or circumstances that are by nature uncertain. Whilst taking due account of all the available information at that time, this judgement is, therefore, susceptible to change as developments occur, should events that were reasonably foreseeable at the time of the assessment not occur, or should facts or circumstances arise that are incompatible with such events, and that are currently not known or, in any event, not reasonably estimable at the date of preparation of the Integrated Annual Report for the year ended 31 December 2020.

Further details on the going concern assessment carried out are provided in section 8.3 of the Integrated Annual Report for 2020.

Basis of preparation

The financial statements as at and for the year ended 31 December 2020, have been prepared:

a) in compliance with articles 2 and 4 of Legislative Decree 38/2005 and art. 154-*ter* "Financial reporting" in the Consolidated Finance Act ("CFA");

b) in compliance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), endorsed by the European Commission. For the sake of simplicity, all the above standards and interpretations are hereinafter referred to as "IFRS";

c) implementing the measures introduced by the CONSOB, in application of paragraph 3 of article 9 of Legislative Decree 38/2005, relating to the preparation of financial statements.

The financial statements consist of:

a) the statement of financial position (based on the format that separately discloses current and non-current assets and liabilities);

b) the income statement, in which costs are classified by nature of expense;

c) the statement of comprehensive income;

d) the statement of changes in equity;

e) the statement of cash flows, prepared in application of the indirect method; and these notes.

The historical cost convention has been applied in the preparation of the financial statements, with the exception of those items that are required by IFRS to be recognised at fair value, as explained in the accounting policies for individual items described below in note 3, "Accounting standards and policies applied".

IFRS have been applied in accordance with the indications provided in the "Conceptual Framework for Financial Reporting", and no events have occurred that would require exemptions pursuant to paragraph 19 of IAS 1.

CONSOB Resolution 15519 of 27 July 2006 requires that, in addition to the specific requirements of IFRS, financial statements must, where material, include separate sub-items providing (i) disclosure of amounts deriving from related party transactions; and, with regard to the income statement, (ii) separate disclosure of income and expenses deriving from events and transactions that are non-recurring in nature, or transactions or events that do not occur on a frequent basis during the normal course of business (such cases did not occur in 2020).

With regard CONSOB Resolution 15519 of 27 July 2006 relating to the format for financial statements, a specific supplementary statement of financial position, income statement and statement of financial position in thousands of euros, showing material related party transactions.

Finally, the notes have been supplemented, where relevant, with descriptions of the current and expected impact of the Covid-19 pandemic on the Company's statement of financial position, the operating performance and cash flows, as required by the ESMA Public Statements of 20 May and 28 October 2020, and by Warning Notices 9 and 1 issued by the CONSOB on 20 July 2020 and 16 February 2021, respectively.

The euro is both the Company's functional currency and its presentation currency.

Amounts in the statement of financial position, income statement and statement of cash flows are shown in euros, whilst amounts in the statement of comprehensive income, the statement of changes in equity and these notes are shown in thousands of euros, unless otherwise indicated.

Each component of the financial statements is compared with the corresponding amount for the comparative reporting period. The comparative amounts have not been restated or reclassified with respect to those previously presented in the financial statements as at and for the year ended 31 December 2019, as no events have occurred or material changes taken place in the accounting standards applied that would result in the need to adjust or reclassify amounts for the previous year. The only exception is the reclassification of amounts in the income statement for 2019 following the partial impairment of the carrying amount of Pavimental SpA (following the reclassification of this investment in the statement of financial position to "Investments held for sale or discontinued operations", as required by IFRS 5. This was done following the sale of the investment to Autostrade per l'Italia in January 2021, as described below).

3. Accounting standards and policies applied

The accounting standards and policies employed by the Company for its financial statements as at and for the year ended 31 December 2020, are consistent with those applied in preparation of the financial statements for the year ended 31 December 2019. Changes to IFRS effective from 2020, details of which are provided in the following section, have not had an impact on financial statement items.

Property, plant and equipment

Property, plant and equipment, including items acquired under finance leases, are stated at purchase cost. Cost includes expenditure that is directly attributable to the acquisition of the items and financial expenses incurred during construction of the asset.

The cost of assets with finite useful lives is systematically depreciated on a straight-line basis applying rates that represent the expected useful life of the asset. Each component of an asset with a cost that is significant in relation to the total cost of the item, and that has a different useful life, is accounted for separately. Land, whether free of constructions or annexed to civil and industrial buildings, is not depreciated as it has an indefinite useful life.

Investment property, which is held to earn rentals or for capital appreciation, or both, is recognised at cost measured in the same manner as property, plant and equipment. The relevant fair value of such assets has also been disclosed.

The annual rates of depreciation applied to "Property, plant and equipment" and "Investment property" in 2020, are shown in the table below by asset class.

Property, plant and equipment	Rate of depreciation
Buildings	3%
Leased buildings	lease term
Industrial and business equipment	20%
Other assets	12%

Right-of-use relating to assets are initially accounted for as property, plant and equipment, and the underlying liability recorded in the statement of financial position, at an amount equal to the relevant fair value or, if lower, the present value of the minimum payments due under the contract. Lease payments are apportioned between the interest element, which is charged to the income statement as incurred, and the capital element, which is deducted from the financial liability.

The measurement criteria used in testing for impairment are described in the paragraph, "Impairment of non-financial assets and reversals".

Property, plant and equipment is derecognised on disposal. Any gains or losses (determined as the difference between disposal proceeds, less costs to sell, and the carrying amount of the asset) are recognised in profit or loss in the period in which the asset is sold.

Business combinations and goodwill

Acquisitions of companies or business units are accounted for using the acquisition method, as required by IFRS 3. For this purpose, the identifiable assets acquired and liabilities assumed through business combinations are measured at their respective fair values at the acquisition date. The cost of an acquisition is measured as the fair value, at the date of exchange, of the assets acquired, liabilities assumed and any equity instruments issued by the Company in exchange for control. Ancillary costs directly attributable to the business combination are recognised as an expense in the income statement when incurred.

In compliance with IFRS 3, Goodwill is recognised on the basis of the positive difference between the acquisition cost, as defined above, and the net fair value, at the acquisition date, of the identifable assets acquired and liabilities assumed.

The goodwill, as measured at the acquisition date, is allocated to each of the substantially independent cash generating units expected to benefit from the synergies of the business combination. If the expected benefits regard several CGUs, goodwill is allocated to the relevant group of CGUs.

A negative difference between the cost of the acquisition and the fair value of the net assets acquired is recognised as income in profit or loss in the year of acquisition.

Goodwill of non-controlling interests is included in the carrying amount of the relevant investments.

If the Company is not in possession of all the information necessary to determine the fair value of the assets acquired and the liabilities assumed, these are recognised on a provisional basis in the year in which the business combination is completed and retrospectively adjusted within twelve months of the acquisition date.

After initial recognition, goodwill is no longer amortised and is carried at cost less any accumulated impairment losses, determined as described in the paragraph, "Impairment of non-financial assets and reversals".

IFRS 3 was not applied retrospectively to acquisitions prior to 1 January 2004, the Company's IFRS transition date. As a result, the carrying amount of goodwill on these acquisitions is that determined under Italian GAAP, which is the net carrying amount at this date, subject to impairment testing and the recognition of any impairment losses.

Investments

Investments in subsidiaries, associates and joint ventures are accounted for at cost and include any directly attributable transaction costs. Impairment losses are identified in accordance with IAS 36, as described below in the paragraph on "Impairment of assets and reversals (impairment testing)". The impairment is reversed in the event the circumstances giving rise to the impairment cease to exist; the reversal may not exceed the original carrying amount of the investment. Provisions are made to cover any losses of an associate or joint venture exceeding the carrying amount of the investment, to the extent that the shareholder is required to comply with actual or constructive obligations to cover such losses.

Investments in associates not held for strategic ends and other companies, which qualify as available-for-sale financial instruments, as defined by IFRS 9, are initially accounted for at cost at the settlement date, in that this represents fair value, including any directly attributable transaction costs. After initial recognition, these investments are measured at fair value through profit or loss, with the exception of investments not held for trading and for which, as permitted by IFRS 9, the Group has exercised the option, at the time of purchase, to designate the investment at fair value through other comprehensive income.

Acquisitions or disposals of investments and/or business units between companies belonging to the Atlantia Group (entities or businesses under common control) are treated, in accordance with IAS 1 and IAS 8, on the basis of their economic substance, with confirmation of the fact that the purchase consideration is determined on the basis of fair value and that added value is generated for all the parties involved, resulting in significant measurable changes in the cash flows generated by the investments transferred before and after transaction. In this regard:

a) in the case of the disposal of an intra-group investment, if both requirements to be confirmed are met, the difference between the purchase consideration received and the carrying amount of the investment transferred is recognised in profit or loss. In the other cases, the difference is recognised directly in equity;

b) in the case of acquisitions of intragroup investments, if both requirements to be confirmed are met, such investments are recognised at cost (as defined above); in the other cases, the investment is accounted for at the same amount at which it was accounted for in the financial statements of the transferee. The difference between the purchase consideration paid and this amount is, if positive, recognised as either an increase in the value of the investment held in the transferee (or in the transferee's parent in the event of indirect control) or, if negative, in profit or loss as a dividend.

Financial instruments

Financial instruments include cash and cash equivalents, derivative financial instruments and financial assets and liabilities (as defined by IFRS 9 and including, among other things, trade receivables and payables). Financial instruments are recognised when the Group becomes a party to the contractual provisions of the instrument.

Cash and cash equivalents

Cash and cash equivalents are recognised at face value. They include highly liquid demand deposits or very short-term instruments of excellent quality, which are subject to an insignificant risk of changes in value.

Derivative financial instruments

All derivative financial instruments are recognised at fair value at the end of the year.

As required by IFRS 9, derivatives are designated as hedging instruments when the relationship between the derivative and the hedged item is formally documented and the periodically assessed effectiveness of the hedge is high.

Changes in the fair value of cash flow hedges hedging assets and liabilities (including those that are pending and highly likely to arise in the future) are recognised in the statement of comprehensive income. The gain or loss relating to the ineffective portion is recognised in profit or loss. Accumulated changes on fair value taken to the cash flow hedge reserve are reclassified in profit or loss in the period in which the hedging relationship ceases.

Changes in the fair value of fair value hedges are recognised in profit or loss for the period. Accordingly, the hedged assets and liabilities are also measured at fair value through profit or loss.

If an entity enters into a fair value hedge to hedge the exposure to changes in the fair value of an asset or liability whose changes in fair value are recognised in other comprehensive income, in keeping with the changes in the fair value of the derivative instrument, these changes are also recognised in other comprehensive income for the period.

Changes in the fair value of derivative instruments that do not qualify for hedge accounting are recognised in profit or loss.

Financial assets

The classification and related measurement are driven by both the business model in which the financial asset is held and the contractual cash flow expected from the asset.

The financial asset, initially recognized at fair value, is subsequently evaluated using the amortized cost method if both of the following conditions are met:

a) the asset is held in conjunction with a business model whose objective is to hold assets in order to collect contractual cash flows; and

b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Receivables measured at amortised cost are initially recognised at the fair value of the underlying asset, after any directly attributable transaction proceeds. The receivables are measured at amortised cost using the effective interest method, less provisions for impairment losses (recognised in profit or loss) for amounts considered uncollectible. Amounts considered uncollectible are estimated on the basis of the method described in the section, "Impairment of financial assets". Impairment losses are reversed in future periods if the circumstances that resulted in the loss no longer exist. In this case, the reversal is accounted for in the income statement and may not in any event exceed the amortised cost of the receivable had no previous impairment losses been recognised.

Trade receivables subject to normal commercial terms and conditions, or that do not include significant financial components, are not discounted to present value.

The financial asset is measured at fair value through other comprehensive income if the objectives of the business model are to hold the financial asset to collect the contractual cash flows, or to sell it, and the contractual terms of the financial asset give rise, on specified dates, to cash flows that solely represent a return on the financial asset.

Finally, any remaining financial assets, other than those described above, are classified as held for trading and measured at fair value through profit or loss.

No financial instruments were reclassified from one of the above categories to another in 2020.

Impairment of financial assets

Assessment of the recoverability of financial assets that are debt instruments measured at amortised cost is conducted by estimating expected credit losses (ECLs), based on expected cash flows. These flows, taking into account the estimated probability of a default occurring, are determined in relation to the expected time needed to recover the amount due, the estimated realizable value, any guarantees received, and the costs that the Group expects to incur in recovering the amounts due. In the case of trade and other receivables, the probability of a default is determined on the basis of internal customer ratings, which are periodically reviewed, including with reference to historical information.

In the case of amounts due from counterparties where there has not been a significant increase in risk, ECLs are determined on the basis of expected losses in the 12 months after the reporting date. In other cases, the expected losses are estimated through to the end of the financial instrument's life.

Financial liabilities

Financial liabilities are initially recognised at fair value, after any directly attributable transaction costs. After initial recognition, financial liabilities are measures at amortised cost using the effective interest method, with the exception of those for which the Company irrevocably elects, at the time of recognition, to measure at fair value through profit or loss, so as to eliminate or reduce the accounting mismatch at the time of measurement or recognition, compared with an asset also measured at fair value.

Trading liabilities subject to normal commercial terms and conditions, or that do not include significant financial components, are not discounted to present value.

If there is a modification of one or more terms of an existing financial liability (including as a result of its novation), it is necessary to conduct a qualitative and quantitative assessment in order to decide whether or not the modification is substantial with respect to the existing contractual terms. In the absence of substantial modifications, the difference between the present value of the modified cash flows (determined using the instrument's effective interest rate at the date of modification) and the carrying amount of the instruments is accounted for in profit or loss. As a result, the value of the financial liability is adjusted and the instrument's effective interest rate recalculated. If the modifications are substantial, the existing instrument is derecognised and the fair value of the new instrument is recognised, with the related difference recognised in profit or loss.

Derecognition of financial instruments

Financial instruments are derecognised in the statement of financial position when, following their sale or settlement, the Company is no longer involved in their management and has transferred all the related risks and rewards of ownership and, therefore, no longer has the right to receive cash flows from the financial asset.

Fair value measurement and fair value hierarchy

For all transactions or balances (financial or non-financial) for which an accounting standard requires or permits fair value measurement and which falls within the application of IFRS 13, the Company applies the following criteria:

a) identification of the unit of account, defined as the level at which an asset or a liability is aggregated or disaggregated in an IFRS for recognition purposes;

b) identification of the principal market or, in the absence of such a market, the most advantageous market in which the particular asset or liability to be measured could be traded; unless otherwise indicated, it is assumed that the market currently used coincides with the principal market or, in the absence of such a market, the most advantageous market;

c) definition for non-financial assets of the highest and best use of the asset; unless otherwise indicated, highest and best use is the same as the asset's current use;

d) definition of valuation techniques that are appropriate for the measurement of fair value, maximising the use of relevant observable inputs that market participants would use when determining the price of an asset or liability;

e) determination of the fair value of assets, based on the price that would be received to sell an asset, and of liabilities and equity instruments, based on the price paid to transfer a liability in an orderly transaction between market participants at the measurement date;

f) inclusion of non-performance risk in the measurement of assets and liabilities and above all, in the case of financial instruments, determination of a valuation adjustment when measuring fair value to include, in addition to counterparty risk (CVA – credit valuation adjustment), the own credit risk (DVA - debit valuation adjustment).

Based on the inputs used for fair value measurement, a fair value hierarchy for classifying the assets and liabilities measured at fair value, or the fair value of which is disclosed in the financial statements, has been identified:

a) level 1: includes quoted prices in active markets for identical assets or liabilities;

b) level 2: includes inputs other than quoted prices included within level 1 that are observable, such as the following: i) quoted prices for similar assets or liabilities in active markets; ii) quoted prices for similar or identical assets or liabilities in markets that are not active; iii) other observable inputs (interest rate and yield curves, implied volatilities and credit spreads);

c) level 3: unobservable inputs. These inputs are used to the extent that observable data is not available. The unobservable data used for fair value measurement should reflect the assumptions that market participants would use when pricing the asset or liability being measured.

Definitions of the fair value hierarchy level in which individual financial instruments measured at fair value have been classified, or for which the fair value is disclosed in the financial statements, are provided in the notes to individual components of the financial statements.

There are no assets or liabilities classifiable in level 3 of the fair value hierarchy.

No transfers between the various levels of the fair value hierarchy took place during the year.

The fair value of derivative financial instruments is based on expected cash flows that are discounted at rates derived from the market yield curve at the measurement date and the curve for listed credit default swaps entered into by the counterparty and the Company, to include the non-performance risk explicitly provided for by IFRS 13.

In the case of medium/long-term financial instruments, other than derivatives, where market prices are not available, the fair value is determined by discounting expected cash flows, using the market yield curve at the measurement date and taking into account counterparty risk in the case of financial assets and own credit risk in the case of financial liabilities.

Treasury shares

Treasury shares are recognised at cost and accounted for as a reduction in equity. The impact of any subsequent sales is recognised in equity.

Provisions

Provisions are made when: (i) the Company has a present (actual or constructive) obligation as a result of a past event; (ii) it is probable that an outflow of resources will be required to settle the obligation; and (iii) the related amount has been reliably estimated.

Provisions are measured on the basis of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the discount to present value is material, provisions are determined by discounting future expected cash flows to their present value using a discount rate used that reflects current market assessments of the time value of money. Subsequent to the computation of present value, the increase in provisions over time is recognised as a financial expense. The costs incurred during the year to settle the obligation are accounted for as a direct reduction in the provisions previously made.

Employee benefits

Short-term employee benefits, provided during the period of employment, are accounted for at the accrued liability at the end of the reporting period.

Liabilities deriving from other medium/long-term employee benefits are recognised in the vesting period, less any plan assets and advance payments made. They are determined on the basis of actuarial assumptions, if material, and recognised on an accrual basis in line with the period of service necessary to obtain the benefit.

Post-employment benefits in the form of defined contribution plans are recognised at the amount accrued at the end of the reporting period.

Post-employment benefits in the form of defined benefit plans are recognised in the vesting period, less any plan assets and advance payments made. Such defined benefit plans primarily regard the obligation as determined on the basis of actuarial assumptions and recognised on an accrual basis in line with the period of service necessary to obtain the benefit. The obligation is calculated by independent actuaries. Any resulting actuarial gain or loss is recognised in full in other comprehensive income in the period to which it relates.

Non-current assets held for sale, assets and liabilities included in disposal groups or those for distribution to shareholders and/or related to discontinued operations

Where the carrying amount of non-current assets held for sale, or of assets and liabilities included in disposal groups and/or related to discontinued operations is to be recovered primarily through sale rather than through continued use, these items are presented separately in the statement of financial position.

Immediately prior to being classified as held for sale, the above assets and liabilities are recognised under the specific IFRS applicable to each asset and liability, and subsequently accounted for at the lower of the carrying amount and estimated fair value. Any impairment losses are recognised immediately in the income statement.

Non-current assets held for sale or for distribution to shareholders and discontinued or discontinuing operations (including investments) are classifiable as "discontinued operations" provided the following conditions are met:

a) they represent a major line of business or geographical area of operation;

b) they are part of a single coordinated plan to dispose of a separate major line of business or geographical area of operation;

c) they are subsidiaries acquired exclusively with a view to resale.

After tax gains and losses resulting from the management or sale of such operations are recognised as one amount in profit or loss with comparatives.

Revenue

Revenue is recognised when the fair value can be reliably measured and it is probable that the economic benefits associated with the transactions will flow to the Group. The amount recognised as revenue reflects the consideration to which the Group is entitled in exchange for goods transferred to the customer and services rendered. This revenue is recognised when the performance obligations under the contract have been satisfied.

Depending on the type of transaction, revenue is recognised on the basis of the following specific criteria:

a) the provision of services is prorated to percentage of completion of work. When the amount of the revenue cannot be reliably determined, revenue is recognised only to the extent that expenses are considered to be recoverable;

b) b)rental income or royalties, on an accrual basis, based on the agreed terms and conditions of the contract;

c) interest income (and interest expense) is accrued with reference to amount of the financial asset or liability, in accordance with the effective interest method;

d) dividend income is recognised when the right to receive payment is established.

Income taxes

Income taxes are recognised on the basis of a realistic estimate of tax expense to be paid, in compliance with the regulations in force.

Income tax payables are reported under current tax liabilities in the statement of financial position less any payments of taxes on account. Any overpayments are recognised as current tax assets.

Deferred tax assets and liabilities are determined on the basis of temporary differences between the carrying amounts of assets and liabilities as in the Company's books (resulting from application of the accounting policies) and the corresponding tax bases (resulting from application of the tax regulations in force), as follows:

a) deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the asset can be utilised;

b) deferred tax liabilities are always recognised (unless the liability derives from the initial recognition of goodwill or as a result of temporary taxable differences relating to investments in subsidiaries, associates and joint ventures, when the Company has control over the timing of the reversal of the temporary differences and it is likely that the temporary difference will not reverse in the foreseeable future).

Deferred tax assets and liabilities are calculated on the basis of the tax rate expected to be in effect at the time the related temporary differences will reverse, taking into account any legislation enacted by the end of the reporting period. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer considered probable that there will be sufficient future taxable profits against which the asset can be fully or partially utilised.

Current and deferred tax assets and liabilities are recognised in profit or loss, with the exception of those relating to items recognised directly in equity, and for which the related taxation is also recognised in equity.

Based on Legislative Decree 344/2003 and articles 117 *et seq.* of Presidential Decree 917/1986, Atlantia has elected for group taxation for the purposes of IRES (tax consolidation arrangement), as the consolidating entity.

The current tax assets and liabilities for IRES of the companies included in the consolidation are reported as current tax assets and liabilities, with recognition of a matching receivable or payable due from or to the subsidiary, in connection with the transfer of funds to be carried out as a result of the tax consolidation.

Relations between the companies are regulated by a specific contract. This contract establishes that participation in the tax consolidation arrangement may not, under any circumstances, result in economic or financial disadvantages for the participating companies compared with the situation that would have arisen had they not participated in the arrangement. Should such disadvantages arise, they are to be offset by a corresponding indemnity to be paid to the participating companies concerned.

Share-based payment

The cost of services provided by directors and/or employees remunerated through share-based incentive plans, and settled through the award of financial instruments, where the Company has an obligation to settle the transaction, is based on the fair value of the rights at the grant date. Fair value is computed using actuarial assumptions and with reference to all characteristics, at the grant date (vesting period, any consideration due and conditions of exercise, etc.), of the rights and the plan's underlying securities. The obligation is determined by independent actuaries.

The cost of these plans is recognised in profit or loss, with a contra-entry in equity, over the vesting period, based on a best estimate of the number of options that will vest.

If the beneficiaries are the directors or employees of subsidiaries, where the Company has an obligation to settle the transaction, the cost is recognised as an increase in the value of the investment.

The cost of any services provided by Directors and/or employees and remunerated through share-based payments, but settled in cash, where the Company has an obligation to settle the transaction, is instead measured at the fair value of the liability assumed and recognised in profit or loss. A contra entry is made in liabilities, over the vesting period, based on a best estimate of the number of options that will vest. Fair value is remeasured at the end of each reporting period until such time as the liability is settled, with any changes recognised in profit or loss. If the beneficiaries are the directors or employees of subsidiaries, where the Company has an obligation to settle the transaction, the cost is recognised as an increase in the value of the investment.

Impairment of non-financial assets and reversals

At the end of the reporting period, the Company tests property, plant and equipment, intangible assets, financial assets and investments (other than those measured at fair value) for impairment.

If there are indications that these assets have been impaired, the recoverable amounts of such assets are estimated in order to verify and eventually measure the amount of the impairment loss. Irrespective of whether there is an indication of impairment, intangible assets with indefinite lives (e.g., goodwill, trademarks, etc.) and those which are not yet available for use are tested for impairment at least annually, or more frequently, if an event has occurred or there has been a change in circumstances that could cause an impairment.

If it is not possible to estimate the recoverable amounts of individual assets, the recoverable amount of the cash generating unit or group of CGUs to which a particular asset belongs or has been allocated, as is the case of goodwill, is estimated.

This entails estimating the recoverable amount of the asset (represented by the higher of the asset's fair value less costs to sell and its value in use) and comparing it with the carrying amount. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount. In calculating value in use, expected future pre-tax cash flow is discounted using a pre-tax rate that reflects current market assessments of the cost of capital which embodies the time value of money and the risks specific to the business.

In contrast, in estimating the future cash flow of a CGU, the Company uses after-tax cash flows and discount rates that produce results that are substantially equivalent to those resulting from a pre-tax computation.

Impairments are recognised in profit or loss and classified in various ways depending on the nature of the impaired asset.

If there are indications, at the end of the reporting period, that an impairment loss recognised in previous years has been reduced, in full or in part, the recoverability of the carrying amount in the statement of financial position is tested and any reversal of the impairment loss through profit or loss determined. The reversal may under no circumstances exceed the amount of the impairment loss previously recognised. Impairments of goodwill are under no circumstances reversible.

Estimates and judgments

Preparation of financial statements in compliance with IFRS involves the use of estimates and judgements, which are reflected in the measurement of the carrying amounts of assets and liabilities and in the disclosures provided in the notes to the financial statements, including contingent assets and liabilities at the end of the reporting period. These estimates are primarily used in determining amortisation and depreciation, impairment testing of assets (including the measurement of receivables), provisions, employee benefits, the fair value of financial assets and liabilities, and current and deferred tax assets and liabilities.

The amounts subsequently recognised may, therefore, differ from these estimates. Moreover, these estimates and judgements are periodically reviewed and updated, and the resulting effects of each change immediately recognised in the financial statements.

Translation of foreign currency items

Transactions in currencies other than the functional currency are recognised by application of the exchange rate at the transaction date. Assets and liabilities denominated in currencies other than the functional currency are, subsequently, remeasured by application of the exchange rate at the end of the reporting period. Any exchange differences on remeasurement are recognised in the income statement. Non-monetary assets and liabilities denominated in foreign currencies and recognised at historical cost or fair value are translated using the exchange rate at the date of initial recognition.

Earnings per share

Basic earnings per share is computed by dividing profit by the weighted average number of shares outstanding during the accounting period.

Diluted earnings per share is computed by dividing profit attributable to owners of the parent by the above weighted average, also taking into account the effects deriving from the subscription, exercise or conversion of all potential shares that may be issued as a result of the exercise of any outstanding rights.

New accounting standards and interpretations, or revisions and amendments of existing standards, effective from 2020

As required by IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, this section describes new accounting standards and interpretations, and amendments of existing standards and interpretations that are already applicable, effective from 2020. Such changes have not had an impact on amounts in the financial statements for the year, as there were no material changes applicable.

Name of document	Effective date of IASB document	Date of EU endorsement
ACCOUNTING STANDARDS AND INTERPRETATIONS ENDORSED AND EFFECTIVE FROM 1 JANUARY 2020		
Amendments to IFRS 16 - "Leases - Covid-19-Related Rent Concessions"	1 June 2020	October 2020
Amendments to IFRS 3 - Business Combinations	1 January 2020	April 2020
Amendments to IFRS 9, IAS 39 and IFRS 7 relating to "Interest Rate Benchmark Reform"	1 January 2020	January 2020
Amendments to IAS 1 – Presentation of Financial Statements and IAS 8 – Accounting Policies, Change in Accounting Estimates and Errors	1 January 2020	November 2019

Amendment to IFRS 16 – "Leases Covid-19-Related Rent Concessions"

On 28 May 2020, the IASB published the document "Amendment to IFRS 16 Leases Covid-19-Related Rent Concessions", effective from 1 January 2021 (earlier application is permitted). The changes introduced have added a practical expedient to the paragraph on "Lease modifications", allowing the lessee to not consider rent concessions, relating to the impact of Covid-19, as a modification of the original terms and conditions of the lease. The above changes must, therefore, be accounted for as if the contract had not been modified, recognising the impact of the rent concessions for which the lessee has applied the practical expedient in profit or loss. This expedient applies to Covid-19-related relief reducing rentals falling due by 30 June 2021 and does not regard lessors. The amendment only applies to rent concessions granted as a direct consequence of the Covid-19 pandemic and only when a series of conditions have been met. Finally, lessees applying the expedient must disclose the fact in their financial statements.

Amendments to IFRS 3 – Business Combinations

On 22 October 2018, the IASB published "Definition of a Business (Amendments to IFRS 3)", to amend IFRS 3 in such a way as to clarify the definition of a business for the proper application of the standard.

In particular, the amendment clarifies that an output is not the necessary condition to identify a business in the presence of a set of activities/processes and assets. However, to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. To this end, the IASB has replaced "ability to create outputs" with "contribution to the ability to create outputs" to clarify that a business can exist also without all the inputs and processes necessary to create an output.

Moreover, the amendment has introduced an optional concentration test, to determine whether an acquired set of activities and assets is a business.

Amendments to IFRS 9 – Financial Instruments, IAS 39 – Financial Instruments: Recognition and Measurement and to IFRS 7 - Interest Rate Benchmark Reform

On 26 September 2019, the IASB published the document entitled "Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)", which has amended certain of the requirements for the application of hedge accounting, introducing temporary exemptions to such requirements. This is to mitigate the impact of uncertainty over the reform of IBOR, which is still in progress, on future cash flows, whilst awaiting completion of the process. The amendment was made necessary following the report, "Reforming Major Interest Rate Benchmarks", in which the European Financial Stability Board issued recommendations designed to strengthen existing interest rate benchmarks and other potential benchmarks based on interbank rates and identify alternative near-risk-free rates. The amendment also requires entities to disclose the hedging relationships directly impacted by the uncertainties caused by the reform and to which the above exemptions apply. It also permits entities to continue to meet the requirements of IFRS assuming that the existing interest rate benchmarks are not altered because of the interbank offered rate reform.

Amendments to IAS 1 – Presentation of Financial Statement and to IAS 8 – Accounting Policies, Change in Accounting estimates and Errors

On 31 October 2018, the IASB published "Definition of Material (Amendments to IAS 1 and IAS 8)". The document introduced an amendment to the definition of "material". The amendment clarifies the definition of "material" and introduces the concept of "obscured information", in addition to the concepts of "omitted" and "misstated" information already present in the two amended standards. The amendment clarifies that information is "obscured" if it is provided in such a way as to produce for general users of financial statements an effect similar to that which would be produced if such information had been omitted or misstated.

New accounting standards and interpretations, or revision and amendment of existing standards, that have either yet to come into effect or are yet to be endorsed

As required by IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, this section describes new accounting standards and interpretations, and amendments of existing standards and interpretations that are already applicable, that have yet to come into effect as at 31 December 2020, and that may in the future be applied in the Group's consolidated financial statements.

Name of document	Effective date of IASB document	Date of EU endorsement
ACCOUNTING STANDARDS AND INTERPRETATIONS ENDORSED AND EFFECTIVE FROM 1 JANUARY 2021		
Amendments to IFRS 9, IAS 39 and IFRS 7 relating to "Interest Rate Benchmark Reform" (phase 2)	1 January 2021	January 2021
Amendments to IAS 1 - *Presentation of Financial Statements: Classification of liabilities as current or non-current*	1 January 2021	Not yet endorsed
Amendments to IFRS 3 - Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets; Annual Improvements 2018-2020	1 January 2021	Not yet endorsed

Amendments to IFRS 9, IAS 39, IFRS 7 on "Interest Rate Benchmark Reform" (phase 2)

On 27 August 2020, the IASB published the document entitled "Interest Rate Benchmark Reform - phase 2- (Amendments to IFRS 9, IAS 39 and IFRS 7)", to take into account the consequences of the effective replacement of existing benchmark interest rates with alternative benchmark rates. These amendments require a specific accounting treatment to spread changes in the value of financial instruments or lease contracts, due to replacement of the interest rate benchmark over time, thus avoiding a sudden impact on profit or loss, and prevent unnecessary discontinuations of hedging relationships as a consequence of the replacement of the interest rate benchmark.

Amendments to IAS 1 – Presentation of Financial Statements – Classification of liabilities as current or non-current

On 23 January 2020, the IASB published a document entitled "Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current", with the amendments to applicable to annual accounting periods beginning on or after 1 January 2023, unless otherwise decided at the time of endorsement by the European Commission.

The IASB has clarified the criteria to be used in order to determine if a liability is to be classified as current or non-current. The amendments aim to enable consistent application of the requirements, helping entities to determine if debt, and other liabilities with an uncertain settlement date, should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments also clarify the classification requirements for debt a company might settle by converting it into equity.

Amendments to IFRS 3 — Business Combinations; IAS 16 – Property, Plant and Equipment; IAS 37 – Provisions, Contingent Liabilities and Contingent Assets; Annual Improvements 2018-2020

On 14 May 2020 the IASB issued a document entitled "Amendments to (i) IFRS 3 Business Combinations; (ii) IAS 16 Property, Plant and Equipment; (iii) IAS 37 Provisions, Contingent Liabilities and Contingent Assets (iv) Annual Improvements to IFRS Standards 2018-2020". The amendments applicable to annual accounting periods beginning on or after 1 January 2022, unless otherwise decided at the time of endorsement by the European Commission. In particular: (i) with the "Amendments to IFRS 3 - Business Combinations", the IASB has updated references to the revised Conceptual Framework, without this resulting in changes to the requirements in the standard; (ii) with the "Amendments to IAS 16 - Property, Plant and Equipment", the IASB has introduced a number of clarifications, prohibiting entities from deducting from the cost of property, plant and equipment amounts received from selling items produced while the entity is preparing the asset for its intended use. Instead, entities must recognise such sales proceeds and related cost in profit or loss; (iii) with the "Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets", the IASB has clarified which costs an entity shall consider in assessing whether a contract is onerous; (iv) finally, with the "Annual Improvements to IFRS Standards 2018–2020", changes have been made to: (1) IFRS 1 - First-time Adoption of IFRS, simplifying the first-time adoption of IFRS by a subsidiary after its parent has already adopted them, in terms of measuring cumulative translation difference; (2) IFRS 9 - Financial Instruments, clarifying that, when conducting the "10 per cent" test to assess if the modifications made to a financial liability are material (and, thus, resulting in derecognition), an entity must include only fees paid or received between the entity and the lender.

The Company is assessing the potential impact, which cannot currently be reasonably estimated, of future application of all the newly issued standards as well as the revisions and amendments of existing standards.

4. Acquisitions and corporate actions during the period

There were no material acquisitions and or corporate actions in 2020. In October 2020, Atlantia agreed to sell a 49% interest in Telepass to the global private markets investment manager, Partners Group AG for a consideration amounting to €1,056 million.

The transaction is expected to complete, subject to receipt of the various consents and satisfaction of the related conditions, in the first half of 2021.

5. Notes to the statement of financial position

The following notes provide information on items in the statement of financial position as at 31 December 2020. Comparative amounts as at 31 December 2019 are shown in brackets.

Details of items in the consolidated statement of financial position deriving from related party transactions are provided in note 8.2, "Related party transactions".

5.1 Property, plant and equipment
€11,869 thousand (€19,775 thousand)

The following table shows the original cost and accumulated depreciation for the various categories of property, plant and equipment at the end of each period

€000	31 December 2020			31 December 2019		
	Cost	Accumulated depreciation	Carrying amount	Cost	Accumulated depreciation	Carrying amount
Property, plant and equipment	14,180	-6,596	7,584	20,453	-5,199	15,254
Investment property	10,437	-6,152	4,285	10,439	-5,918	4,521
Property, plant and equipment	24,617	-12,748	11,869	30,892	-11,117	19,775

The following table shows amounts and changes in the carrying amounts for the various categories of property, plant and equipment at the beginning and at the end of the period.

€000	Carrying amount as at 31 December 2019	Investment/ Additions	Depreciation	Reclassifications and other adjustments	Carrying amount as at 31 December 2020
Property, plant and equipment					
Land	39	-	-	-	39
Buildings	15,168	5,456	-1,313	-12,471	6,840
Industrial and business equipment	22	1	-13	-	10
Other assets	25	741	-71		695
Total	15,254	6,198	-1,397	-12,471	7,584
Investment property					
Land	1,124	-	-	-	1,124
Buildings	3,397	-	-234	-2	3,161
Total	4,521	-	-234	-2	4,285
Total property, plant and equipment	19,775	6,198	-1,631	-12,473	11,869

In addition to depreciation for the year, the reduction in this item is broadly linked to the impact of changes in right-of-use assets in relation to contracts in which the Company is the lessee:

a) early termination of a property lease (€12,471 thousand), with a multi-year renewal option, entered into with the subsidiary, Autostrade per l'Italia;

b) new lease agreements (€5,427 thousand), including the contract for the new administrative offices in Milan.

The value of the right-of-use assets accounted for as at 31 December 2020 in application of IFRS 16 "Leases", after the related depreciation, amounts to €5,344 thousand.

"Investment property" essentially includes buildings and land owned by the Company and leased to other Atlantia Group companies (properties in Rome). The total fair value of these assets, estimated on the basis of independent appraisals and information on property markets relevant to these types of investment property. This amount is higher than the related carrying amount.

There were no changes in the expected useful lives of these assets during 2020.

Property, plant and equipment as at 31 December 2020 is free of mortgages, liens or other collateral guarantees restricting use.

5.2 Intangible assets €274 thousand (€229 thousand)

Intangible assets essentially consist of building rights for land owned by the Municipality of Florence.

5.3 Investments €14,708,376 thousand (€15,521,258 thousand)

The following tables show:

a) amounts at the beginning and end of the period (showing the original cost and any accumulated revaluations and impairments) for the investment held by the Company, classified by category, and the related changes during the year;

b) details of investments, showing, as well as other information, percentage interest and the relevant carrying amount as at 31 December 2020.

	31 December 2019			CHANGES DURING THE YEAR						31 December 2020		
				Cost			Impairments					
€000	Cost	Accumulated (impairments)	Carrying amount	New acquisitions, additions for consideration and capital contributions	(Decreases)/ Increases due to share-based payment plans	Currency translation differences	Reclassifications to assets/ liabilities held for sale/ disposal groups	(Decreases)/ Increases due to changes in fair value recognised in other comprehensive income	Other increases/ decreases through profit or loss	Cost	Accumulated (impairments)	Carrying amount
Autostrade per l'Italia SpA	5,332,849	-	5,332,849	-	5,642	-	-	-	-	5,338,491	-	5,338,491
Abertis HoldCo SA	2,951,749	-	2,951,749	-	-	-	-	-	-	2,951,749	-	2,951,749
Aeroporti di Roma SpA	2,912,641	-	2,912,641	-	2,354	-	-	-	-	2,914,995	-	2,914,995
Aero 1 Global & International Sà rl	1,000,378	-	1,000,378	-	-	-	-	-	-	1,000,378	-	1,000,378
Autostrade dell'Atlantico Srl	754,584	-	754,584	-	-	-	-	-	-	754,584	-	754,584
Azzurra Aeroporti SpA	353,063	-38,718	314,345	-	-	-	-	-	-165,351	353,063	-204,069	148,994
Stalexport Autostrady SA	104,843	-	104,843	-	-	-	-	-	-	104,843	-	104,843
Telepass SpA	26,605	-	26,605	-	255	-	-13,036	-	-	13,824	-	13,824
Fiumicino Energia Srl	7,673	-	7,673	-	-	-	-	-	-	7,673	-	7,673
Spea Engineering SpA	3,734	-	3,734	-	535	-	-	-	-	4,269	-	4,269
Autostrade Indian Infrastructure Development Private Limited	486	-	486	-	-	-	-	-	-	486	-	486
Autostrade Concessioni e Costruzioni SpA	-	-	-	100	-	-				100		100
Domino Srl in liquidation (1)	23	-	23	-	-	-	-	-	-	23	-	23
Pavimental SpA	28,801	-14,526	14,275	-	674	-	-14,949	-	-	14,526	-14,526	-
Gemina Fiduciary Service SA (2)	322	-322	-		-	-	-	-	-	322	-322	-
Investments in subsiadiaries	**13,477,751**	**-53,566**	**13,424,185**	**100**	**9,460**	**-**	**-27,985**	**-**	**-165,351**	**13,459,326**	**-218,917**	**13,240,409**
Aeroporto Guglielmo Marconi di Bologna SpA	164,516	-	164,516	-	-	-		-	-53,616	164,516	-53,616	110,900
Investments in associates	**164,516**	**-**	**164,516**					**-**	**-53,616**	**164,516**	**-53,616**	**110,900**
Pune Solapur Expressways Private Ltd (3)	16,372	-	16,372	-	-	40		-		16,412	-	16,412
Investments in joint ventures	**16,372**	**-**	**16,372**			**40**	**-**	**-**	**-**	**16,412**	**-**	**16,412**
Hochtief Aktiengesellschaft	2,410,652	-494,467	1,916,185	-	-	-	-	-575,530	-	2,410,652	-1,069,997	1,340,655
Compagnia Aerea Italiana S.p.A.	175,867	-175,867	-	-	-	-	-	-	-	175,867	-175,867	-
Investments in other companies	**2,586,519**	**-670,334**	**1,916,185**	**-**	**-**	**-**	**-**	**-575,530**	**-**	**2,586,519**	**-1,245,864**	**1,340,655**
Total invetsments	**16,245,158**	**-723,900**	**15,521,258**	**100**	**9,460**	**40**	**-27,985**	**-575,530**	**-218,967**	**16,226,773**	**-1,518,397**	**14,708,376**

(1) *This company was placed into liquidation on 22 June 2020.*
(2) *The investment was sold on 26 February 2019.*
(3) *Carrying amount net of unpaid called-up capital.*

Name	Registered office	Number of shares/units	Par value	Capital/Consortium fund	Interest (%)	Number of shares/units held	Profit/(Loss) for 2020 (€000) (1)	Equity as at 31 December 2020 (€000)(1)	Carrying amount as at 31 December 2020 (€000)
Autostrade per l'Italia SpA	Rome	622,027,000	euro 1,00	euro 622,027,000	88.06%	547,776,698	-398,131	1,095,295	5,338,491
Abertis HoldCo SA	Madrid (Spain)	33,353,330	euro 3,00	euro 100,059,990	50% + 1 share	16,676,666	19,018	5,001,200	2,951,749
Aeroporti di Roma SpA	Fiumicino	62,224,743	euro 1,00	euro 62,224,743	99.38%	61,842,015	-143,353	980,656	2,914,995
Aero 1 Global & International Sà rl	Luxembourg	667,086,173	euro 0,01	euro 6,670,862	100.00%	667,086,173	-218	674,649	1,000,378
Autostrade dell'Atlantico Srl	Rome	1,000,000	euro 1,00	euro 1,000,000	100.00%	1,000,000	33,366	296,222	754,584
Azzurra Aeroporti SpA	Rome	3,221,234	euro 1,00	euro 3,221,234	52.69%	1,697,408	-240,427	369,783	148,994
Stalexport Autostrady SA	Myslowice (Poland)	247,262,023	zloty 0,75	zloty 185,446,517	61.20%	151,323,463	35,466	90,979	104,843
Telepass SpA	Rome	26,000,000	euro 1,00	euro 26,000,000	100.00%	26,000,000	47,681	160,948	13,824
Fiumicino Energia Srl	Fiumicino	741,795	euro 1,00	euro 741,795	87.14%	646,387	213	11,981	7,673
Spea Engineering SpA	Rome	1,350,000	euro 5,16	euro 6,966,000	60.00%	810,000	-15,727	40,629	4,269
Autostrade Indian Infrastructure Development Private Limited	Mumbai (Maharashtra)	10,000	rupia 50,00	rupia 500,000	99.99%	9,999	153 (2)	1,152 (2)	486
Autostrade Concessioni e Costruzioni SpA	Rome	100,000	euro 1,00	euro 100,000	100.00%	100,000	-41	59	100
Domino S.r.l. in liquidazione	Rome	1	euro -	euro 10,000	100.00%	1	-7	6	23
Pavimental SpA	Rome	77,818,865	euro 0,13	euro 10,116,452	59.40%	46,223,290	-4,928	10,065	-
Investments in subsidiaries									**13,240,409**
Aeroporto Guglielmo Marconi di Bologna SpA	Bologna	36,125,665	euro 2,50	euro 90,314,162	29.38%	10,613,628	20,068 (3)	173,927 (3)	110,900
Investments in associates									**110,900**
Pune Solapur Expressways Private Ltd.	Patas - District Pune - Maharashtra (India)	10,000,000	rupia 10,00	rupia 100,000,000	50.00%	5,000,000	181 (2)	5,019 (2)	16,412
Investments in joint ventures									**16,412**
Hochtief Aktiengesellschaft	Ellen (Germany)	70,646,707	euro 2,56	euro 180,855,570	23.86%	16,852,995	409,751 (3)	2,835,373 (3)	1,340,655
Compagnia Aerea Italiana SpA	Fiumicino	82,769,810,125	euro -	euro 3,526,846	6.52%	5,396,768,051	561 (3)	7,092 (3)	-
Investments in other companies									**1,340,655**
Investments (A+B+C+D)									**14,708,376**

(1) *The figures have been taken from the latest financial statements approved by the boards of directors of each company.*
(2) *These fugures have been taken from the latest financial statements approved by the board of directors (as at 31 March 2020).*
(3) *The figures have been taken from the latest financial statements approved by shareholders (31 December 2020).*

The balance of this item is down €812,882 thousand, primarily due a combination of the following:

a) the negative impact (€575,530 thousand) of fair value measurement of the investment in Hochtief (the price of the shares fell from €113.7 per share as at 31 December 2019 to €79.5 per share at 31 December 2020).

At the date of preparation of this document, the fair value of the investment (not taking into account the hedges of share price risk described in note 7.2) is [€1,220] million;

b) partial impairment losses on the carrying amount of the investments in Azzurra Aeroporti (€165,351 thousand) and Aeroporto Guglielmo Marconi di Bologna (€53,616 thousand);

c) the reclassification to investments held for sale of a 49% interest in Telepass (€13,036 thousand), following the above agreement to sell this stake, and of the entire 59.4% interest in Pavimental (€10,989 thousand following the impairment loss of €3,960 thousand recognised in "Profit/(Loss) from discontinued operations"), due to its transfer to Autostrade per l'Italia in 2021;

d) the increase (€9,460 thousand) in the value of investments in the Italian subsidiaries, whose employees were the beneficiaries of the free share scheme introduced by Atlantia and completed in November 2020.

As required by IAS 36, impairment tests have also been conducted on the carrying amounts of investments as at 31 December 2020:

a) that include goodwill (Autostrade per l'Italia, Azzurra Aeroporti, which owns 64% of Aèroports de la Cote d'Azur, and Abertis Holdco, which owns 98.7% of Abertis Infraestructuras), or

b) for which there is evidence of a potential impairment.

Impairment testing

In view of the impact of the Covid-19 pandemic and the recommendations issued by Italian and European regulators (the Italian accounting standards setter, the Bank of Italy, the CONSOB and ISVAP in Italy and the ESMA in Europe), in 2020 the Company engaged an independent expert to audit and confirm the results obtained. The expert examined compliance with IFRS and prevailing valuation practices, the impairment testing procedures used by the Company, and the estimates of the measurement parameters used, above all with regard to discount rates.

The impairment tests revealed evidence of impairment for all the investment in motorway and airport operators, and for the investments in Pavimental and Spea Engineering, in the associate, Aeroporto Guglielmo Marconi di Bologna, and in the joint venture, Pune Solapur. There was no evidence of potential reversals of impairment losses on investments recognised in previous years.

Measurement of equity values

The impairment tests examined by the Board of Directors were conducted on the basis of IAS 36, by estimating the equity value of investments in individual subsidiaries, as described below:

a) except for the specific cases described below, the equity value of investments in subsidiaries was estimated by using the Unlevered Discounted Cash Flow approach. This involves the measurement of value in use (computed by discounting the expected net operating cash flows of the company and/or its investees to present value, and deducting the company's existing net debt) and the related discount rate. In estimating operating cash flows, reference was made, where available, to the updated long-term business plans of the individual operators, containing projections for traffic, investment, costs and revenues throughout the duration of the related concession terms. Use of long-term plans covering the entirety of the companies' concession terms is deemed more appropriate than the approach provisionally suggested by IAS 36 (a limited explicit projection period and the estimated terminal value), given the intrinsic nature of the concession arrangements, above all with regard to the regulations governing the sector and the predetermined duration of the arrangements. In the case of Autostrade per l'Italia, with regard to the reasonable likelihood of reaching agreement with the Government as a result of the talks currently in progress, reference was made to the long-term plan approved by the company's board of directors and drawn up on the basis of the Financial Plan submitted to the Grantor (and in the process of being approved) and in application of the transport regulator's latest determination. In the case of Autostrade per l'Italia and Azzurra Aeroporti (which holds a 64% interest in Aéroports de la Côte d'Azur), value in use was determined by using the long-term business plans prepared by the companies and their subsidiaries, taking into account the related concession terms (through to 2038 and 2044, respectively);

b) Abertis HoldCo (which holds the 98.7% interest in Abertis Infraestructuras), for which value in use was estimated on the basis of the long-term 5-year plan prepared by the companies, by estimating the terminal value. This was done to appropriately assess the Abertis group's ability to generate or acquire additional business in the operation of infrastructure under concession and in the related services (including business beyond its activities or geographical footprint at the acquisition date).

c) In the case of the subsidiary, Pavimental, reference was made to the fair value represented by the consideration received from the sale (based on an independent expert appraisal) by Atlantia to Autostrade per l'Italia in January 2021;

d) in estimating the equity value of investment in Spea Engineering, it was deemed appropriate to use the Dividend Discount Model, based on the estimated cash flows to be received by shareholders under the company's long-term business plan;

e) in the case of the subsidiary, Aero 1 Global & International, reference was made to the fair value of the investment in Getlink, based on the latter's share price as at 31 December 2020;

f) as regards the associate, Aeroporto Guglielmo Marconi di Bologna and the joint venture, Pune Solapur, value in use was estimated using the Dividend Discount Model, based on assumed cash flows resulting from distributions to shareholders over a period of time equal to the respective terms of the companies' concessions.

The assumptions used as the basis for the quantification of cash flows and discount rate were primarily based on publicly available information from external sources, integrated, where appropriate, by estimates based also on historical data.

Determination of the discount rates used

Determination of the (after-tax) discount rates to use was based on financial market conditions as at 31 December 2020.

The following table shows the rates used to discount the above cash flows. The discount rates differ from the returns on invested capital and on construction and/or operating services provided for in the various companies' respective concession arrangements, which reflect specific regulatory and/or legislative mechanisms.

Investments	Discount rate as at 31 December 2020
Autostrade per l'Italia	**5.5%**
Abertis HoldCo	**5.4%**
Aeroporti di Rome	**5.8%**
Autostrade dell'Atlantico	
Grupo Costanera (Chile)	6.2%
AB Concessoes (Brazil)	8.8%
Azzurra Aeroporti	
Aéroports de la Côte d'Azur (France)	4.1%
Stalexport Autostrady (Poland)	**6.0%**
Spea Engineering	**7.5%**
Aeroporto G. Marconi di Bologna	**6.1%**
Pune Solapur (India)	**11.0%**

In the case of Abertis HoldCo, cash flows for the five-year explicit projection period were discounted at a rate of 5.4%, determined on the basis of weighted discount rates for the individual countries in which the Abertis group operates, based on estimated EBITDA for each country in the fifth year of the forecast. To discount the terminal value, an average discount rate of 7.4% (increased by the long-term growth rate) was used. This discount rate prudently takes into account an increase of 2% (equal to the long-term growth rate) in view of the potential uncertainties linked to the Abertis group's ability to maintain this level of normalised operating cash flow over the long term, as estimated on the basis of five-year explicit projection period.

Results of the impairment tests and sensitivity analyses

The impairment tests carried out did not confirm that the value of the investments account for in the financial statements are fully recoverable, resulting in impairment losses of €222,927 thousand, relating to:

a) Azzurra Aeroporti, for which a partial impairment loss of €165,351 thousand has been recognised in "Impairment losses on financial assets and investments" in the income statement;

b) the associate, Aeroporto Guglielmo Marconi di Bologna, for which a partial impairment loss of €53,616 thousand has been recognised in "Impairment losses on financial assets and investments" in the income statement;

c) Pavimental, for which a partial impairment loss of €3,960 thousand has been recognised in "Impairment losses on financial assets and investments" in the income statement.

In addition to the above impairment test, sensitivity analyses were applied to the recoverable values of investments that include implicit goodwill. In particular:

a) in Autostrade per l'Italia's case, by increasing the indicated discount rates by 0.5% and reducing the average annual rate of traffic growth by 0.5%, which did not result in material differences with respect to the outcome of the impairment test described above;

b) in the case of Abertis HoldCo, by increasing the indicated discount rates by 0.5% and reducing the long-term growth rate (the so-called "g rate") by 0.5%, which did not result in material differences with respect to the outcome of the above test.

With regard to the minority interest in Compagnia Aerea Italiana (CAI), the full value of the investment has already been written off in the financial statements as at and for the year ended 31 December 2017, in view of the entry into extraordinary administration of its subsidiary, Alitalia-Società Aerea Italiana SpA. Atlantia has no (legal or constructive) obligations to CAI.

In July 2020, Atlantia SpA's Board of Directors approved the decision to proceed with a deed amending the agreement, dated July 2018, with Edizione Srl and its subsidiaries, following the previously announced acquisition of Abertis and the sale of the latter's stake in Cellnex.

Among other things, the agreement grants the Company a right to co-invest in Cellnex, by repurchasing 4.7% of the company by July 2021 (diluted with the respect to the original 5.98% following Atlantia's decision not to take part in Cellnex's rights issue on 22 July 2020), in addition to a right of first offer and a right to match should all or a part of the stake in Cellnex be sold by July 2025.

The amendments made in July 2020 broadly regard:

a) the replacement of the liquidated ConnecT SpA, the party to the original agreement, by ConnecT Due Srl, the vehicle that directly holds the stake in Cellnex indirectly held by Edizione;

b) extension of the term for exercising the co-investment right (extended for a further 12 months and, therefore, until July 2021) on the stake of 4.7% in Cellnex;

c) removal of the three-year lock-up period originally imposed on Atlantia;

d) the grant to Atlantia of a right to match on options not exercised by ConnecT Due resulting from any future rights issues approved by Cellnex;

e) a limit on the option of exercising the right of first offer and a right to match to no more than 10% of Cellnex's issued capital, rather than the entire interest in Cellnex held indirectly by Edizione (equal to 13.025%). In any event, the combined result of Atlantia's exercise of its right of first offer and right to match, on the one hand, and of the co-investment option, on the other, may not lead to the Company acquiring a stake in Cellnex in excess of 7.9%.

No amount has been recognised in the financial statements in connection with the rights granted to Atlantia under the above agreements.

5.4 Financial assets

(non-current) €678,332 thousand (€686,257 thousand)

(current) €5,451 thousand (€19,406 thousand)

Medium/long-term financial assets

(non-current) €678,332 thousand (€686,257 thousand)

(current) €844 thousand (€1,022 thousand)

The following tables provide details of medium/long-term financial assets, showing:

a) the composition of the balance (the current and non-current portions) and the corresponding face value and maturity, including details of loans to subsidiaries:

€000	Maturity	31 December 2020 Face value	Carrying amount	Of which Current portion	Of which Non-current portion	Term Between 13 and 60 months	Term After 60 months	31 December 2019 Face value	Carrying amount	Of which Current portion	Of which Non-current portion
Autostrade dell'Atlantico loan issued 2017	2022	130,000	126,299	-	126,299	*126,299*	-	210,000	198,352	-	198,352
Loans to subsidiaries [1]		**130,000**	**126,299**	**-**	**126,299**	***126,299***	**-**	**210,000**	**198,352**	**-**	**198,352**
Bonds held [2]		**-**	**-**	**-**	**-**	**-**	**-**	**286,682**	**276,722**	**-**	**276,722**
Derivative assets [3]		**-**	**386,753**	**-**	**386,753**	***48,192***	***338,561***		**208,046**	**-**	**208,046**
Accrued income on medium/long-term financial assets [1]		**-**	**768**	**768**	**-**	**-**	**-**		**824**	**824**	**-**
Other loans and receivables [1]		**-**	**165,356**	**76**	**165,280**	***165,280***	**-**		**1,366**	**198**	**1,168**
Other medium/long-term financial assets [1]			**-**	**-**	**-**	**-**	**-**		**1,969**	**-**	**1,969**
Medium/long-term financial assets		**130,000**	**679,176**	**844**	**678,332**	***339,771***	***338,561***	**496,682**	**687,279**	**1,022**	**686,257**

(1) *These assets are classified as "financial assets measured at amortised cost" in accordance with IFRS 9.*
(2) *Assignment of the amount receivable on the bonds was completed in January 2020 for an amount, inclusive of interest accrued through to the assignment date, of €278,022 thousand.*
(3) *In addition to interest rate and exchange rate hedges, these derivative financial instruments include fair value hedges linked to the risk of movements in Hochtief's share price, referred to in note 5.3.*

b) the type of interest rate applied, the maturity date and fair value:

€000	31 December 2020 Carrying amount [1]	Fair value [2]	31 December 2019 Carrying amount [1]	Fair value [2]
Autostrade dell'Atlantico loan issued 2017	126.299	127.089	198.352	199.891
Loans to subsidiaries (fixed rate)	**126,299**	**127,089**	**198,352**	**199,891**
Bonds held (fixed rate)	**-**	**-**	**276,722**	**277,669**
Non-current derivative assets	**386,753**	**386,753**	**208,046**	**208,046**
Accrued income on medium/long-term financial assets	**768**	**768**	**824**	**824**
Other loans and receivables	**165,356**	**165,356**	**1,366**	**1,366**
Other medium/long-term financial assets	**-**	**-**	**1,969**	**1,969**
Medium/long-term financial assets	**679,176**	**679,966**	**687,279**	**689,765**

(1) *The value of medium/long-term financial assets shown in the table includes both the non-current and current portions.*
(2) *The fair value shown is classified in level 2 of the fair value hierarchy.*

c) a comparison of the face value and the related carrying amount of loans to subsidiaries and bonds held, indicating the related currency and showing the corresponding average and effective interest rates:

€000	31 December 2020 Face value	Carrying amount	Average interest rate applied	Average effective interest rate	31 December 2019 Face value	Carrying amount
Loans to subsidiaries (€) - Autostrade dell'Atlantico	130,000	126,299	2.85%	2.85%	210,000	198,352
Loans to subsidiaries (€)	**130,000**	**126,299**			**210,000**	**198,352**
Bonds held (sterling)	**-**	**-**			**286,682**	**276,722**

d) changes in the carrying amounts of loans to subsidiaries and bonds held during the period:

€000	Carrying amount as at 31 December 2019 [1]	Additions	Repayments received	Currency translation differences and other changes	Carrying amount as at 31 December 2020 [1]
Loans to subsidiaries	198,352	-	-76,854	4,801	126,299
Bonds held	276,722	-	-277,500	778	-

(1) *The loans shown in the table include both the non-current and current portions.*

Medium/long-term financial assets, totalling €679,176 thousand, are down €8,103 thousand broadly due to a combination of the following:

a) the assignment of sterling-denominated receivables on bonds issued by Aeroporti di Roma for an amount, inclusive of interest accrued through to the assignment date, of €278,022 thousand;

b) partial early repayment (€76,854 thousand) of the loan granted to Autostrade dell'Atlantico;

c) an increase (€168,977 thousand) in fair value gains on the funded collar (€338,562 thousand as at 31 December 2020), entered into in March 2019 and involving 5.6 million shares in Hochtief (representing approximately 33% of the total shares held by Atlantia and approximately 8% of the interest in Hochtief);

d) the posting, in June 2020, of a cash collateral, totalling €164,860 thousand as at 31 December 2020, guaranteeing, through to their expiry in 2028, the credit exposure of counterparties to the fair value of the Forward-Starting Interest Rate Swaps classified in non-current derivative liabilities (a notional value of €1,450,000 thousand).

In January 2021, a further cash collateral of €44,040 thousand was posted to secure a portion of the same derivative financial instruments (an underlying notional value of €400,000 thousand).

The hedging strategy implemented through the above funded collar aims to eliminate, as described in greater detail in note 7.2, "Financial risk management", the exposure of the Hochtief shares to the risk that movements in the market price would take the share price below a certain floor (the put strike price) and to benefit from increases in the share price up to a certain cap (the call strike price). Changes in the fair value of this derivative financial instrument are, in line with the accounting treatment applied to the hedged item (as described in note 5.3), are recognized in other comprehensive income.

More detailed information on financial risks and the manner in which they are managed, in addition to details of outstanding financial instruments held by the Company, is contained in note 7.2, "Financial risk management.

Short-term financial assets

€4,607 thousand (€18,384 thousand)

The following table include details of short-term financial assets, showing the composition of the item.

€000	31 December 2020	31 December 2019
Other current financial assets [1]	4,607	17,222
Derivative assets [2]	-	1,162
Short-term financial assets	**4,607**	**18,384**

[1] *These assets are classified as "financial assets measured at amortised cost" in accordance with IFRS 9.*
[2] *These derivative financial instruments are accounted for in accordance with IFRS 9 and are classified as non-hedging derivatives and in level 2 of the fair value hierarchy.*

The reduction of €13,777 thousand reflects the collection of amounts due to the Company from investees, primarily in the form of guarantees.

No impairment losses have been recognised on any of the financial assets accounted for in the financial statements and measured at amortised cost in accordance with IFRS 9.

Information on the impact of Covid-19 is provided in note 5.3.

Finally, following the bond issues worth €1,250 million and €1,000 million carried out in December 2020 and January 2021, respectively, Autostrade per l'Italia:

a) in December 2020, repaid in full the €350 million loan disbursed by the Company in June 2020;

b) in January 2021, cancelled all the financial support agreed with the Company, amounting to €900 million and expiring on 31 December 2022.

5.5 Net deferred tax assets and deferred tax liabilities
Net deferred tax assets €127,957 thousand (€59,971)
Net deferred tax liabilities € - (-)

The following tables show deferred tax assets, after offsetting against deferred tax liabilities.

€000	31 December 2020	31 December 2019
Deferred tax assets (IRES)	135,758	61,314
Deferred tax assets (IRAP)	7,293	12,670
Deferred tax assets	**143,051**	**73,984**
Deferred tax liabilities (IRES)	15,094	13,782
Deferred tax liabilities (IRAP)	-	231
Deferred tax liabilities	**15,094**	**14,013**
Deferred tax assets/(Deferred tax liabilities), net	**127,957**	**59,971**

The nature of the temporary differences giving rise to deferred tax assets and liabilities and changes during the year are summarised in the following table.

		Changes during the year				
€000	31 December 2019	Provisions	Releases	Provisions/ (releases) recognised in other comprehensive income	Change in estimates for previous years	31 December 2020
Tax losses eligible to be carried forward [1]	-	85,622	-	5,121	-	90,743
Derivative liabilities	67,242	-	-	-28,551	-	38,691
Tax effect of (losses)/gains on fair value measurement of investments	5,933	-	-	6,906	-	12,839
Other temporary differences	809	278	-222	4	-91	778
Deferred tax assets	**73,984**	**85,900**	**-222**	**-16,520**	**-91**	**143,051**
Difference between carrying amounts and fair values of assets and liabilities acquired through business combinations (the merger with Gemina with effect from 1 December 2013)	11,001	-	-	-	-	11,001
Derivative assets [1]	2,589	-	-	1,072	-	3,661
Other temporary differences	423	10	-	-	-1	432
Deferred tax liabilities	**14,013**	**10**	**-**	**1,072**	**-1**	**15,094**
Deferred tax assets/ (Deferred tax liabilities), net	**59,971**	**85,890**	**-222**	**-17,592**	**-90**	**127,957**

[1] *With regard to fair value hedges, the negative tax component linked to the change in the time value has been recognised in deferred tax assets (€5,121 thousand) and current tax assets (€367 thousand) with a contra-entry in equity. The tax component connected with the change in the intrinsic value has ben recognised in deferred tax liabilities (€1,072 thousand).*

The change of €67,986 thousand broadly reflects the following:

a) an increase in deferred tax income recognised in the income statement (€85,900 thousand) mainly as a result of the tax loss for 2020;

b) an increase in deferred tax assets recognised directly in equity (€6,906 thousand), linked to fair value measurement of the investment in Hochtief;

c) a reduction in deferred tax assets recognised in equity (€27,321 million), essentially due to the reclassification to profit or loss of the equity reserve for losses on Forward-Starting Interest Rate Swaps, primarily as the issues the instruments were intended to hedge did not take place in 2020.

5.6 Other non-current assets € - (€31 thousand)

As at 31 December 2019, the item included prepaid premiums on insurance policies.

5.7 Trading assets €7,642 thousand (€9,190 thousand)

This item, which primarily regards trade receivables due from Atlantia Group companies, is down

€1,548 thousand. This primarily reflects a decrease in the amount due from subsidiaries for seconded staff.

5.8 Cash and cash equivalents €2,261,371 thousand (€596,986 thousand)

This item includes:

a) bank deposits and cash equivalents of €1,686,177 thousand (€550,711 thousand as at 31 December 2019);

b) cash equivalents, relating to the short-term investment of liquidity, amounting to €575,000 thousand;

c) the balance receivable on intercompany current accounts with certain subsidiaries, totalling €194 thousand (€46,275 thousand as at 31 December 2019).

Existing cash reserves at the beginning of 2020 (the Revolving Credit Facility), were drawn down in full in January 2020 (€3,250,000 thousand), before the repayment of €2,000,000 thousand in November 2020 (followed by voluntary cancellation of the facility in February 2021) and €1,250,000 thousand in January 2021.

Details of the cash flows resulting in the increase in cash and cash equivalents during 2020 are provided in note 7.1, "Notes to the statement of cash flows".

5.9 Current tax assets and liabilities

Current tax assets €79,276 thousand (€88,222 thousand)

Current tax liabilities €39,722 (€35,232 thousand)

Current tax assets and liabilities at the beginning and end of the period are detailed below.

€000	Current tax assets		Current tax liabilities	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
IRAP on taxable income for current year	629	630	-	-
IRAP on taxable income for previous years	-	-	-	-
IRAP	**629**	**630**	**-**	**-**
Atlantia SpA's IRES on taxable income (1)	38,308	43,924		-
Atlantia SpA's IRES on taxable income for previous years	-1,824	-1,332	-	-
Atlantia SpA's claims for IRES refunds	113	113	-	-
IRES attributable to Atlantia SpA	**36,597**	**42,705**	**-**	**-**
IRES on taxable income for companies participating in the tax consolidation arrangement	641	-22,784	-	-
Claims for IRES refunds for companies participating in the tax consolidation arrangement	23,321	23,321	-	-
Other refundable IRES for companies participating in the tax consolidation arrangement	21	21	-	-
IRES attributable to companies participating in the tax consolidation arrangement	**23,983**	**558**	**-**	**-**
Claims for IRES refunds for former Gemina companies (2)	-	7,625	-	-
Claims for IRES refunds for other companies	504	697	-	-
Other IRES credits	**504**	**8,322**	**-**	**-**
IRES	**61,084**	**51,585**	**-**	**-**
Relations with companies participating in tax consolidation arrangement for IRES on taxable income	15,739	34,675	16,380	11,890
Relations with companies participating in tax consolidation arrangement for claims for IRES refunds	-	-	23,321	23,321
Relations with companies participating in tax consolidation arrangement for other refundable IRES	-	-	21	21
Relations with companies participating in tax consolidation arrangement	**15,739**	**34,675**	**39,722**	**35,232**
Other taxation for previous years	**1,824**	**1,332**	**-**	**-**
Total	**79,276**	**88,222**	**39,722**	**35,232**

(1) *This item includes the component linked to the change in the time value relating to fair value hedges, recognised in a contra-entry in equity.*
(2) *In 2019, this item regarded the claim for an IRES refund transferred from Gemina, which merged with Atlantia on 1 december 2013. It derives from the claims of companies included in the former group's tax consolidation arrangement through to the effctive date of the merger (the matching payable due to these companies is recognised in other current liabilities).*

Based on Legislative Decree 344/2003 and articles 117 *et seq.* of Presidential Decree 917/1986, Atlantia has elected for group taxation for the purposes of IRES (tax consolidation arrangement). The arrangement includes:

a) the direct subsidiaries, Autostrade per l'Italia, Aeroporti di Roma, Telepass, Pavimental, Spea Engineering, Autostrade dell'Atlantico, Azzurra Aeroporti and Fiumicino Energia;

b) the indirect subsidiaries (through Autostrade per l'Italia), Tangenziale di Napoli, Società Autostrada Tirrenica, EsseDiEsse Società di Servizi, AD Moving, Autostrade Meridionali, Autostrade dell'Atlantico, Giove Clear and Autostrade Tech, the indirect subsidiaries (through Aeroporti di Roma), ADR Assistance, ADR Tel, ADR Security and ADR Mobility, the indirect subsidiaries (through Telepass), Telepass Pay, Telepass Broker and Infoblu, the indirect subsidiary (through Autostrade dell'Atlantico), Autostrade Portugal, and the indirect subsidiary (through Fiumicino Energia) Leonardo Energia.

As a result, Atlantia recognises the following items in its current tax assets and liabilities:

a) current tax assets and liabilities for IRES attributable to the companies included in the arrangement;

b) matching receivables or payables due from or to the subsidiaries, in connection with the transfer of funds as a result of the tax consolidation.

The reduction in net current tax assets amounts to €13,436 thousand and reflects the collection of the tax credit due on payment of the final balance of tax for 2019 (€22,049 thousand), partially offset by the recognition of current tax assets (€6,513 thousand) linked to the tax benefit resulting from the tax loss for the year (recoverable by 2021 within the tax consolidation arrangement).

5.10 Other current assets €13,892 thousand (€18,471 thousand)

The reduction in this item is essentially linked to the partial refund (€5,461 thousand) of withholding tax paid in Germany (the balance as at 31 December 2020 was €11,253 thousand), for which a claim for a refund was submitted, on dividends paid by Hochtief in 2019 and 2020.

5.11 Equity €10,457,913 thousand (€10,808,916 thousand)

Atlantia SpA's issued capital as at 31 December 2020 is fully subscribed and paid-in and consists of 825,783,990 ordinary shares, which are no-par (as decided by the General Meeting of shareholders held on 30 October 2020). The issued capital did not undergo any changes in 2020.

Details of the number of shares outstanding as at 31 December 2020, compared with 31 December 2019, are shown below.

	31 December 2020	31 December 2019
Number of shares in issue	825,783,990	825,783,990
Number of treasury shares held	-6,959,693	-7,772,693
Number of shares outstanding	**818,824,297**	**818,011,297**

The increase in the number of shares outstanding, and the accompanying reduction in treasury shares, reflects completion, in November 2020, of the free share scheme for the Atlantia Group's Italian employees (as described in note 8.3, "Disclosures regarding share-based payments").

Equity is down €351,003 thousand compared with 31 December 2019. The changes, which are shown in detail in the statement of changes in equity included in the financial statements, primarily reflect the comprehensive loss for the year of €360,546 thousand, which, in addition to the loss for the year (€29,153 thousand), primarily reflects a combination of the following:

a. fair value losses on the investment in Hochtief (€568,624 thousand, after the related taxation), reflecting the stock market performance of the company's shares;

b. an increase in fair value gains (€172,163 thousand, after the related taxation) on fair value hedges between the execution date for the funded collar (described in note 5.4), involving approximately a third of the shareholding in Hochtief;

c. the positive impact of the reclassification (€65,078 thousand, after the related taxation) to financial expenses in the income statement of the equity reserve for losses on Forward-Starting Interest Rate Swaps, primarily as the issues of the instruments were intended to hedge did not take place in 2020.

Atlantia manages its capital with a view of creating value for shareholders, ensuring the Group can function as a going concern, safeguarding the interests of stakeholders, and providing efficient access to external sources of financing to adequately support the growth of the Atlantia Group's businesses.

The table below shows an analysis of issued capital and equity reserves as at 31 December 2020, showing their permitted uses and distributable amounts.

Description	Equity as at 31 December 2020 (€000)	Permitted uses (A, B, C, D)*	Available portion (€000)	Uses between 1 January 2017 and 31 December 2019 (ex art. 2427, 7 *bis*, c.c.)	
				To cover losses	For other reasons
Issued capital	**825,784** (1)	B	-	-	-
Share premium reserve	154	A, B, C	154	-	-
Legal reserve	261,410 (2)	A, B	96,253	-	-
Extraordinary reserve	5,041,432	A, B, C	5,041,432	-	-
Merger reserve	2,987,182 (3)	A, B, C	2,987,182	-	-
Cash flow hedge reserve	-92,146	B	-	-	-
Fair value hedge reserve	274,852	B	-	-	-
Reserve for gains/(losses) on fair value measurement of investments	-1,057,158	B	-	-	-
Reserve for actuarial gains and losses on post-employment benefits	-537	B	-537	-	-
Other reserves	64,506 (4)	A, B, C	64,506	-	-
Retained earnings	2,331,776	A, B, C	2,331,776	-	-
Reserves and retained earnings	**9,811,471**		**10,520,766**	**-**	**-**
Treasury shares	**-150,189** (5)		**-150,189**		
Total	**10,487,066**		**10,370,577**	-	-
of which:					
Non-distributable			-		
Distributable			*10,370,577*		

*** Key:**
A: capital increases
B: to cover losses
C: shareholder distributions
D: subject to other restrictions imposed by articles of association/shareholder resolutions

Notes

(1) *Of which €730,643 thousand related to capital increases resulting from mergers of companies with and into the Company:*
a) €566,687 thousand relating to the merger of Autostrade-Concessioni e Costruzioni Autostrade SpA with and into the former NewCo28 SpA (now Atlantia) in 2003. With reference to art. 172, paragraph 5 of the Consolidated Income Tax Act, this capital increase is restricted to the following reserves that are taxable on distribution:
i) revaluation reserve pursuant to Law 72/1983, amounting to €556,960 thousand;
ii) revaluation reserve pursuant to Law 413/1991, amounting to €6,807 thousand;
iii) revaluation reserve pursuant to Law 342/2000, amounting to €2,920 thousand.
b) €163,956 thousand relating to the merger of Gemina SpA in 2013.

(2) *€96,253 thousand of which being the excess over one fifth of the issued capital.*

(3) *With reference to art. 172, paragraph 5 of the Consolidated Income Tax Act, the merger surplus of €448,999 thousand generated by the merger in 2003 described in note (1) is restricted to and accounted for in the following reserves that are taxable on distribution:*
a) reserve for capital contributions, amounting to €8,113 thousand;
b) revaluation reserve pursuant to Law 72/1983, amounting to €368,840 thousand;
c) revaluation reserve pursuant to Law 413/1991, amounting to €50,416 thousand;
d) revaluation reserve pursuant to Law 342/2000, amounting to €21,630 thousand.

(4) *This item includes:*
a) €64,514 thousand recognised in equity following the sale of treasury shares in the market in 2015 and the exercise and conversion of a number of options and units granted under the Company's share-based incentive plans;
b) -€8 thousand relating to the "IFRS FTA reserve".

(5) *The Annual General Meeting of 29 May 2020 revoked the resolution passed by the Annual General Meeting of 18 April 2019 insofar as it regards the authority to purchase treasury shares, without affecting the authority to sell or otherwise assign and/or use all or a part of the treasury shares held.*

5.12 Provisions
(non-current) €318 thousand (€403 thousand)
(current) €1,388 thousand (€1,387 thousand)

Provisions for employee benefits
(non-current) €318 thousand (€403 thousand)
(current) €63 thousand (€62 thousand)

This item relates entirely to the amount due in the form of post-employment benefits to be paid to staff on termination of employment.

The most important actuarial assumptions used to measure the provision for post-employment benefits at 31 December 2020 are summarised below.

Financial assumptions	
Annual discount rate [1]	-0.02%
Annual inflation rate	0.80%
Annual rate of increase in post-employment benefits	2.10%
Annual rate of increase in real salaries	0.65%
Annual turnover rate	2.00%
Annual rate of advances paid	2.00%
Duration (years)	6

[1] *The annual discount rate used to determine the present value of the obligation was determined, in line with paragraph 83 of IAS 19, with reference to the average yield curve taken from the IBOXX Eurozone Corporates AA index on the valuation date for durations of 7-10 years, reflecting the overall duration of the relevant provisions as at 31 December 2020.*

	Demographic assumptions
Mortality	Government General Accounting Office projections
Disability	INPS tables by age and gender
Retirement age	Mandatory state pension retirement age

The following table shows a sensitivity analysis for each actuarial assumption at the end of 2020, showing the impact on the defined benefit obligation as a result of changes in the actuarial assumptions reasonably possible at that date.

€000	Sensitivity analysis as at 31 December 2020					
	Change in assumption					
	turover rate		inflation rate		discount rate	
	+1%	-1%	+ 0.25%	-0.25%	+ 0.25%	-0.25%
Balance of provisions for employee benefits	378	383	384	378	376	386

Other provisions
(current) €1,325 thousand (€1,325 thousand)

This item consists of provisions reflecting estimates of the liabilities expected to be incurred in connection with pending litigation and tax disputes at the end of the year.

5.13 Financial liabilities
(non-current) €7,176,568 thousand (€5,968,486 thousand)
(current) €204,640 thousand (€134,966 thousand)

Medium/long-term borrowings
(non-current) €7,176,568 thousand (€5,968,486 thousand)
(current) €204,073 thousand (€47,542 thousand)

The following tables provide an analysis of outstanding medium to long-term financial liabilities with respect to:

a) the composition of the carrying amount (current and non-current), the related face value and terms to maturity:

€000		Maturity	31 December 2020						31 December 2019			
					Of which		Term				Of which	
			Face value	Carrying amount	Current portion	Non-current portion	Between 13 and 60 months	After 60 months	Face value	Carrying amount	Current portion	Non-current portion
Bond issue 2017		2025	750,000	748,517	-	748,517	*748,517*		750,000	748,169	-	748,169
Bond issue 2017		2027	1,000,000	989,081	-	989,081		*989,081*	1,000,000	987,531	-	987,531
Bond issues	(A)		**1,750,000**	**1,737,598**	-	**1,737,598**	*748,517*	***989,081***	**1,750,000**	**1,735,700**	-	**1,735,700**
Borrowing (Term Loan 1) disbursed 2018		2023	1,500,000	1,495,868	-	1,495,868	*1,495,868*		1,500,000	1,493,958	-	1,493,958
Borrowing (Term Loan 2) disbursed 2018		2023	1,750,000	1,746,116	-	1,746,116	*1,746,116*		1,750,000	1,744,740	-	1,744,740
Borrowing (RCF) disbursed 2020 [2]		2023	1,250,000	1,250,000	-	1,250,000	*1,250,000*		-	-	-	-
Collar financing (disbursed 2019)		2026	751,953	737,637	-	737,637	*508,911*	*228,726*	751,953	734,720	-	734,720
Bank borrowings	(B)		**5,251,953**	**5,229,621**	-	**5,229,621**	***5,000,895***	***228,726***	**4,001,953**	**3,973,418**	-	**3,973,418**
Total bond issues and borrowings[1]	(A+B)		**7,001,953**	**6,967,219**	-	**6,967,219**	***5,749,412***	***1,217,807***	**5,751,953**	**5,709,118**	-	**5,709,118**
Lease liabilities[1]	(C)		-	**5,613**	**812**	**4,801**	***2,695***	***2,106***	-	**13,846**	**886**	**12,960**
Derivative liabilities[3]	(D)		-	**356,787**	**152,239**	**204,548**	***13,960***	***190,588***	-	**246,408**	-	**246,408**
Accrued expenses on medium/long-term financial liabilities[1]	(E)		-	**51,022**	**51,022**	-	-	-	-	**46,656**	**46,656**	-
Medium/long-term financial liabilities	(A+B+C+D+E)		**7,001,953**	**7,380,641**	**204,073**	**7,176,568**	***5,766,067***	***1,410,501***	**5,751,953**	**6,016,028**	**47,542**	**5,968,486**

[1] *These financial instruments are classified as financial liabilities measured at amortised cost, in accordance with IFRS 9.*
[2] *This borrowing as repaid in full in January 2021.*
[3] *These derivative financial instruments are intended to hedge interest rate risk on future issues.*

b) type of interest rate, maturity and fair value:

€000		Maturity	31 December 2020		31 December 2019	
			Carrying amount (1)	Fair value (2)	Carrying amount (1)	Fair value (2)
Bond issue 2017		2025	748,517	749,595	748,169	721,733
Bond issue 2017		2027	989,081	988,390	987,531	937,440
Bond issues (fixed rate)	(A)		**1,737,598**	**1,737,985**	**1,735,700**	**1,659,173**
Borrowing (Term Loan 1) disbursed 2018		2023	1,495,868	1,465,250	1,493,958	1,450,736
Borrowing (Term Loan 2) disbursed 2018		2023	1,746,116	1,695,263	1,744,740	1,690,828
Borrowing (RCF) disbursed 2020		2023	1,250,000	1,213,893	-	-
Bank borrowings (floating rate)	(B)		**4,491,984**	**4,374,406**	**3,238,698**	**3,141,564**
Collar financing (disbursed 2019)		2026	737,637	768,776	734,720	754,682
Bank borrowings (fixed rate)	(C)		**737,637**	**768,776**	**734,720**	**754,682**
Total bond issues and borrowings(1)	(A+B+C)		**6,967,219**	**6,112,391**	**5,709,118**	**5,555,419**
Lease liabilities	(D)		**5,613**	**5,613**	**13,846**	**13,846**
Derivative liabilities	(E)		**356,787**	**356,787**	**246,408**	**246,408**
Accrued expenses on medium/long-term financial liabilities	(F)		**51,022**	**51,022**	**46,656**	**46,656**
Medium/long-term financial liabilities	(A+B+C+D+E+F)		**7,380,641**	**6,474,791**	**6,016,028**	**5,862,329**

(1) *The medium/long-term financial liabilities shown in the table include both current and non-current portions.*
(2) *The fair value shown is classified in level 2 of the fair value hierarchy, with the exception of bond issues that are classified in level 1 of the hierarchy.*

c) a comparison of the par value of the liabilities and the carrying amount of bond issues and bank borrowings, showing the currency of issue, and the corresponding average and effective interest rates:

	31 December 2020				31 December 2019			
	Face value (1)	Carrying amount (1)	Average contractual interest rate	Effective interest rate (2)	Face value (1)	Carrying amount (1)	Average contractual interest rate	Effective interest rate (2)
Bond issues (€)	1,750,000	1,737,598	1.77%	1.88%	1,750,000	1,735,700	1.77%	1.88%
Bank borrowings (€)	5,251,953	5,229,621	0.87%	2.01%	4,001,953	3,973,418	0.62%	2.04%

(1) *Amounts in the table include both current and non-current portions.*
(2) *The effective interest rate on bank borrowings includes the cost of differentials realised on the Forward-Starting Interest Rate Swaps.*

d) movements during the period in the carrying amounts of outstanding bond issues and bank borrowings:

€000	Carrying amount as at 31 december 2019 (1)	Additions	Repayments	Cureency translation differences and other changes	Carrying amount as at 31 december 2020 (1)
Bond issues	1,735,700	-	-	1,898	1,737,598
Bank borrowings	3,973,418	3,250,000	2,000,000	6,203	5,229,621

(1) *Amounts in the table include both the non-current and current portions.*

Medium/long-term financial liabilities, amounting to €7,380,641 thousand, are up €1,364,613 thousand. This reflects:

a) full use of the Revolving Credit Facility, amounting to €3,250 million from January 2020, with €2,000 million repaid in November 2020;

b) the increase of €96,419 thousand in fair value losses on Forward-Starting Interest Rate Swaps.

The current portion (€152,239 thousand) of non-current derivative liabilities increased, following reclassification of the fair value as at 31 December 2020 of the Forward-Starting Interest Rate Swaps from medium/long-term financial liabilities, due to the liquidation in February 2021 of a portion of the derivatives portfolio (at the same time as the bond issue referred to below).

The following events have taken place since 31 December 2020:

a) in January 2021, a further cash collateral was posted (an initial amount of €44,040 thousand) for Forward-Starting Interest Rate Swaps with a notional value of €400,000 thousand;

b) in January 2021, the Company repaid €1,250,000 thousand of the Revolving Credit Facility (with a final maturity date in July 2023);

c) in February 2021, the Company issued bonds worth €1,000,000 thousand, maturing in February 2028, in order to effect partial early repayment of principal on the Term Loan falling due in 2022, amounting to €1,500,000 thousand (final maturity date in February 2023): following the repayment, the Company does not have debt falling due before August 2022 (€200,000 thousand on the Term Loan);

d) at the same time as the bond issue, the Company unwound Forward-Starting Interest Rate Swaps with a notional value of €1,150,000 thousand (fair value losses of €152,239 thousand as at 31 December 2020): following this unwinding, the Company's entire holding of Forward-Starting Interest Rate Swaps (a notional value of €1,850,000 thousand) is covered by cash collaterals;

e) on 12 and 19 February 2021, the Company obtained a preventive, precautionary leverage holiday for each of the two Term Loans (€3,250,000 thousand) and the Revolving Credit Facility maturing in 2023 (€1,250,000 thousand) at the measurement date of 31 December 2020, with the leverage ratio subsequently being above the minimum requirement;

f) in February 2021, the Company voluntarily proceeded with early cancellation of the Revolving Credit Facility of €2,000,000 thousand maturing in May 2021, having repaid it in full on 5 November 2020.

Key aspects of the bank borrowings outstanding as at 31 December 2020 are as follows:

a) Term Loan 1: a nominal value of €1,500 million, repayable in tranches maturing between the first quarter of 2022 and the first quarter of 2023;

b) Term Loan 2: a nominal value of €1,750 million, with a bullet repayment in the third quarter of 2023;

c) Revolving facility: a nominal value of €1,250 million, with a bullet repayment in the third quarter of 2023;

d) Collar financing: a nominal value of €751,953 thousand, with repayments between September 2024 and March 2026 (potentially via the sale of the Hochtief shares at a price within a predetermined range).

Atlantia's Euro Medium Term Note (EMTN) Programme, launched in October 2016, and Autostrade per l'Italia's bond issues, which are guaranteed by Atlantia until September 2025, include negative pledge provisions, in line with international practice. Further details are described in note 7.2, "Financial risk management".

Short-term financial liabilities
€567 thousand (€87,424 thousand)

The composition of short-term financial liabilities is shown below, with a breakdown of the carrying amount.

€000	31 December 2020	31 December 2019
Balance payable on intercompany current accounts with related parties	238	5,933
Other current financial liabilities [1]	329	80,329
Current derivative liabilities [2]	-	1,162
Short-term financial liabilities	**567**	**87,424**

[1] *These financial instruments are classified as financial liabilities measured at amortised cost, in accordance with IFRS 9.*
[2] *These derivative financial instruments are accounted for under IFRS 9 and classified as non-hedge accounting derivatives.*

This item is down essentially due to full repayment of the debt (€80,000 thousand) resulting from a cash deposit from Telepass.

Net debt in compliance with ESMA recommendation of 20 march 2013

an analysis of total net debt is shown below with amounts payable to and receivable from related parties, as required by CONSOB Ruling DEM/6064293 of 28 July 2006, in accordance with European Securities and Markets Authority - ESMA Recommendation of 20 March 2013 (which does not entail the deduction of non-current financial assets from net debt).

(€000)	Note	31 December 2020	of which related party transactions	31 December 2019	of which related party transactions
Cash		-1,686,177		-550,711	
Cash equivalents		-575,000		-	
Intercompany current account receivables due from related parties		-194		-46,275	*-46,275*
Cash and cash equivalents (A)	5.8	**-2,261,371**		**-596,986**	
Current financial assets (B)	5.4	**-5,451**	***-4,607***	-19,406	***-18,384***
Intercompany current account payables due to related parties		238		5,933	*5,933*
Current portion of medium/long-term financial liabilities		204,073		47,542	*609*
Current derivative liabilities		-		1,162	
Other current financial liabilities		329		80,329	*80,000*
Current financial liabilities (C)	5.13	**204,640**		**134,966**	
Current net debt/(net funds) (D=A+B+C)		**-2,062,182**		**-481,426**	
Medium/long-term borrowings		5,234,422		3,986,378	*12,475*
Bond issues		1,737,598		1,735,700	
Non-current derivative liabilities		204,548		246,408	
Non-current financial liabilities (E)	5.13	**7,176,568**		**5,968,486**	
Net debt/(net funds) as defined by ESMA recommendation F= (D+E)		**5,114,386**		**5,487,060**	
Non-current financial assets (G)	5.4	**-678,332**	***-126,299***	**-686,257**	***-475,074***
Net debt/(net funds) (H=F+G)		**4,436,054**		**4,800,803**	

5.14 Other non-current liabilities €7,351 thousand (€20,747 thousand)

Other non-current liabilities are down, essentially due a reduction in the amount payable in relation to share-based incentive plans (€10,104 thousand).

5.15 Trading liabilities €13,862 thousand (€15,991 thousand)

Trading liabilities are down €2,129 thousand, essentially due to a decline in the cost of seconded staff (€1,591 thousand) and of lease rentals payable to Atlantia Group companies.

5.16 Other current liabilities €16,704 thousand (€33,668 thousand)

Other current liabilities are down €16,964 thousand essentially as a result of:

a) the payment of amounts due to former Gemina subsidiaries (€7,625 thousand) following collection of the matching amount in tax refunds relating to claims for IRES rebates submitted on their behalf;

b) payment of the amount due for the year, amounting to €3,274 thousand, in relation to the resignation of the former Chief Executive Officer (under the agreed settlement reached in September 2019);

c) a reduction in payables relating to staff incentive plans (€1,639 thousand).

6. Notes to the income statement

This section contains analyses income statement items. Negative components of the income statement are indicated with a minus sign in the headings and tables in the notes, whilst amounts for 2019 are shown in brackets.

Details of amounts in the income statement deriving from related party transactions are provided in note 8.2, "Related party transactions".

6.1 Operating revenue €4,205 thousand (€2,566 thousand)

Operating revenue primarily regards rental income and cost recoveries received from subsidiaries.

The increase of €1,639 thousand is essentially linked to income relating to the closure of a number of items from previous years and the refund of VAT not deductible in previous years.

6.2 Raw and consumable materials -€89 thousand (-€119 thousand)

These costs relate primarily to purchases of office materials.

6.3 Service costs -€25,188 thousand (-€23,751 thousand)

An analysis of service costs is provided below.

€000	2020	2019	Increase/ (Decrease)
Professional services	-20,164	-17,977	-2,187
Advertising and promotions	-244	-1,566	1,322
Remuneration of Statutory Auditors	-387	-358	-29
Insurance	-543	-947	404
Other services	-3,850	-2,903	-947
Service costs	-25,188	-23,751	-1,437

This item is up, primarily due to an increase in the cost of external consultants, offset by a reduction in the cost of advertising and promotions.

6.4 Staff costs -€18,077 thousand (-€59,058 thousand)

An analysis of staff costs is provided below.

€000	2020	2019	Increase/ (Decrease)
Wages and salaries	-12,150	-21,056	8,906
Early retirement incentives	-7,500	-13,237	5,737
Social security contributions	-2,452	-5,122	2,670
Cost of share-based incentive plans	8,156	-15,066	23,222
Payments to supplementary pension funds, INPS and post-employment benefits	-737	-1,325	588
Directors' remuneration	-2,412	-3,386	974
Recovery of cost of seconded staff	586	2,488	-1,902
Other staff costs	-1,568	-2,354	786
Staff costs	-18,077	-59,058	40,981

The reduction in this item is essentially linked to:

a) a reduction of €23,222 thousand in the cost of share-based staff incentive plans, reflecting a decrease in fair value due to the fall in the share price;

b) a reduction of €5,737 thousand in the cost of early retirement incentives for the Company's personnel (in 2019, €13,096 thousand relating to the settlement agreed with the former Chief Executive Officer);

c) a reduction of €12,022 thousand in other costs, primarily relating to the cost of short-term staff incentive schemes (€8,974 thousand) and a decrease in the average workforce (€4,167 thousand);

Details of equity-settled and cash-settled share-based incentive plans, involving a number of the Company's Directors and employees, are provided in note 8.3, "Disclosures regarding share-based payments".

The following table presents the average workforce broken down by category.

Workforce	2020	2019	Increase/ (Decrease)
Senior managers	33	39	-6
Middle managers and administrative staff	87	108	-21
Average workforce	120	147	-27

6.5 Other operating costs -€11,102 thousand (-€8,803 thousand)

The composition of this item and details of changes between the two comparative periods are shown in the following table.

€000	2020	2019	Increase/ (Decrease)
Lease expense	-395	-398	3
Indirect taxes and duties	-3,587	-6,521	2,934
Grants and donations	-5,567	-1,370	-4,197
Other	-1,553	-514	-1,039
Other costs	-10,707	-8,405	-2,302
Other operating costs	-11,102	-8,803	-2,299

The increase in this item broadly reflects the recognition in 2020 of costs (€5,270 thousand) resulting from the donations made in connection with the Covid-19 emergency, offset by a reduction in VAT payable (€2,082 thousand) due to a change in the non-deductible portion.

6.6 Financial income/(expenses) -€74,779 thousand (€482,581 thousand)

Financial income €579,497 thousand (€694,925 thousand)
Financial expenses -€652,681 thousand (-€212,480 thousand)
Foreign exchange gains/(losses) -€1,595 thousand (€136 thousand)

An analysis of financial income and expenses and details of changes between the two comparative periods are shown below.

€000		2020	2019	Increase/ (Decrease)
Dividends received from investees		502,215	636,207	-133,992
Interest income		4,483	13,606	-9,123
Income from derivative financial instruments		36,682	14,006	22,676
Financial income accounted for as an increase in financial assets		4,801	6,718	-1,917
Other		31,316	24,388	6,928
Other financial income		77,282	58,718	18,564
Total financial income	(A)	579,497	694,925	-115,428
Financial expenses from discounting of provisions		-2	-7	5
Impairment losses on financial assets and investments		-219,920	-39,040	-180,880
Interest expense		-118,866	-57,808	-61,058
Losses on derivative financial instruments		-267,174	-60,642	-206,532
Losses on measurement of financial instruments at amortised cost		-5,835	-17,597	11,762
Other		-40,884	-37,386	-3,498
Other financial expenses		-432,759	-173,433	-259,326
Total financial expenses	(B)	-652,681	-212,480	-440,201
Foreign exchange gains/(losses)	(C)	-1,595	136	-1,731
Financial income/(expenses)	(A+B+C)	-74,779	482,581	-557,360

Dividends from investees are shown in the following table.

€000	2020	2019	Increase/ (Decrease)
Abertis HoldCo	431,925	-	431,925
Autostrade per l'Italia	-	273,888	-273,888
Aeroporti di Roma	-	129,867	-129,867
Telepass	-	68,220	-68,220
Autostrade dell'Atlantico	-	60,420	-60,420
Hochtief	68,590	63,373	5,217
Azzurra Aeroporti	-	22,643	-22,643
Other (Stalexport, etc.)	1,700	17,796	-16,096
Dividends from investees (1)	**502,215**	**636,207**	**-133,992**

(1) *In 2019, €431,926 thousand from Abertis HoldCo and €30,300 thousand from Aero 1 following the distribution of reserves recognised as a reduction in Atlantia's investments*

After taking into account the reduction in dividends, net financial income is down as a result of:

a) an increase on other financial expenses (€259,326 thousand), primarily due to:

i. fair value losses (€96,419 thousand) due to the negative impact of falling interest rates on the fair value of Forward-Starting Interest Rate Swaps, not qualifying for hedge accounting from 31 December 2019;

ii. the reclassification (€92,006 thousand) to profit or loss of the equity reserve for losses on the above instruments, primarily entered into to hedge issues in 2020 that were not completed;

iii. an increase in expenses (€43,964 thousand), essentially in the form of interest payables on the revolving credit facilities used in full, amounting to €3,250,000 thousand, from January 2020, with €2,000,000 thousand repaid in November 2020 (in 2019, partial use of €675,000 thousand until April);

iv. increased financial expenses on the Term Loans (€10,903 thousand) as a result of the higher interest rates applied from May 2020, following the downgrade (between December 2019 and March 2020) of the Company's ratings by the leading rating agencies;

b) an increase in impairment losses on investments (€180,880 thousand), in relation to the partial impairment loss on the carrying amount of the investments in Azzurra Aeroporti (€165,351 thousand in 2020, €38,718 thousand in 2019) and in Aeroporto di Bologna (€53,616 thousand in 2020).

6.7 Income tax benefit
€101,530 thousand (€39,715 thousand)

A comparison of the income tax benefit for 2020 and the comparative period is shown in the following table.

€000		2020	2019	Increase/ (Decrease)
IRES		6,144	41,005	-34,861
Other taxes		-	-2,168	2,168
Current tax expense	(A)	**6,144**	**38,837**	**-32,693**
Recovery of previous years' income taxes		9,823	960	8,863
Previous years' income taxes		-15	-717	702
Differences on current tax expense for previous years	(B)	**9,808**	**243**	**9,565**
Provisions		85,900	248	85,652
Releases		-222	-286	64
Change in estimates for previous years		-91	-10	-81
Deferred tax income		**85,587**	**-48**	**85,635**
Provisions		-10	-37	27
Releases		-	59	-59
Changes in prior year estimates		1	661	-660
Deferred tax expense		**-9**	**683**	**-692**
Deferred tax income/(expense)	(C)	**85,578**	**635**	**84,943**
Income tax (expense)/benefit	(A+B+C)	**101,530**	**39,715**	**61,815**

In 2020, the income tax benefit primarily regards the loss for the year (which takes into account the limited relevance of dividends for tax purposes and the impairment losses on investments), recoverable as part of the tax consolidation arrangement:

a) €6,144 thousand by 2021, following the recognition of current tax assets;

b) €85,900 thousand after 2021, with recognition of deferred tax assets.

Differences on current tax expense for previous years, amounting to €9,808 thousand, essentially regard the recovery of ACE tax relief for 2018 and 2019.

The income tax benefit for 2019, resulting from the tax loss for that year, amounted to €39,715 thousand and broadly reflected the tax benefit of €41,005 thousand in current IRES, which is fully recoverable as part of the tax consolidation arrangement established by the Company.

The table below shows the reconciliation between the theoretical income tax benefit and the actual income tax benefit.

€000		2020			2019		
		Taxable income	Tax expense		Taxable income	Tax expense	
			Tax	Tax rate		Tax	Tax rate
Profit/(Loss) before tax from continuing operations		-126,723			392,160		
IRES tax expense/(benefit) at statutory rate			-30,414	24.00%		94,118	24.00%
Temporary differences deductible in future years		357,917	85,900	-67.79%	1,029	247	0.06%
Temporary differences taxable in future years		-42	-10	0.01%	-154	-37	-0.01%
Reversal of temporary differences arising in previous years		-925	-222	0.18%	-942	-226	-0.06%
Tax free dividends		-477,105	-114,505	90.36%	-582,886	-139,893	-35.67%
Distribution of reserves by investees		-	-	-	-21,128	-5,071	-1.29%
Reversals of impairment losses/(Impairment losses) on financial assets and investments		218,967	52,552	-41.47%	39,040	9,370	2.39%
Other permanent differences		2,311	555	-0.44%	2,029	487	0.12%
Taxable income assessable to IRES		-25,600			-170,852		
Current IRES charge for the year	(a)		6,144	-4.85%		41,005	10.46%
Other taxes	(b)		-	-		-2,168	-
Current IRAP charge for the year	(c)		-	-		-	-
Current tax expense	(d= a+b+c)		6,144	-4.85%		38,837	9.90%
Differences in income tax for previous years	e		9,808	-		243	-
Deferred tax income/(expense)	f		85,578	-		635	-
Tax benefit	d+e+f		101,530	-80.12%		39,715	10.13%

6.8 Profit/(Loss) from discontinued operations -€3,960 thousand (-€5,261 thousand)

The breakdown of the net loss from discontinued operations in 2020 and the comparative periods is down below.

€000	2020	2019	Increase/ (Decrease)
Impairment losses on the investment in Pavimental	3,960	5,261	-1,301
Tax effect	-	-	-
Net loss from discontinued operations	3,960	5,261	-1,301

6.9 (Loss)/Earnings per share

The following table shows the calculation of basic and diluted loss/earnings per share with comparative amounts.

	2020	2019
Weighted average number of shares outstanding	825,783,990	825,783,990
Weighted average number of treasury shares in portfolio	-7,650,521	-7,804,365
Weighted average of shares outstanding for calculation of basic earnings per share	818,133,469	817,979,625
Weighted average number of diluted shares held held under share-based incentive plans	-	8,722
Weighted average of all shares outstanding for calculation of diluted earnings per share	818,133,469	817,988,346
(Loss)/Earnings for the year (€000)	-29,153	426,614
Basic (loss)/earnings per share (€)	-0.04	0.52
Diluted (loss)/earnings per share (€)	-0.04	0.52
(Loss)/Profit from continuing operations (€000)	-25,193	431,875
Basic (loss)/earnings per share from continuing operations (€)	-0.04	0.52
Diluted (loss)/earnings per share from continuing operations (€)	-0.04	0.52
(Loss)/Profit from discontinued operations (€000)	-3,960	-5,261
Basic (loss)/earnings per share from discontinued operations (€)	-	-
Diluted (loss)/earnings per share from discontinued operations (€)	-	-

7. Other financial information

7.1 Notes to the statement of cash flows

Cash flows during 2020 resulted in an increase in cash and cash equivalents of €1,670,080 thousand (€311,360 thousand in 2019).

Cash generated from operating activities amounts to €179,946 thousand, down €310,310 thousand on 2019 (€490,256 thousand). This primarily reflects:

a) a reduction in dividends collected from investees (€133,992 thousand);

b) an increase in financial expenses linked to the fair value of financial instruments not qualifying for hedge accounting and the use of revolving credit facilities (€150,215 thousand).

Net cash from investing activities, amounting to €189,307 thousand, essentially reflects the combined effect of:

a) the amount collected (€278,022 thousand) following the assignment, in January 2020, of sterling-denominated receivables;

b) partial collection (€76,854 thousand) of the loan granted to Autostrade dell'Atlantico;

c) the posting of a cash collateral for derivatives (€164,860 thousand as at 31 December 2020).

Net cash from investing activities in 2019, amounting to €482,045 thousand, primarily included the collection of the amounts resulting from the distribution from reserves by Abertis HoldCo (€431,926 thousand) and Aero 1 (€30,300 thousand).

Net cash from financing activities, amounting to €1,300,827 thousand, essentially reflects the impact of full use of, in January 2020, of the Revolving Credit Facility (€3,250,000 thousand), of which €2,000,000 thousand was repaid in November 2020.

In 2019, the corresponding outflows, amounting to €660,941 thousand, essentially reflected:

a) payment to shareholders of the final dividend for 2018 (€736,153 thousand);

b) disbursement of a loan with a face value of €751,953 thousand in relation to the collar financing;

c) full repayment, amounting to €675,000 thousand, of the Revolving Credit Facility.

7.2 Financial risk management

Financial risk management objectives and policies

In the normal course of business, the Company is exposed to:

a) interest rate risk, linked to the failure to hedge or to hedge in an adequate and timely manner against movements in interest rates with an impact on the level of borrowing costs and on the value of financial assets and liabilities (including those linked to derivative financial instruments);

b) currency risk, linked to the failure to hedge or to hedge in an adequate and timely manner against fluctuations in exchange rates with an impact on investments and dividends, trading and financial assets and liabilities (including those linked to derivative financial instruments) denominated in a currency other than the Company's functional currency;

c) price risk, linked to movements in the market price of shares held by the Company;

d) liquidity risk, relating to the inability or the insufficient or delayed ability to meet financial obligations, satisfy the terms and conditions in loan agreements and the risk of enforcement of commitments and guarantees provided to third parties;

e) credit risk and financial counterparty risk, linked to the failure to assess or to assess in an adequate and timely manner default risk and the high concentration of trade and financial counterparties.

The Company's financial risk management strategy is derived from and consistent with the business goals set by the Board of Directors, within the scope of long-term planning objectives and is carried out in accordance with the prudence principle and in lined with best market practices.

With regard to interest rate, currency and price risk, the main objectives pursued are the following:

a) to limit the impact of exposure to price risk and to the risks of movements in exchange rates and interest rates, in the latter case by identifying the optimal combination of exposures to fixed and variable rates;

b) to achieve a potential reduction in the Company's borrowing costs within the risk limits set by the Board of Directors;

c) to manage transactions in derivative financial instruments, considering their potential impact on the operating results, financial position and cash flows, including in relation to the classification and presentation.

As at 31 December 2020, the Company's derivative transactions, described in detail below, are classified, in accordance with IFRS 9, as:

a) fair value hedges, with regard to the funded collar instrument, entered into to hedge the risk of movements in the market price of a portion of the Company's holding of shares in Hochtief;

b) non-hedge accounting, in the case of:

   i. Forward-Starting Interest Rate Swaps ("IRSs") hedging interest rate risk on future issues;

   ii. Cross Currency Swaps ("CCSs"), including both the CCSs originally entered into to hedge the currency and interest rate risks associated with sterling-denominated bonds (assigned in January 2020), and the offsetting CCSs (mirrors) entered into with the aim of neutralizing the impact of fluctuations in exchange rates on the fair value and on the cash flows of the original CCSs from the date of assignment of the amount receivable on the bonds.

Interest rate risk

Interest rate risk, as defined above, generally takes two forms:

a) cash flow risk: this is linked to financial assets and liabilities, including those that are highly likely, with cash flows indexed to a market interest rate.

In order to reduce the amount of floating rate debt, in 2017 and 2018 Atlantia has entered into Forward-Starting IRSs with a total notional value totalling €3,000,000 thousand (including €2,250,000 thousand having a duration of 10 years and subject to a weighted average fixed rate of approximately 1.02% and €750,000 thousand with a duration of 12 years at a fixed rate of 1.27%). Fair value losses on these instruments as at 31 December 2020 amount to €342,827 thousand (losses of €246,408 thousand as at 31 December 2019).

These derivative financial instruments were initially entered into with the aim of hedging interest rate risk on highly likely future financial liabilities linked to refinancing of the borrowings obtained to finance Atlantia's tender offer for all the outstanding shares issued by Abertis Infraestructuras, as announced in May 2017.

Following the modification of the structure of the transaction, involving, among other things, the withdrawal of the tender offer in April 2018 and completion of a joint investment in Abertis (with Hochtief and ACS) in October 2018, the hedging strategy was rebalanced with regard to future financing requirements linked to refinancing of the loans (Term Loan 1 and Term Loan 2) obtained to fund the investment, via the issue of bonds, expected to take place in 2020 (€1,000 million) and in 2021 (€2,000 million), in place of the credit facilities previously obtained.

Following the downgrade of the Company's rating and a worsening in market conditions in early 2020, in preparing the financial statements for 2019 the issues planned for 2020 and 2021 were considered possible and no longer highly probable. As a result, the Forward-Starting Interest Rate Swaps were classified as no longer qualifying for the application of hedge accounting in accordance with IFRS 9.

However, with the bond issue of €1,000 million in February 2021, a portion of the Forward-Starting IRSs was unwound (a notional amount of €1,150 million), settling the fair value loss at that date (€147,996 thousand, €152,239 thousand as at 31 December 2020). The equity reserve to which the loss on the Forward-Starting IRSs had been taken as at 30 June 2019 was, therefore, partially reclassified to profit or loss for 2020 (€92,006 thousand), broadly in relation to the portion attributable to the issues that did not take place during the year.

Finally, in June 2020 and January 2021, two cash collaterals were posted (the value as at 31 December 2020 of the cash collateral posted in June 2020 is €164,860, whilst the value of the cash collateral posted in January 2021 is €44,040 thousand at the date of deposit) via the execution of a Credit Support Annexes (CSAs) guaranteeing the credit exposure of the Company's financial counterparties, represented by the fair value of the Forward-Starting IRSs (with notional values of €1,450,000 thousand and €400,000 thousand, respectively). At the date of this document, the entire portfolio of Forward-Starting IRSs is backed by a cash collateral;

b) fair value risk: this represents the risk of losses deriving from an unexpected change in the value a financial asset or liability following an unfavourable shift in interest and market rates. As at 31 December 2020, the Company has not entered into derivatives classified as fair value hedges in accordance with IFRS 9.

The residual weighted average term to maturity of debt is three years and four months as at 31 December 2020 (four years and six months as at 31 December 2019). As at 31 December 2020:

a) 35.7% of debt is fixed rate;

b) after taking into account the related hedges, fixed rate debt represents 78.6% of the total.

The weighted average cost of medium/long-term borrowings in 2020, including differentials on hedging instruments, is 2.1%.

Currency risk

Following the Company's repurchase of 99.87% of the sterling-denominated bonds issued by Romulus Finance in 2015 and transferred to Aeroporti di Roma in 2016, the Company entered into CCSs with notional values (equal to £214,725 thousand) and maturities matching those of the underlying asset. This was done to hedge the currency and interest rate risk associated with the underlying in foreign currency.

Following assignment of the amount receivable on the bonds in January 2020, the above CCSs no longer qualify for the application of hedge accounting as at 31 December 2019. The related fair value gains amount to €48,192 thousand (fair value gains of €38,461 thousand as at 31 December 2019). At the time of the assignment of the above amount receivable on the bonds, in January 2020, the Company entered into two Cross Currency Offset Swaps with the same notional value in sterling as the above CCSs (registering a fair value loss of €13,960 thousand as at 31 December 2020), in order to neutralise the impact of fluctuations in the exchange rate on the fair value and on the related cash flows through to expiry of the original CCSs.

Price risk

In this regard, in March 2019, the Company entered into a derivative financial instrument called a "funded collar", involving 5.6 million shares in Hochtief (representing approximately 33% of the total shares held). The aim is to mitigate the shares' exposure to the risk that movements in the market price would take the share price below a certain floor and to benefit from increases in the share price up to a certain cap. The derivative instrument consists of a put option (with fair value gains amounting to €366,404 thousand as at 31 December 2020) and a call option (with fair value losses amounting to €27,842 thousand as at 31 December 2020). The derivative is being used to secure a loan of €751,953 thousand with an average term to maturity of 4 years and 9 months and with scheduled repayments between September 2024 and March 2026, potentially via the sale of the Hochtief shares at prices within an agreed range.

Fair value gains on these derivatives as at 31 December 2020 amount to €338,562 thousand and are recognised in other comprehensive income, in keeping with the accounting treatment applied to the underlying (the Hochtief shares).

The following table summarises outstanding derivative financial instruments at 31 December 2020 (compared with 31 December 2019) and shows the corresponding market value.

€000 Type	Purpose of hedge	31 December 2020 Fair value asset/ (liability)	31 December 2020 Notional amount	31 December 2019 Fair value asset/ (liability)	31 December 2019 Notional amount
Fair value hedges					
Funded Collar	Shares	338,562	446,885	169,585	638,729
Fair value hedges		**338,562**	**446,885**	**169,585**	**638,729**
Non-hedge accounting derivatives					
Cross Currency Swap	Currency and interest rate risk	48,191	286,682	38,461	286,682
Cross Currency Swap Offset	Currency and interest rate risk	-13,960	255,511	-	-
Interest Rate Swap	Interest rate risk	-342,827	3,000,000	-246,408	3,000,000
FX Forward	Currency risk	-	-	1,162	41,276
FX Forward	Currency risk	-	-	-1,162	-41,276
Non-hedge accounting derivatives		**-308,596**	**3,542,193**	**-207,947**	**3,286,682**
Total derivatives		**29,966**	**3,989,078**	**-38,362**	**3,925,411**
	of which				
	fair value (asset)	386,753		209,208	
	fair value (liability)	-356,787		-247,570	

Sensitivity analysis

Sensitivity analysis describes the impact that the interest rate and foreign exchange movements to which the Company is exposed would have had on the income statement for 2020 and on equity as at 31 December 2020.

The interest rate sensitivity analysis is based on the exposure of (derivative and non-derivative) financial instruments at the end of the reporting period, assuming, in terms of the impact on the income statement, a 100 bps (1.00%) shift in the interest rate curve at the beginning of the year. The following outcomes resulted from the analysis carried out:

a) in terms of interest rate risk, an unexpected 100 bps shift in market interest rates would have resulted in a negative impact on the consolidated income statement, totalling €271,427 thousand, primarily linked to the change in the fair value of the Forward-Starting IRSs, and a positive impact on other comprehensive income, totalling €35,242 thousand, linked to the change in the fair value of the funded collar, before the related taxation; before the related taxation;

b) in terms of currency risk, an unexpected and unfavourable 10% shift in the exchange rate would have an impact of €219 thousand on the income statement (before the related taxation), broadly linked to the change in the fair value of the CCSs, and a zero effect on other comprehensive income.

Liquidity risk

Liquidity risk relates to the risk that cash resources may be insufficient to fund operations and the payment of liabilities as they fall due, and the risk of failure to satisfy the terms and conditions in loan agreements or of enforcement of commitments and guarantees provided to third parties (as identified in note 8).

Despite the difficulties resulting from the Covid-19 pandemic, the Company believes that is has sufficient funds to meet its projected financial needs through to the end of 2022.

As at 31 December 2020, the Company has cash reserves of €4,261,372 thousand, consisting of:

a) cash and cash equivalents, amounting to €2,261,372 thousand;

b) available credit facilities totalling €2,000,000 thousand, in the form of a "Revolving Back Stop Facility" agreed on 12 October 2018, residual drawdown period of approximately nine months:

€000 Line of credit	Drawdown period expires	Final maturity	31 December 2020 Available	31 December 2020 Drawn	31 December 2020 Undrawn
Revolving Facility A (1)	4 June 2023	4 July 2023	1,250,000	*1,250,000*	-
Revolving Back Stop Facility (2)	5 October 2021	05 November 2021	2,000,000	-	*2,000,000*
		Total	**3,250,000**	***1,250,000***	***2,000,000***

(1) *This facility was repaid in full in January 2021.*
(2) *This facility was cancelled on 22 February 2021.*

On 14 January 2021, the Company repaid the Revolving Credit Facility of €1,250,000 thousand, which will continue to be available until July 2023. In addition, on 22 February 2021, the Company proceeded with voluntary early cancellation of the Revolving Credit Facility of €2,000,000 thousand, which had again become available as at 31 December 2020 after being fully repaid in November 2020.

The Term Loans and revolving facilities in place as at 31 December 2020 require compliance, at consolidated level, with certain covenants in line with market practice. The method of determining the variables to use in computing the ratios is specified in detail in the relevant loan agreements. Breach of these covenants, at the relevant measurement dates, could constitute a default event and result in the lenders calling in the loans, requiring the early repayment of principal and interest.

These regard a minimum threshold for:

a) the ratio of Funds from Operations (FFO) to Net Debt;

b) the debt service coverage ratio;

c) equity.

In response to the negative impact of the Covid-19 pandemic on the traffic recorded by the Group's motorway and airport operators, the Company took the preventive and precautionary step on 26 January 2021 of requesting its lenders to grant a covenant holiday for the threshold indicated in point a) at the measurement date of 31 December 2020 for the Term Loans and the Revolving facility of €1,250,000, receiving positive responses on 12 and 19 February 2021. The value of FFO to Net Debt subsequently proved to be above the required minimum threshold.

With regard to provisions that could result in early repayment of outstanding bond issues or borrowings, the terms of Atlantia's and Autostrade per l'Italia's loan agreements and bond issues include provisions requiring early repayment in the following cases:

a) *cross acceleration*, when the debt of Atlantia or a significant subsidiary becomes immediately repayable, unless this follows the loss of a concession;

b) *cross-default*, if Atlantia or one of its significant subsidiaries fail to repay debt at maturity or within the applicable grace period;

c) *legal, regulatory or administrative proceedings* involving Atlantia or Autostrade per l'Italia that might reasonably have a material adverse effect on Atlantia;

d) *insolvency*, if Atlantia or a significant subsidiary were to become insolvent, and not be able to meet its repayment obligations or suspend such repayments. All the loan agreements contain an explicit exception covering cases in which insolvency is the result of the loss of a concession;

e) *further restrictions*: in the event of revocation, forfeiture, cancellation or termination of the concession held by a significant subsidiary, further restrictions may be applicable, such as sales, new debt, guarantees and new acquisitions, the breach of which may trigger early repayment.

Autostrade per l'Italia's borrowings from the EIB and CDP are subject to the following early repayment provisions:

a) *minimum rating requirement*; as previously announced, in 2020, following the issue of the *Milleproroghe* Decree, the rating agencies downgraded Autostrade per l'Italia's ratings to below investment grade and this could, if adequate credit guarantees cannot be provided, trigger early repayment of Autostrade per l'Italia's borrowings from the EIB and CDP (a nominal amount of €1.6 billion, including €1.3 billion guaranteed by Atlantia), enforcement of the guarantees provided by Atlantia and, in the event of non-payment, the potential cross-default of Autostrade per l'Italia and Atlantia. At the date of preparation of this Integrated Annual Report for 2020, neither the EIB nor CDP has made any request for early repayment;

b) *concession events,* where the concession lapses or where action is taken with a view to declaring the concession resolved or in the event of changes to it that have a material adverse effect;

c) *regulatory events*, regarding a change in the concession's regulatory framework, where this, in the bank's reasonable judgement, has a negative impact on the financial position of Autostrade per l'Italia or of the guarantor, Atlantia;

d) *material adverse event*;

e) *cross-default and/or cross-acceleration events*.

Autostrade per l'Italia's bond issues contain put provisions that could trigger early repayment in the event of, among other things, changes to the concession that could have a material adverse effect on Autostrade per l'Italia, or in the event of termination or revocation of the concession.

In terms of the risk of early repayment of the Company's debt due to default by the subsidiary, Autostrade per l'Italia, reference should be made to note 2.

The following tables show the time distributions of medium/long-term financial liabilities by term to maturity as at 31 December 2020 and comparable figures as at 31 December 2019, excluding accrued expenses at these dates.

€000	31 December 2020					
	Carrying amount	Total contractual flows	Within one year	Between 1 and 2 years	Between 3 and 5 years	Over 5 years
Bond issue 2017-2025	748,517	-810,939	-12,188	-12,188	-786,563	-
Bond issue 2017-2027	989,081	-1,131,250	-18,750	-18,750	-56,250	-1,037,500
Bond issues	**1,737,598**	**-1,942,189**	**-30,938**	**-30,938**	**-842,813**	**-1,037,500**
Borrowing (Term Loan 1) disbursed 2018	1,495,868	-1,520,111	-12,668	-1,206,826	-300,617	-
Borrowing (Term Loan 2) disbursed 2018	1,746,116	-1,803,505	-19,215	-19,021	-1,765,269	-
Borrowing (RCF) disbursed 2020	1,250,000	-1,253,642	-1,253,642	-	-	-
Collar financing (disbursed 2019)	737,637	-751,953	-	-	-523,004	-228,949
Bank borrowings	**5,229,621**	**-5,329,211**	**-1,285,525**	**-1,225,847**	**-2,588,890**	**-228,949**
Total bond issues and bank borrowings	**6,967,219**	**-7,271,400**	**-1,316,463**	**-1,256,785**	**-3,431,703**	**-1,266,449**

€000	31 December 2019					
	Carrying amount	Total contractual flows	Within one year	Between 1 and 2 years	Between 3 and 5 years	Over 5 years
Bond issue 2017	748,169	-823,127	-12,188	-12,188	-36,563	-762,188
Bond issue 2017	987,531	-1,150,000	-18,750	-18,750	-56,250	-1,056,250
Bond issues	**1,735,700**	**-1,973,127**	**-30,938**	**-30,938**	**-92,813**	**-1,818,438**
Borrowing (Term Loan 1) disbursed 2018	1,493,958	-1,525,040	-9,634	-9,657	-1,505,749	-
Borrowing (Term Loan 2) disbursed 2018	1,744,740	-1,809,711	-15,700	-15,703	-1,778,308	-
Collar financing (disbursed 2019)	734,720	-751,953	-	-	-22,398	-729,555
Bank borrowings	**3,973,418**	**-4,086,704**	**-25,334**	**-25,360**	**-3,306,455**	**-729,555**
Total bond issues and borrowings	**5,709,118**	**-6,059,831**	**-56,272**	**-56,298**	**-3,399,268**	**-2,547,993**

The amounts in the above tables include interest payments and exclude the impact of any offset agreements.

The time distribution of terms to maturity is based on the residual contract term or on the earliest date on which repayment of the liability may be required, unless a better estimate is available.

The distribution for transactions with amortisation schedules is based on the date on which each instalment falls due.

The following table shows the time distribution of expected cash flows from hedging derivatives as at 31 December 2020 (in accordance with IFRS 9).

€000	31 December 2020						31 December 2019					
	Carrying amount	Expected cash flows	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years	Carrying amount	Expected cash flows	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Funded Collar												
Derivative assets	338,562	338,562	-	-	235,479	103,083	169,585	169,585	-	-	5,051	164,534
Total fair value hedges	**338,562**	**338,562**	**-**	**-**	**235,479**	**103,083**	**169,585**	**169,585**	**-**	**-**	**5,051**	**164,534**
Accrued expenses on cash flow hedges	-						-					
Accrued income on cash flow hedges	-						-					
Total cash flow hedge derivative assets/liabilities	**338,562**	**338,562**	**-**	**-**	**235,479**	**103,083**	**169,585**	**169,585**	**-**	**-**	**5,051**	**164,534**

Information on guarantees provided is given in note 8.1, “Guarantees”.

Credit risk and financial counterparties

Credit risk, as defined above, may result from factors that are strictly technical, commercial, administrative or legal in nature, or from those of a typically financial nature, relating to the counterparty’s credit standing.

The Company manages credit risk in accordance with the prudence principle and in line with best market practices, primarily through recourse to counterparties with high credit ratings and continuous monitoring with the aim of ensuring that there are no significant credit risk concentrations.

The above also applies to the credit risk originating from transactions in derivative financial instruments.

Provisions for impairment losses on individually material items, on the other hand, are established when there is objective evidence that the Group will not be able to collect all or any of the amount due. The amount of the provisions takes account of estimated future cash flows and the date of collection, any future recovery costs and expenses, and the value of any security and guarantee deposits received. General provisions, based on the available historical and statistical data, are established for items for which specific provisions have not been made.

8. Other information

8.1 Guarantees

The Company has certain personal guarantees in issue. As at 31 December 2020, these include, in terms of importance:

a) on behalf of Autostrade per l’Italia, totalling €5,352,905 thousand (€6,135,635 thousand as at 31 December 2019):

   i. the guarantee (€3,833,835 thousand equal to 120% of the underlying liability), issued in favour of bondholders, following the issuer substitution of December 2016, , valid until its respective maturity for public bonds and until September 2025 for private bonds; ;

   ii. guarantees of €1,519,070 thousand equal to 120% issued in favour of the European Investment Bank, as security for loans granted to the subsidiary. These agreements require both Autostrade per l’Italia and Atlantia to maintain investment grade credit ratings (as more fully described in note 7.2 “Financial risk management”);

b) in the interest of Azzurra Aeroporti and for the benefit of bondholders and banks counterparties fort the derivatives contracts of Azzurra Aeroporti, Atlantia has obtained the issue of a bank guarantee with an annual duration and with a renewal obligation on expiry, for which Atlantia has provided a back-to-back guarantee of €6,650 thousand;

c) on behalf of Pune Solapur Expressways Private Limited, the Company has obtained the issue of a bank guarantee with a duration of 18 months with automatic renewal, with a back-to-back guarantee provided by Atlantia itself, to partially cover the tranche of the company’s subordinated debt issued in September 2020, amounting to 2,150,000,000 rupees (approximately €24,000 thousand as at 31 December 2020).

In May 2021, the standstill agreement negotiated by Atlantia with the non-controlling shareholders of Autostrade per l’Italia will expire. This governs the extension of the declarations and guarantees provided by Atlantia in connection with the sale of shares in Autostrade per l’Italia.

In addition, the Company has also pledged:

a) all the shares (52.69%) in Azzurra Aeroporti held by Atlantia to bondholders and the banks who are counterparties in derivative transactions;

b) a portion (25.5%) of Atlantia’s holding of shares in Pune Solapur Expressways to banks.

8.2 Related party transactions

The principal related party transactions between the Company and its related parties are described below. The transactions have been identified based on the criteria set out in the Procedure for Related Party Transactions adopted by the Company in implementation of the provisions of art. 2391-*bis* of the Italian Civil Code, the Regulations adopted by the *Commissione Nazionale per le Società e la Borsa* (the CONSOB) in Resolution 17221 of 12 March 2010, as amended. This procedure, published in the section, “Articles of Association, codes and procedures” on the Company’s website at www.atlantia.it/en/home, establishes the criteria to be used in identifying related parties, in distinguishing between transactions of greater and lesser significance, and in fulfilling the related reporting requirements.

The following table shows amounts in the income statement and statement of financial position generated by related party transactions, including those with Directors, Statutory Auditors and the Company’s key management personnel.

[1] *Nella voce sono esposti i saldi delle società che non presentano alcun dato rilevante in tabella.*
[2] *Il “Costo per il personale” include i rimborsi.*

€000	Principal trading and other transactions with related parties																	
	Assets				Liabilities					Income		Expenses						
	Trading and other non-financial assets				Trading and other non-financial liabilities					Trading and other non-financial income		Trading and other non-financial expenses						
	Trade receivables	Current tax assets	Other current assets	Total	Other non-current liabilities	Trade payables	Current tax liabilities	Other current liabilities	Total	Operating revenue (2)	Total	Raw and consumable materials	Service costs	Staff costs (2)	Lease expense	Sundry expenses	Amortisation and depreciation	Total
	31 December 2020									2020								
Edizione	-	-	-	-	-	-	-	-	-	-	-	-	-	126	-	-	-	126
Total parents	-	-	-	-	-	-	-	-	-	-	-		-	126	-	-	-	126
Atlantia Bertin Participacoes	662	-	-	662	-	-	-	474	474	-	-	-	-	22	-	-	-	22
Autostrade dell'Atlantico	461	-	8	469	-	-	1,329	-	1,329	153	153	-	-	167	-	-	-	167
Autostrade Meridionali	8	251	-	259	-	-	977	-	977	7	7	-	-	-19	-	-	-	-19
Autostrade per l'Italia	541	-	-	541	-	2,183	23,100	384	25,667	1,218	1,218	27	1,616	450	179	49	674	2,995
Autostrade Tech	3	1,372	-	1,375	-	-	86	-	86	3	3	-	-	-4	-	-	-	-4
Azzurra Aeroporti	226	-	-	226	-	-	4,572	-	4,572	167	167	-	-	-	-	-	-	-
EsseDiEsse Società di Servizi	-	502	-	502	-	1,312	442	-	1,754	-	-	-	1,385	-5	-	-	-	1,380
Gruppo Aeroporti di Roma	2,243	966	29	3,238	-	163	4,584	-	4,747	206	206	-	-	-829	4	21	-	-804
Pavimental	33	-	-	33	-	-	1,307	-	1,307	10	10	-	-	-26	-	-	-	-26
Spea Engineering	42	-	-	42	-	14	1,368	-	1,382	14	14	-	-	-11	-	-	-	-11
Tangenziale di Napoli	4	-	-	4	-	-	1,449	-	1,449	2	2	-	-	-6	-	-	-	-6
Telepass	1,015	12,006	-	13,021	-	3	67	304	374	273	273	-	1	-227	-	-	-	-226
Other subsidiaries (1)	855	642	157	1,654	-	114	441	4	559	175	175	-	148	-77	-	124	-	195
Total subsidiaries (3)	6,093	15,739	194	22,026	-	3,789	39,722	1,166	44,677	2,228	2,228	27	3,150	-565	183	194	674	3,663
Associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-21	-	-	-	-21
Total associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-21	-	-		-21
ASTRI pension fund	-	-	-	-	-	-	-	84	84	-	-	-	-	318	-	-	-	318
CAPIDI pension fund	-	-	-	-	-	-	-	515	515	-	-	-	-	1,512	-	-	-	1,512
Total pension funds	-	-	-	-	-	-	-	599	599	-	-	-	-	1,830	-	-		1,830
Key management personnel (4)	-	-	-	-	1,663	-	-	1,136	2,799	-	-	-	-	6,959	-	-	-	6,959
Total Key management personnel	-	-	-	-	1,663	-	-	1,136	2,799	-	-		-	6,959	-	-		6,959
TOTAL (5)	6,093	15,739	194	22,026	1,663	3,789	39,722	2,901	48,075	2,228	2,228	27	3,150	8,329	183	194	674	12,557

€000	Principal trading and other transactions with related parties																	
	Assets				Liabilities					Income		Expenses						
	Trading and other non-financial assets				Trading and other non-financial liabilities					Trading and other non-financial income		Trading and other non-financial expenses						
	Trade receivables	Current tax assets	Other current assets	Total	Other non-current liabilities	Trade payables	Current tax liabilities	Other current liabilities	Total	Operating revenue (2)	Total	Raw and consumable materials	Service costs	Staff costs (2)	Lease expense	Sundry expenses	Amortisation and depreciation	Total
	31 December 2019									2019								
Edizione	-	-	-	-	-		-	-		-	-	-		139	-	-	-	139
Total parents	-	-	-	-	-	-	-	-	-	-	-	-	-	139	-	-	-	139
Atlantia Bertin Participacoes	665	-	-	665	-	-	-	468	468	-	-			-138	-	-	-	-138
Autostrade dell'Atlantico	1,103	-	21	1,124	-	590	1,020	-	1,610	254	254		93	-942	-	-	-	-849
Autostrade Tech	-	812	-	812	-	-	86	-	86	-	-		-	-53	-	-	-	-53
Autostrade Meridionali	76	3,981	-	4,057	-	-	977	-	977	58	58		1,692	1,764	-	-	-	3,456
Autostrade per l'Italia	2,180	6,767	-	8,947	-	3,873	18,619	-	22,492	673	673	27	-	-6	231	1	674	927
Autostrade Tech	-	812	-	812	-	-		-	-		-	-	-	-	-	-	-	-
Azzurra Aeroporti	265	-	-	265	-	8	4,896	-	4,904	152	152		-	-	-	-	-	-
Electronic Transaction Consultants	14	-	33	47	-	-	-	-	-		-		1,430	24	-	-	-	1,454
EsseDiEsse Società di Servizi	-	67	-	67	-	1,430	441	-	1,871	-	-		19	-	-	-	-	19
Gruppo Aeroporti di Roma	1,592	19,427	-	21,019	18	165	348	7,470	8,001	121	121		-	-1,055	17	2	-	-1,036
Pavimental	55	1,818	-	1,873	-	-	951	-	951	454	454		-	-65	-	-	-	-65
Spea Engineering	30	-	-	30	-	28	4,150	155	4,333	-	-		-	-7	-	-	-	-7
Tangenziale di Napoli	13	410	-	423	-	-	1,098	-	1,098	-	-		-	-19	-	-	-	-19
Telepass Pay	327	-	-	327	-	-	1,127	-	1,127	174	174		-	-146	-	-	-	-146
Telepass	813	1,049	-	1,862	-	-	67	-	67	272	272		-	-649	-	-	-	-649
Leonardo Energia	-	-	-	-	-	-	653	-	653		-		-	32	-	-	-	32
Other subsidiaries (1)	330	344	161	835	-	427	799	4	1,230	144	144		267	-79	-	-	-	188
Total subsidiaries (3)	7,463	34,675	215	42,353	18	6,521	35,232	8,097	49,868	2,302	2,302	27	3,501	-1,339	248	3	674	3,114
Associates	-		-	-	-	-	-	-	-	-	-	-		-17	-	-	-	-17
Total associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-17	-	-	-	-17
ASTRI pension fund	-	-	-	-	-	-	-	125	125	-	-	-	-	360	-	-	-	360
CAPIDI pension fund	-	-	-	-	-	-	-	1,023	1,023	-	-	-	-	1,483	-	-	-	1,483
Total pension funds	-	-	-	-	-	-	-	1,148	1,148	-	-	-	-	1,843	-	-	-	1,843
Key management personnel (4)	-	-	-	-	15,009	-	-	8,138	23,147	-	-	-	-	27,220	-	-	-	27,220
Total Key management personnel	-	-	-	-	15,009	-	-	8,138	23,147	-	-	-	-	27,220	-	-	-	27,220
TOTAL	7,463	34,675	215	42,353	15,027	6,521	35,232	17,383	74,163	2,302	2,302	27	3,501	27,846	248	3	674	32,299

(1) *This item includes balances for companies where the relevant amount is not material.*
(2) *"Staff costs" include cost recoveries.*
(3) *The total also includes the balances for indirect subsidiaries.*
(4) *Atlantia's "key management personnel" means the Company's Directors, Statutory Auditors and other key management personnel as a whole. The expenses shown for each period include the accrued amount payable as emoluments, salaries, benefits in kind, bonuses and other incentives (including the fair value of share-based incentive plans based on the shares of Atlantia). In addition to the information shown in the table, the financial statements also include contributions of €1,963 thousand paid on behalf of Directors, Statutory Auditors and other key management personnel for 2020 (€5,434 thousand in 2019) and the related liabilities of €852 thousand as at 31 December 2020 (€5,244 thousand as at 31 December 2019).*
(5) *The overall amount for individual line items in the income statement is presented in the statutory income statement and statement of financial position, in the column "of which related party transactions", if above €500 thousand.*

€000	Principal financial transactions with related parties															
	Assets						Liabilities						Income		Expenses	
	Financial assets						Financial liabilities						Financial income		Financial expenses	
	Other non-current financial assets	Intercompany current account receivables due from related parties	Current portion of other medium/long-term financial assets	Current derivative assets	Current financial assets	Total	Medium/long-term borrowings	Current derivative liabilities	Intercompany current account payables due to related parties	Current portion of medium/long-term borrowings	Current financial liabilities	Total	Other financial income [1]	Total	Other financial expenses [1]	Total
	31 December 2020												2020			
Total parents	-	-	-		-	-		-	-		-	-	-	-	-	-
Autostrade dell'Atlantico	126,299	192	-	-	-	**126,491**	-	-	-	-	-	-	7,387	**7,387**	1,162	**1,162**
Autostrade per l'Italia	-	-	-	-	557	**557**	-	-	-	-	-	-	8,884	**8,884**	364	**364**
Electronic Transaction Consultants Co	-	-	-	-	-	**-**	-	-	-	-	-	-	133	**133**	-	-
Gruppo Aeroporti di Roma	-	-	-	-	-	**-**	-	-	-	-	-	-	1,025	**1,025**	-	-
Pavimental	-	-	-	-	-	**-**	-	-	-	-	-	-	3	**3**	-	-
Spea Engineering	-	-	-	-	4,050	**4,050**	-	-	-	-	-	-	3	**3**	-	-
Telepass	-	-	-	-	-	**-**	-	-	-	-	-	-	-	-	204	**204**
Other subsidiaries [2]	-	2	-	-	-	**2**	-	-	238		-	**238**	61	**61**	-	-
Total subsidiaries [3][4]	**126,299**	**194**	-	-	**4,607**	**131,100**	-	-	**238**	-	-	**238**	**17,496**	**17,496**	**1,730**	**1,730**
TOTAL	**126,299**	**194**	-	-	**4,607**	**131,100**	-	-	**238**	-	-	**238**	**17,496**	**17,496**	**1,730**	**1,730**
	31 December 2019												2019			
Sintonia	-	-	-	-		-	-		-	-	-	-	-	-	61	61
Total parents															**61**	**61**
Autostrade dell'Atlantico	198,352	-	-	1,162	4,213	**203,727**		-	5,699	-	-	**5,699**	8,504	**8,504**	-	-
Autostrade per l'Italia	-	24,467	-	-	608	**25,075**	12,475		-	528	-	**13,003**	5,747	**5,747**	378	**378**
Pavimental	-	317	-	-	-	**317**	-	-	-	-	-	-	2	**2**		-
Spea Engineering	-	475	-	-	4,050	**4,525**	-	-	-	-	-	-	2	**2**		-
Telepass	-	21,016	-	-	-	**21,016**	-	-	-	81	80,000	**80,081**	-	-	325	**325**
Electronic Transaction Consultants Co	-	-	-	-	8,310	**8,310**	-	-	-	-	-		337	**337**		-
Gruppo Aeroporti di Roma	276,722	-	450	-	21	**277,193**	-	-	-	-	-		13,520	**13,520**		-
Other subsidiaries [2]	-	-	-	-	20	**20**	-	-	234	-	-	**234**	30	**30**		-
Total subsidiaries	**475,074**	**46,275**	**450**	**1,162**	**17,222**	**540,183**	**12,475**	-	**5,933**	**609**	**80,000**	**99,017**	**28,142**	**28,142**	**703**	**703**
TOTAL	**475,074**	**46,275**	**450**	**1,162**	**17,222**	**540,183**	**12,475**	-	**5,933**	**609**	**80,000**	**99,017**	**28,142**	**28,142**	**764**	**764**

(1) *The table does not include dividends from investees, reversals of impairment losses on financial assets and investments or impairment losses on financial assets and investments.*
(2) *This item includes balances for companies where the relevant amount is not material.*
(3) *The total also includes amounts for indirect subsidiaries.*
(4) *The overall amount for individual financial line items is presented in the statutory income statement and statement of financial position, in the column "of which related party transactions", if above €500 thousand.*

In 2020, as in 2019, no non-recurring, atypical or unusual transactions, having a material impact on the Company's income statement and statement of financial position, were entered into with related parties.

The principal transactions entered into with related parties are described below.

Atlantia SpA's relations with its subsidiaries

Transactions of a trading nature primarily regard the provision of administrative services (training, welfare, procurement, IT, general services, property services, etc.).

The Company has entered into service agreements with a number of direct and indirect subsidiaries, including Autostrade per l'Italia, EssediEsse, Telepass, Telepass Pay, Azzurra Aeroporti, Autostrade dell'Atlantico, Autostrade Portugal and Autostrade Meridionali.

With regard to tax management, as a result of the tax consolidation arrangement headed by the Company, the statement of financial position as at 31 December 2020 includes amounts receivable from and payable to Atlantia Group companies, amounting to €15,739 thousand and €39,722 thousand respectively. These amounts are recognised by the Company in order to mirror matching amounts due to and from the tax authorities. The arrangement is described in note 5.9.

In terms of financial liabilities, there no significant exposures to either direct or indirect subsidiaries of the Atlantia Group.

As at 31 December 2019, the Company held a cash deposit made by the subsidiary, Telepass, in 2018, amounting to €80,000 thousand (repaid in full in August 2020).

In terms of financial assets, it should be noted that, as described in note 5.4, as at 31 December 2020, the Company has recognised an amount receivable in the form of a loan, including interest, granted to Autostrade dell'Atlantico in January 2017, amounting to €126,299 thousand (€198,352 thousand in 2019), following partial collection of the debt, amounting to €76,854 thousand.

As at 31 December 2019, in addition to intercompany current account receivables, the Company recognised an amount receivable in the form bonds issued by Aeroporti di Roma totalling €276,722 thousand (assigned in January 2020), and the above-mentioned loan granted to Autostrade dell'Atlantico, amounting to €198,352 thousand.

As at 31 December 2020, the Company has issued a number of guarantees in favour of direct or indirect subsidiaries, as described in note 8.1.

8.3 Disclosures regarding share-based payments

In order to incentivise and foster the loyalty of directors and employees holding key positions and responsibilities within Atlantia or in Atlantia Group companies, and to promote and disseminate a value creation culture in all strategic and operational decision-making processes, driving the Atlantia Group's growth and boosting management efficiency, a number of share incentive plans based on Atlantia's shares have been introduced in previous years. The plans entail payment in the form of shares or cash and are linked to the achievement of predetermined corporate objectives.

There were no changes, during 2020, in the share-based incentive plans already adopted by the Atlantia Group as at 31 December 2019.

On 29 May 2020, based on a proposal from Atlantia's Board of Directors dated 24 April 2020, the Annual General Meeting of Atlantia's shareholders approved a new incentive scheme for all the permanent employees of the Atlantia Group's Italian companies. Under the scheme, each employee was to receive 75 shares in Atlantia (already held in treasury) free of charge. The acceptance period was initially to run from 5 October to 2 November 2020, with the deadline later extended until 6 November 2020. The plan did not include a vesting period, so that the rights immediately vested and were awarded at the end of the acceptance period. The shares will be subject to a lock-up period of three years from the allotment date, with the shares to be held on deposit in a securities escrow account; during this lock-up period, any dividends paid will be paid to beneficiaries, who will have the right to vote at general meetings. At the end of the acceptance period, in November 2020, 10,840 of the Group's employees had opted to participate in the plan, resulting in the allotment of a total of 813,000 shares. The unit fair value at the acceptance date was computed by an independent expert as €11.74.

Details of each plan are contained in specific information circulars prepared pursuant to art. 84-*bis* of CONSOB Regulation 11971/1999, as amended, and in the Remuneration Report prepared pursuant to art. 123 *ter* of the Consolidated Finance Act. These documents, to which reference should be made, are published in the "Remuneration" section of the Company's website at www.atlantia.it/en/home.

In accordance with the requirements of IFRS 2, as a result of existing plans, in 2020, the Group registered a reduction in costs of €8,156 thousand (described above in note 6.4), whilst the liabilities represented by phantom share options outstanding as at 31 December 2020 have been recognised in other current (€4,687 thousand) and non-current liabilities (€4,077 thousand), based on the assumed exercise date. With regard to the shares allotted free of charge to the employees of Italian subsidiaries, who benefitted from the new plan approved in 2020, a total of €9,460 thousand has been recognised as an increase in the carrying amount of the investments held in these companies, if directly controlled (or in the related directly controlled parent).

The following table shows the main aspects of existing cash-settled incentive plans as at 31 December 2020, including the options and units awarded to Directors and employees of the Atlantia Group and changes during 2020 (in terms of new awards and the exercise, conversion or lapse of rights). The table also shows the fair value (at the grant date) of each option or unit awarded, as determined by a specially appointed expert, using the Monte Carlo model and other assumptions.

	Number of options/ units awarded	Vesting date	Exercise/ grant date	Exercise price (€)	Fair value of each option or unit at grant date (€)	Expected expiration at grant date (years)	Risk free interest rate used at grant date	Expected volatility (based on historic mean) at grant date	Expected dividends at grant date
2014 PHANTOM SHARE OPTION PLAN									
Options outstanding as at 1 January 2020									
- 9 May 2014 grant	385,435	9 May 2017	9 May 2020	N/A (*)	2.88	6.0	1.10%	28.9%	5.47%
- 8 May 2015 grant	642,541	8 May 2018	8 May 2021	N/A (*)	2.59	6.0	1.01%	25.8%	5.32%
- 10 June 2016 grant	659,762	10 June 2019	10 June 2022	N/A (*)	1.89	3.0 - 6.0	0.61%	25.3%	4.94%
- transfers/secondments	210,375								
- options exercised	-1,079,362								
- options lapsed	-161,523								
	657,228								
Changes in options in 2020	-								
Options outstanding as at 31 December 2020	657,228								
2017 PHANTOM SHARE OPTION PLAN									
Options outstanding as at 1 January 2020									
- 12 May 2017 grant	585,325	15 June 2020	1 July 2023	N/A (*)	2.37	3.13 - 6.13	1.31%	25.6%	4.40%
- 3 August 2018 grant	493,247	15 June 2021	1 July 2024	N/A (*)	2.91	5.9	2.35%	21.9%	4.12%
- 7 June 2019 grant	1,222,366	15 June 2022	1 July 2025	N/A (*)	2.98	6.06	1.72%	24.3%	4.10%
- options lapsed	-781,154								
- transfers/secondments	264,257								
	1,784,041								
Changes in options in 2020									
- transfers/secondments	-198,504								
- options lapsed	-817,413								
Options outstanding as at 31 December 2020	768,124								
SUPPLEMENTARY INCENTIVE PLAN 2017 - PHANTOM SHARE OPTIONS									
Options outstanding as at 1 January 2020									
- 29 October 2018 grant	4,134,833	29 Oct 2021	29 Oct 2024	N/A (*)	1.79	6.0	2.59%	24.6%	4.12%
	4,134,833								
Changes in options in 2020	-								
Options outstanding as at 31 December 2020	4,134,833								
2017 PHANTOM SHARE GRANT PLAN									
Units outstanding as at 1 January 2020									
- 12 May 2017 grant	53,007	15 June 2020	1 July 2023	N/A	23.18	3.13 - 6.13	1.31%	25.6%	4.40%
- 3 August 2018 grant	49,624	15 June 2021	1 July 2024	N/A	24.5	5.9	2.35%	21.9%	4.12%
- 7 June 2019 grant	108,396	15 June 2022	1 July 2025	N/A	22.57	6.06	1.72%	24.3%	4.10%
- options lapsed	-59,604								
- transfers/secondments	27,647								
	179,071								
Changes in units in 2020									
- transfers/secondments	-20,942								
- options lapsed	-76,974								
Units outstanding as at 31 December 2020	81,155								

(*) *Given that these are cash bonus plans, involving payment of a gross amount in cash, the 2014 Phantom Share Option Plan, the 2017 Phantom Share Option Plan and the Supplementary Incentive Plan 2017 – Phantom Share Options do not require an exercise price. However, the Terms and Conditions of the plans indicate an "Exercise price" (equal to the arithmetic mean of Atlantia's share price in a determinate period) as the basis on which to calculate the gross amount to be paid to beneficiaries.*

2014 Phantom Share Option Plan

Description

On 16 April 2014, the Annual General Meeting of Atlantia's shareholders approved the new incentive plan named the "2014 Phantom Share Option Plan", subsequently approved, within the scope of their responsibilities, by the boards of directors of the subsidiaries employing the beneficiaries. The plan entails the award of phantom share options free of charge in three annual award cycles (2014, 2015 and 2016), being options that give beneficiaries the right to payment of a gross amount in cash, computed on the basis of the increase in the value of Atlantia's ordinary shares in the relevant three-year period.

In accordance with the Terms and Conditions of the plan, the options granted will only vest if, at the end of the vesting period (equal to three years from the date on which the options were awarded to the beneficiaries by the Board of Directors), a minimum operating/financial performance target for (alternatively) the Atlantia Group, the Company or for one or more of Atlantia's subsidiaries, as indicated for each Plan beneficiary (the "hurdle"), has been met or exceeded. The vested options may be exercised from, in part, the first day immediately following the vesting period, with the remaining part exercisable from the end of the first year after the end of the vesting period and, in any event, in the three years after the end of the vesting period (without prejudice to the Terms and Conditions of the plan as regards minimum holding requirements for executive directors and key management personnel). The number of exercisable options is to be computed in application of a mathematical algorithm, taking into account, among other things, the current value, the target value and the exercise price, in order to cap the realisable gain.

Changes in option in 2020

No options were exercised in 2020. The unit fair values of the options awarded under the second and third award cycles were remeasured as at 31 December 2020 (both, at such date, already in the exercise period) as €0.06 and €1.14, respectively, in place of the unit fair values at the grant date.

2017 Phantom Share Option Plan

Description

On 21 April 2017, the Annual General Meeting of Atlantia's shareholders approved the new incentive plan named the "2017 Phantom Share Option Plan", subsequently also approved, within the scope of their responsibilities, by the boards of directors of the subsidiaries employing the beneficiaries. The Plan entails the award of phantom share options free of charge in three annual award cycles (2017, 2018 and 2019), to be awarded to directors and employees with key roles within the Atlantia Group. The options grant beneficiaries the right to payment of a gross amount in cash, computed on the basis of the increase in the value of Atlantia's ordinary shares in the relevant period.

In accordance with the Terms and Conditions of the Plan, the options granted will only vest if, at the end of the vesting period (15 June 2020 for options awarded in 2017, 15 June 2021 for options awarded in 2018 and 15 June 2022 for options awarded in 2019), minimum operating/financial performance targets for (alternatively) the Atlantia Group, the Company or one or more of Atlantia's subsidiaries, as indicated for each Plan beneficiary (the "hurdle"), have been met or exceeded. A portion of the vested options may be exercised from the 1 July immediately following the end of the vesting period, with the remaining options exercisable from the end of the first year after the end of the vesting period and, in any event, in the three years from 1 July of the year in which the vesting period ends (without prejudice to the Terms and Conditions of the Plan as regards minimum holding requirements for executive directors and key management personnel). The number of exercisable options is to be computed in application of a model, taking into account, among other things, the current value, the target value and the exercise price, in order to cap the realisable gain.

Changes in options in 2020

On 11 June 2020, Atlantia's Board of Directors Atlantia's Board of Directors noted that the hurdles provided for in the terms and conditions with regard to the first cycle of the plan had not been met. As a result, the related options have lapsed.

A total of 817,413 options lapsed in 2020.

The unit fair value of the options awarded under the second and third cycles were remeasured as at 31 December 2020 (both, at such date, still in the vesting period) as €1.58 and €1.52, respectively, in place of the unit fair value at the grant date.

Supplementary Incentive Plan 2017 – Phantom Share Options

Description

On 20 April 2018, Atlantia's Annual General Meeting voted to modify certain definitions in the "Supplementary Incentive Plan 2017 – Phantom Share Options", approved by the General Meeting of Atlantia's shareholders on 2 August 2017. Following the changes made by the above Annual General Meeting, therefore, the plan entails the award of up to 5 million phantom share options free of charge, in a single cycle and within 3 months of the date of the acquisition of control of Abertis (being options that give beneficiaries the right to payment of a gross amount in cash). The options are to be awarded to the Chairman, Chief Executive Officer and employees of the Company and its subsidiaries, limited to core people involved the integration process and the creation of value for the Atlantia Group.

The options awarded will vest in accordance with the specified Terms and Conditions and may in part be exercised from the first day immediately after the vesting period, with the remaining options exercisable at the end of the first year following the end of the vesting period, and in any event in the three years following the expiry of this period (without prejudice to the provisions of the Plan Terms and Conditions as regards minimum holding requirements for executive directors and key management personnel). The number of exercisable options is to be computed in application of a model, taking into account, among other things, the current value, the target value and the exercise price, in order to cap the realisable gain.

Changes in options in 2020

There were no changes in options outstanding as at 31 December 2019 during 2020.

The unit fair value of the options awarded as at 31 December 2020 (still in the vesting period) was remeasured as €1.58 in place of the unit fair value at the grant date.

2017 Phantom Share Grant Plan

Description

On 21 April 2017, the Annual General Meeting of Atlantia's shareholders approved the new incentive plan named the "2017 Phantom Share Option Plan", subsequently also approved, within the scope of their responsibilities, by the boards of directors of the subsidiaries employing the beneficiaries. The Plan entails the award of phantom share options free of charge in three annual award cycles (2017, 2018 and 2019), to be awarded to directors and employees with key roles within the Atlantia Group. The options grant beneficiaries the right to payment of a gross amount in cash, computed on the basis of the increase in the value of Atlantia's ordinary shares in the relevant period.

In accordance with the Terms and Conditions of the Plan, the options granted will only vest if, at the end of the vesting period (15 June 2020 for options awarded in 2017, 15 June 2021 for options awarded in 2018 and 15 June 2022 for options awarded in 2019), minimum operating/financial performance targets for (alternatively) the Atlantia Group, the Company or one or more of Atlantia's subsidiaries, as indicated for each Plan beneficiary (the "hurdle"), have been met or exceeded. A portion of the vested options may be exercised from the 1 July immediately following the end of the vesting period, with the remaining options exercisable from the end of the first year after the end of the vesting period and, in any event, in the three years from 1 July of the year in which the vesting period ends (without prejudice to the Terms and Conditions of the Plan as regards minimum holding requirements for executive directors and key management personnel). The number of exercisable options is to be computed in application of a model, taking into account, among other things, the current value, the target value and the exercise price, in order to cap the realisable gain.

Changes in units in 2020

On 11 June 2020, Atlantia's Board of Directors noted that the hurdles provided for in the terms and conditions with regard to the first cycle of the plan had not been met. As a result, the related units have lapsed.

A total of 76,794 units lapsed in 2020.

The unit fair values of the remaining units as at 31 December 2020 from the second and third cycle (both, at such date, still in the vesting period) were remeasured as €15.28 and €14.60, respectively, in place of the unit fair value at the grant date.

The official prices of Atlantia's ordinary shares in the various periods covered by the above plans are shown below:

a) price as at 31 December 2020: €14.64;

b) the weighted average price for the period 2020: €15.02;

c) price as at 6 November 2020: €14.29;

d) the weighted average price for the period 6 November - 31 December 2020; €15.01.

8.4 Events after 31 December 2020

New bond issue by Atlantia SpA

On 12 February 2021, Atlantia SpA issued new bonds worth €1.0 billion reserved for institutional investors. The bonds, which mature in 2028, have enabled the early refinancing of debt falling due in 2022 (€1 billion out of a total of €1.2 billion). The new bonds are listed on the Irish Stock Exchange's Global Exchange Market (MTF) and pay fixed annual coupon interest of 1.875%.

Corporate reorganisation relating to the investment in Pavimental

On 21 January 2021, Aeroporti di Roma completed the acquisition, from Pavimental, of the company to which airport construction and development activities had been transferred. On 22 January, the subsidiary then accepted Autostrade per l'Italia's offer to acquire its 20% stake in Pavimental, with the transaction due to completed by the end of March 2021. On 29 January 2021, Atlantia transferred its controlling 59.4% interest in Pavimental to Autostrade per l'Italia. On completion of the transactions, Autostrade per l'Italia will thus own a 99.4% stake in Pavimental. This transaction will enable Autostrade per l'Italia and Aeroporti di Roma to implement their respective development using in-house contractors, thereby guaranteeing direct control over timing and the quality of the work carried out using sustainable materials and techniques.

Atlantia's Board of Directors examines offer for 88% of Autostrade per l'Italia SpA

New General Meeting called to approve extension of demerger plan deadline

On 26 February 2021, Atlantia's Board of Directors took note of the binding offer to acquire Atlantia's entire 88% stake in Autostrade per l'Italia SpA ("ASPI"), submitted on 24 February 2021 by the consortium consisting of CDP Equity SpA, The Blackstone Group International Partners LLP and Macquarie Infrastructure and Real Assets LTD (the "Consortium").

Following an initial assessment, the Board considered that the offer fell below expectations, as effectively confirmed by the matching valuation of independent advisors, and that the proposed financial and contractual terms were not consistent with the interests of Atlantia or its stakeholders as a whole.

In line with the dual-track process launched on 24 September 2020 and approved by the General Meeting of shareholders held on 15 January 2021 (almost unanimously, with shareholders representing 99.7% of the issued capital voting in favour), the Board of Directors also decided to call an Extraordinary General Meeting of shareholders for 3.00pm on 29 March 2021. This Meeting will be asked to deliberate on an extension of the deadline for the potential submission by third parties of binding offers for Atlantia's controlling interest (represented by a 62.8% stake) in Autostrade Concessioni e Costruzioni SpA until 31 July 2021, compared with the original deadline of 31 March 2021. It should be noted that, on completion of the transaction described in the demerger plan (involving the demerger, transfer and concomitant listing of Autostrade Concessioni e Costruzioni SpA), Autostrade Concessioni e Costruzioni SpA will hold an 88% interest in ASPI.

Investment in Volocopter

On 3 March 2021, Atlantia SpA took part in a private placement by the German company, Volocopter, the world leader in the commercialisation of innovative and sustainable urban air mobility solutions, investing €15 million. The investment is in keeping with Atlantia's new growth strategy, focusing heavily on innovation and sustainability.

9. Proposals forAtlantia Spa's annual general meeting

Dear Shareholders,

In conclusion, we invite you:

a) to approve the financial statements as at and for the year ended 31 December 2020, which report a loss for the year of €29,153,456, having taken note of the accompanying documents;

b) to cover the above loss for the year of €29,153,456 by using the distributable retained earnings reserve amounting to a total of €2,331,776,293.

For the Board of Directors
The Chairman
Fabio Cerchiai

Annexes to the financial statements

Annex 1

Disclosures pursuant to art. 149-*Duodecies* of the Consob regulations for issuers 11971/1999

Atlantia SpA

Type of service	Provider of service	Note	Fees (€000)
Audit	Parent Company's auditor		319
Certification	Parent Company's auditor	(1)	140
Other services	Network of the Parent Company's auditor	(2)	25
Parent Company's auditor			484

(1) *Signature of consolidated and 770 tax forms, review of the consolidated non-financial statement, agreed upon procedures on data, accounting information and remuneration plans, comfort letters for loans and bonds.*
(2) *Agreed upon procedures on the accounts payable cycle.*

13. Reports

Attestation of the consolidated financial statements pursuant to art. 81-ter of CONSOB Regulation 11971 of 14 May 1999, as amended

1. We, the undersigned, Carlo Bertazzo and Tiziano Ceccarani, as Chief Executive Officer and as the manager responsible for Atlantia SpA's financial reporting, having taken account of the provisions of art. 154bis , paragraphs 3 and 4 of Legislative Decree 58 of 24 February 1998, attest to:

• the adequacy with regard to the nature of the Company, and

• the effective application of the administrative and accounting procedures adopted in preparation of the consolidated financial statements during 2020.

2. In this regard, we declare that:

• the administrative and accounting procedures adopted in preparation of the consolidated financial statements as at and for the year ended 31 December 2020 were drawn up, and their adequacy assessed, on the basis of the regulations and methods adopted by Atlantia SpA (Guidelines on the Internal Control Over Financial Reporting) in accordance with the Internal Control–Integrated Framework model issued by the Committee of Sponsoring Organizations of the Treadway Commission. This Commission has established a body of general principles providing a standard for internal control systems that is generally accepted at international level;

• the review of the system of internal control over financial reporting has not identified any critical issues.

3. We also attest that

3.1 the consolidated financial statements:

a) have been prepared in compliance with international accounting standards approved for application in the European Community by EC Regulation 1606/2002, passed by the European Parliament and by the Council on 19 July 2002;

b) are consistent with the underlying accounting books and records;

c) present a true and fair view of the financial position and results of operations of the issuer and the consolidated companies;

3.2 the report on operations contains a reliable analysis of operating trends and results, in addition to the state of affairs of the issuer and the consolidated companies, together with a description of the principal risks and uncertainties to which they are exposed.

11 March 2021

Carlo Bertazzo	Tiziano Ceccarani
Chief Executive Officer	Manager responsible for financial reporting

Attestation of the separate financial statements pursuant to art. 81-ter of CONSOB Regulation 11971 of 14 May 1999, as amended

1. We, the undersigned, Carlo Bertazzo and Tiziano Ceccarani, as Chief Executive Officer and as the manager responsible for Atlantia SpA's financial reporting, having taken account of the provisions of art. 154bis , paragraphs 3 and 4 of Legislative Decree 58 of 24 February 1998, attest to:
   • the adequacy with regard to the nature of the Company, and
   • the effective application of the administrative and accounting procedures adopted in preparation of the separate financial statements during 2020.

2. In this regard, we declare that:
   • the administrative and accounting procedures adopted in preparation of the separate financial statements as at and for the year ended 31 December 2020 were drawn up, and their adequacy assessed, on the basis of the regulations and methods adopted by Atlantia SpA (Guidelines on the Internal Control Over Financial Reporting) in accordance with the Internal Control–Integrated Framework model issued by the Committee of Sponsoring Organizations of the Treadway Commission. This Commission has established a body of general principles providing a standard for internal control systems that is generally accepted at international level;
   • the review of the system of internal control over financial reporting has not identified any critical issues.

3. We also attest that

3.1 the consolidated financial statements:

a) have been prepared in compliance with international accounting standards approved for application in the European Community by EC Regulation 1606/2002, passed by the European Parliament and by the Council on 19 July 2002;

b) are consistent with the underlying accounting books and records;

c) present a true and fair view of the financial position and results of operations of the issuer and the consolidated companies;

3.2 the report on operations contains a reliable analysis of operating trends and results, in addition to the state of affairs of the issuer and the consolidated companies, together with a description of the principal risks and uncertainties to which they are exposed.

11 March 2021

Carlo Bertazzo	Tiziano Ceccarani
Chief Executive Officer	Manager responsible for financial reporting

REPORT OF THE BOARD OF STATUTORY AUDITORS TO THE ANNUAL GENERAL MEETING

(pursuant to art. 153 of Legislative Decree 58/1998)

Dear Shareholders,
The Board of Statutory Auditors of Atlantia SpA ("Atlantia" or the "Company"), pursuant to art. 153 of Legislative Decree 58/1998 (the "Consolidated Finance Act" or "CFA"), is required to report to the Annual General Meeting, called to approve the financial statements, on the audit activities conducted during the financial year within the scope of our responsibilities, on any omissions and irregularities observed and on the results for the Company's financial year. The Board of Statutory Auditors is also required to make proposals regarding the financial statements and their approval and on any other matters falling within the scope of our responsibilities.
This report regards the Board of Statutory Auditors' activities during the year ended 31 December 2020.

Preamble and relevant legislation, regulations and ethical guidelines

The Board of Statutory Auditors in office at the date of this report was elected by the Annual General Meeting of 20 April 2018 and its members are Corrado Gatti (Chairman), Alberto di Nigro (standing Auditor), Sonia Ferrero (standing Auditor), Lelio Fornabaio (standing Auditor) and Livia Salvini (standing Auditor).
During the annual reporting period ended 31 December 2020, we performed the audit procedures required by law (and, in particular by art. 149 of the CFA and art. 19 of Legislative Decree 39/2010), adopting the Standards recommended by the Italian accounting profession and in compliance with CONSOB requirements regarding corporate controls, and the recommendations in the Corporate Governance Code.

Audit procedures required by art. 149 of the CFA

In accordance with the provisions of art. 149 of the CFA, the Board of Statutory Auditors is required to oversee:

- compliance with the law and the articles of association;
- compliance with the principles of corporate governance;
- the adequacy of the Company's organisational structure, as regards the aspects falling within the scope of our responsibilities, of the internal control system and of the administrative/accounting system and its ability to correctly represent operating activities;
- effective implementation of the corporate governance rules contained in the codes of conduct drawn up stock market regulators or by trade bodies, and with which the Company, in its public announcements, has declared that it is compliant;
- the adequacy of the guidelines communicated by the Company to its subsidiaries pursuant to article 114, paragraph 2 of the CFA.

<u>Audit of compliance with the law and the articles of association</u>
The Board of Statutory Auditors obtained the information needed in order to conduct its assigned audit activities by participating in meetings of the Board of Directors and of the various board committees, during discussions with the management of the Company and the Group, during meetings with the independent auditor and with the boards of statutory auditors of Group companies, through examination of the information obtained by the relevant company departments and through further audit activities.

The Board of Statutory Auditors conducted the audit procedures during 29 Board meetings, by taking part in 34 meetings of the Board of Directors, and through the participation of the Chairman of the Board of Statutory Auditors, or another Auditor, in meetings of the Audit, Risk and Corporate Governance Committee and the Human Resources and Remuneration Committee. The Board of Statutory Auditors also attended the General Meetings of shareholders held on 29 May 2020 and 30 October 2020.
In addition, as a result of the audit procedures carried out and on the basis of the information obtained from the independent auditor, we are not aware of any negligence, fraud, irregularities or any other material events, that would require a report to be made to regulatory bodies.
Moreover, the Board of Statutory Auditors:

- pursuant to art. 150, paragraphs 1 and 3 of the CFA:
  (i) obtained reports from the Directors, on at least a quarterly basis, providing adequate information on the Company's activities and on transactions carried out by the Company and its subsidiaries with a major impact on the Company's results of operations, financial position and cash flow, ensuring that the actions decided on and carried out were in compliance with the law and the articles of association, were not subject to any potential conflict of interest or contrary to the resolutions adopted by the General Meeting, and were not clearly imprudent or risky or such as to compromise the value of the Company;
  (ii) held meetings with representatives of the independent auditor and no significant information that should be included in this report has come to light;
- pursuant to art. 151, paragraphs 1 and 2 of the CFA, exchanged information with the boards of statutory auditors of Atlantia's direct subsidiaries, being Autostrade per l'Italia SpA ("Autostrade per l'Italia" or "ASPI"), Aeroporti di Roma SpA ("Aeroporti di Roma" or "ADR"), Telepass SpA ("Telepass"), Autostrade dell'Atlantico Srl, Spea Engineering SpA ("Spea Engineering"), Azzurra Aeroporti SpA and Fiumicino Energia Srl, regarding activities carried out during the year;
- received information from the Supervisory Board, set up in accordance with Legislative Decree 231/2001, on its activities, which did not find any problems or significant irregularities;
- oversaw compliance with the requirements relating to "Market abuse" and "Protections for savers", as they relate to financial reporting, and those relating to "Internal dealing", with particular regard to the processing of confidential information and the procedure for publishing news releases and announcements. The Board of Statutory Auditors monitored compliance with the statutory requirements governing updates of the register of persons with access to confidential information (the Insider List).

<u>Audit of compliance with the principles of corporate governance and of the adequacy of the organisational structure</u>
The Board of Statutory Auditors:

- within the scope of our responsibilities, obtained information on and checked the adequacy of the Company's organisational structure and on observance of the principles of good governance, by means of direct observation, the gathering of information from the heads of the various departments and through meetings with the independent auditor with a view to exchanging the relevant data and information; in this regard we have no particular observations to make;
- assessed and verified the adequacy of the administrative/accounting system and its ability to correctly represent operating activities, by gathering information from the respective heads of department, examining corporate documents and analysing the results of the work carried out by the independent; in this regard we have no particular observations to make.

The Board of Statutory Auditors observed that adequate supporting documentation on matters to be discussed at Board of Directors' meetings was made available to the Directors and Statutory Auditors reasonably in advance by publication in a specific internal database. In addition, during the year, the Company organised induction sessions for Directors and Statutory Auditors (2 were held in 2020), focusing on issues relating to Atlantia's operations, its business and the strategies of its key subsidiaries.
Based on the information obtained, the Board of Statutory Auditors notes that strategic decisions are correctly informed and reasonable and that Directors are aware of the risks involved and the impact of the transactions carried out.
The Board of Statutory Auditors did not find evidence of material atypical and/or unusual transactions, including intra-group or intra-group and other related party transactions
The Board has also assessed the adequacy of the information provided in the management report on operations, regarding the absence of atypical and/or unusual transactions, including intra-group or intra-group and other related party transactions.

<u>Oversight of effective implementation of corporate governance rules</u>
With regard to the provisions of art. 149, paragraph 1.c-*bis* of the CFA relating to the Board of Statutory Auditors' supervision "*of the methods of actually implementing the corporate governance rules laid down in the corporate governance codes prepared by stock exchange companies and the related trade associations, with which the Company has publicly declared it will comply*", the Board of Statutory Auditors reports that:

- we oversaw the methods for implementing the governance rules laid down in Atlantia's Corporate Governance Code, the latest version of which was approved by the Board of Directors at its meeting on 11 June 2020 (on 21 December 2020, Atlantia decided to adhere to Borsa Italiana SpA's new Corporate Governance Code with effect from 1 January 2021);
- notes that the Annual Report on Corporate Governance and the Ownership Structure, in compliance with the related legal and regulatory obligations, contains information on the ownership structure, application of the codes of conduct and fulfilment of the resulting commitments, highlighting the choices made by the Company in applying corporate governance standards;
- with regard to the periodic assessment to be conducted in accordance with the Corporate Governance Code, the Directors issued the necessary representations confirming their compliance with the relevant independence requirements, as established by art. 148, paragraph 3 of the CFA (referred to in art. 147-*ter*, paragraph 4 of the CFA) and art. 3.1 of Atlantia's Corporate Governance Code;
- with regard to the periodic assessment to be carried out pursuant to art. 15, paragraph 2 of the Corporate Governance Code, we have established that all the Statutory Auditors meet the related independence requirements, notifying the outcome of our assessment to the Board of Directors, which has reported the outcome in the Company's corporate governance report.

Audit of relations with subsidiaries and parents and related party transactions

The Board of Statutory Auditors has verified ordinary or recurring related party and/or intra-group transactions, with regard to which we report the following:

- intra-group transactions, whether of a trading or financial nature, between subsidiaries and parents are conducted on an arm's length basis. Such transactions are adequately described in the Annual Report. In particular, note 10.5 to the consolidated financial statements, "Related party transactions", provides details of the impact on the income statement and financial position of trading and financial transactions between the Atlantia Group and related parties, including Atlantia's Directors, Statutory Auditors and key management personnel. Related party transactions did not include exceptional and/or unusual transactions;
- with reference to the Atlantia Group's transactions with other related parties, note 10.5 to the consolidated financial statements, "Related party transactions", states that, for the purposes of the CONSOB Regulations adopted in Resolution 17221 of 12 March 2010, as amended, on 11 November 2010 Atlantia's Board of Directors, with the prior agreement of the Committee of Independent Directors with responsibility for Related Party Transactions, approved the Procedure for Related Party Transactions entered into directly by the Company and/or indirectly through one of its subsidiaries. The Procedure was last revised by the Board of Directors on 15 December 2017, with the prior agreement of the Committee of Independent Directors with responsibility for Related Party Transactions communicated on 22 November 2017;
- with reference to Atlantia's related party transactions, note 8.2 to the separate financial statements, "Related party transactions", provides details of the impact on the income statement and financial position of trading and financial transactions between Atlantia and related parties, including the Company's Directors, Statutory Auditors and key management personnel;
- the "Remuneration Report 2020" provides details of the remuneration paid to Directors, Statutory Auditors and key management personnel for 2020 and was prepared pursuant to art. 123-*ter* of the CFA.

With regard to the sale of the controlling 59.4% interest in Pavimental SpA ("Pavimental") to Autostrade per l'Italia, completed on 29 January 2021, the Board also verified that the Committee of Independent Directors with responsibility for Related Party Transactions had approved the transaction. In particular, the matter was addressed during the Committee meetings of 19 November and 11 December 2020, which dealt with the sale of Pavimental's airports unit to ADR and the sale of Atlantia's stake in Pavimental to Autostrade per l'Italia, respectively.

Audit procedures required by Legislative Decree 39/2010

Pursuant to art. 19 of Legislative Decree 39/2010, as amended by Legislative Decree 135/2016, the committee responsible for the internal and statutory audits of an entity, whose role, in entities of public interest (which include listed companies) that have adopted a traditional governance system, is fulfilled by the board of statutory auditors, is responsible for:

a) informing the management body of the audited entity of the outcome of the statutory audit and submitting to this body the additional report required by article 11 of the European Regulation (EU) 537/2014, accompanied any eventual observations;
b) monitoring the financial reporting process and submitting recommendations or suggestions designed to safeguard its integrity;
c) controlling the effectiveness of the entity's internal quality control and risk management systems and, where applicable, its internal audit systems, in relation to the audited entity's financial reporting, without impinging on its independence;
d) overseeing the statutory audit of the separate and consolidated financial statements, also taking into account the results and conclusions of the quality controls conducted by the CONSOB in accordance with article 26, paragraph 6 of the European Regulation, where available;
e) verifying and monitoring the independence of the statutory auditors or the independent auditor in accordance with articles 10, 10-*bis*, 10-*ter*, 10-*quater* and 17 of the above decree and article 6 of the European Regulation, above all with regard to the appropriateness of any non-audit services provided to the audited entity, in compliance with article 5 of the Regulation;
f) the procedure for selecting statutory or independent auditors and recommending the statutory or independent auditors to be engaged pursuant to article 16 of the European Regulation.

The Board of Statutory Auditors interacted with the Audit, Risk and Corporate Governance Committee, a Board committee, with the aim of coordinating expertise, exchanging information, engaging in ongoing consultation and avoiding any overlap between their activities.

* * *

With specific reference to Legislative Decree 39/2010, the following should be noted.

A) Reporting to the Board of Directors on the outcome of the statutory audit and on the additional report required by art. 11 of the European Regulation (EU) 537/2014

The Board states that the independent auditor, Deloitte & Touche SpA ("Deloitte & Touche") issued the additional report required by art. 11 of the European Regulation on 2 April 2021, describing the results of its statutory audit of the accounts and including the written confirmation of independence required by art. 6, paragraph 2.a) of the Regulation, in addition to the disclosures required by art. 11 of the Regulation, without noting any significant shortcomings. The Board of Statutory Auditors will inform the Company's Board of Directors of the outcome of the statutory audit, submitting to Directors the additional report, accompanied by any eventual observations pursuant to art. 19 of Legislative Decree 39/2010. With regard to the previous financial year, the Board of Statutory Auditors informed the Board of Directors of the outcome of the statutory audit at the meeting held on 15 May 2020.

B) Oversight of the financial reporting process

The Board of Statutory Auditors has verified the existence of regulations and procedures governing the process of preparing and publishing financial information. In this regard, the Annual Report on Corporate Governance and the Ownership Structure defines guidelines for the establishment and management of administrative and accounting procedures. The Board of Statutory Auditors, with the assistance of the Manager Responsible for Financial Reporting, examined the procedures involved in preparing the Company's financial statements and the consolidated financial statements, in addition to periodic financial reports. The Board of Statutory Auditors also received information on the process that enabled the Manager Responsible for Financial Reporting and the Chief Executive Officer to issue the attestations required by art. 154-*bis* of the CFA on the occasion of publication of the separate and consolidated annual financial statements and of the interim half-year report.

With reference to the oversight required by art. 19 of Legislative Decree 39/2010, relating to financial reporting, the Board of Statutory Auditors has verified that the administrative and accounting aspects of the internal control system, as they relate to the attestations to be issued by the Chief Executive Officer and the Manager Responsible for Financial Reporting, were revised in 2020. The process entailed Group-level analyses of significant entities and the related significant processes, through the mapping of activities carried out to verify the existence of controls (at entity, process and IT level) designed to oversee compliance risk in respect of the law and accounting regulations and standards relating to periodic financial reporting. Effective application of the administrative and accounting procedures was verified by the Manager Responsible for Financial Reporting, with the assistance of the relevant internal departments and leading firms of consultants.
The Board of Statutory Auditors also verified the adequacy of the guidelines communicated by the Company to its subsidiaries pursuant to article 114, paragraph 2 of the CFA and, with regard to art. 15 of the CONSOB Regulation on markets, adopted with CONSOB Resolution 20249 of 28 December 2017 (which has introduced requirements for subsidiaries incorporated under, or regulated by, the laws of non-EU states and of material significance for the purposes of the consolidated financial statements), verified that the Group companies to which the regulations are applicable have adopted procedures enabling them to submit reporting packages, for use during preparation of the consolidated financial statements, on a regular basis to management and the Company's independent auditor.
On 11 March 2021, the Chief Executive Officer and the Manager Responsible for Financial Reporting issued the attestations of the consolidated and separate financial statements required by art. 81-*ter* of CONSOB Regulation 11971 of 14 May 1999, as amended.
The Board of Statutory Auditors thus believes the financial reporting process to be adequate and deems that there is nothing to report to the General Meeting.

C) Oversight of the effectiveness of the internal control, internal audit and risk management systems

The Board of Statutory Auditors has overseen the adequacy and efficiency of the internal control and risk management systems. You will recall that, in order to assess the correct functioning of the internal control system, in 2020 the Board of Directors made use of the Audit, Risk and Corporate Governance Committee, the Head of the Internal Audit department (operating with an adequate level of independence and suitably equipped to carry out the assigned role), who reported on her activities to the Chairman, Chief Executive Officer, the Audit, Risk and Corporate Governance Committee, the Board of Statutory Auditors, the Chief Financial Officer and Manager Responsible for Financial Reporting, the Head of Group Control and Risk Management, the Chief Risk Officer, the Head of Anti-corruption, the Supervisory Board and the Ethics Officer.
In particular, during our periodic meetings with the Head of Internal Audit, with the Chief Financial Officer and Manager Responsible for Financial Reporting and the Head of Group Control and Risk Management, the Board of Statutory Auditors was kept fully informed regarding internal auditing activities (with a view to assessing the adequacy and functionality of the internal control system, and compliance with the law and with internal procedures and regulations), and Risk Management activities, which is responsible for overseeing the management of risk via correct implementation and development of the COSO Enterprise Risk Management (ERM), a methodological framework that Atlantia has adopted to identify, measure, manage and monitor the risks inherent in the Company's current Business Risk Model (strategic, operational, financial, compliance and business continuity risks).
Atlantia's Audit, Risk and Corporate Governance Committee has asked for a review of the ERM framework, partly in view of the acquisition of the Abertis group. At its meeting of 10 October 2019, the Committee was presented with the plan to revise the Atlantia Group's approach to ERM, with the aim of ensuring that Atlantia's ERM framework is constantly aligned with best practices in the sector and facilitate the Abertis group's integration. The review is to be conducted with the support of a leading risk management consulting firm.
It was consequently decided to conduct Atlantia's risk assessment process following the revision of the ERM framework.
At its meeting of 11 June 2020, the Board of Directors, in agreement with the Audit, Risk and Corporate Governance Committee, approved the Atlantia Group's ERM guidelines and policy.
The project was completed in the second half of 2020, with the risk assessment of Atlantia SpA.
It should also be noted that, on 14 February 2020, Atlantia's Board of Directors approved the guidelines for internal controls over the Atlantia Group's financing reporting, falling within the scope of Law 262/2005.
Furthermore, following the initiatives decided on by the Directors at their meeting of 13 September 2019, with regard to the precautionary measures imposed on a number of employees of Spea Engineering and Autostrade per l'Italia for allegedly making false statements about the results of inspections of certain viaducts, from 17 September 2019, the Audit, Risk and Corporate Governance Committee has also focused its attention on the audits that the Board of Directors has appointed KPMG Advisory SpA to carry out (forensic services with the aim of checking the correct application of internal procedures by Autostrade per l'Italia and Spea Engineering and the people concerned) and SGS CTR Srl (technical assessment of the inspection reports and viaduct monitoring systems).
Work on the audits being conducted by KPMG Advisory SpA and SGS CTR Srl was completed in early 2020. In response to the audit findings, Autostrade per l'Italia drew up a specific plan to resolve the shortcomings identified with regard to surveillance of the motorway infrastructure on its network. Progress in implementing this plan is periodically checked on by the Audit, Risk and Corporate Governance Committee and the Board of Statutory Auditors in order to verify its correct implementation, including with regard to the related timing.
In accordance with art. 11.3 of Atlantia's Corporate Governance Code, "*the Head of Internal Audit is responsible for verifying that the internal control and risk management system is properly functioning and fit for purpose*". The same person is required to prepare "*periodic reports containing sufficient information on audit activities, the method of risk management and compliance with plans developed for risk mitigation. The periodic reports must contain an assessment of the internal control and risk management system*".
On 14 February 2020, the Board of Directors appointed the new head of Internal Audit with effect from 1 April 2020. This was done on the recommendation of the Director with responsibility for the internal control system and risk management, following receipt of approval from the Audit, Risk and Corporate Governance Committee and in consultation with the Board of Statutory Auditors.
The process of decentralising subsidiaries' Internal Audit activities was completed in 2020, with the establishment of specific departments within Autostrade per l'Italia, Aeroporti di Roma and Telepass and the overseas operating companies. In keeping with the reorganisation, a number of staff from Atlantia's Internal Audit department have been redeployed to the respective Internal Audit departments at Autostrade per l'Italia, Aeroporti di Roma and Telepass.

The new structure of the Company's Internal Audit department (scope and responsibilities) was also defined in 2020, resulting in the addition of new personnel to ensure that the department it has the necessary staff (in terms of number and expertise), taking into account the new extent of its activities and the information flows to be established with the Internal Audit departments of subsidiaries in accordance with the Group's organizational structure.
The Board of Directors is of the view that staffing for the Internal Audit department is adequate and has, in consultation with the Board of Statutory Auditors, fixed the remuneration of the Head of Internal Audit in line with company policies,
It should also be noted that, on 6 March 2020, the Board of Directors approved the Tax Compliance Model, which provides guidelines for managing tax risk through the creation of a system for identifying, measuring, managing and controlling tax risk (the Tax Control Framework), also for the purposes of taking part in the Cooperative Compliance scheme introduced by Legislative Decree 128/2015 from 26 July 2019. As a prerequisite for admission to the scheme, the tax authority reached a positive assessment of the Tax Control Framework. In this context, the Tax Risk Officer is responsible for monitoring the Tax Control Framework.
Art. 1.3 of Atlantia's Corporate Governance Code requires the Board of Directors to define the nature and degree of risk compatible with the issuer's strategic goals, including an assessment of all the risks that may affect the medium/long-term sustainability of the Company's operations.
On the recommendation of the Director Responsible for the Internal Control and Risk Management System, with the agreement of the Audit, Risk and Corporate Governance Committee and in consultation with the Board of Statutory Auditors, at its meeting of 17 April 2020, the Board of Directors set out the guidelines for the internal control and risk management system and gave a positive assessment of Atlantia's internal control and risk management system.
Finally, at the meeting of 11 March 2021, after noting the conclusions of the analysis by the Audit, Risk and Corporate Governance Committee of the information provided by staff responsible for the internal control and risk management system, and the Committee's positive assessment of the system, the Board of Directors concluded that the Company's and the Group's internal control and risk management system can be deemed effective and adequate in 2020 in respect of the nature of the business and its risk appetite.
In addition, the Board of Statutory Auditors also notes that, during 2020, Atlantia's Supervisory Board (set up in compliance with Legislative Decree 231/2001) continued its review of the organisational, management and control model ("OMCM") adopted by Atlantia, pursuant to Legislative Decree 231/2001, in order to ensure that the model had kept pace with changes in legislation and in the Company's organisational structure during the year. In particular, on 30 January 2020, the Supervisory Board approved the latest revision of the OMCM, submitting it to the Audit, Risk and Corporate Governance Committee for subsequent approval by the Board of Directors, which took place on 23 March 2020.
The Supervisory Board also implemented the plan of action for monitoring and assessing the adequacy and effective implementation of the OMCM.
The Board of Statutory Auditors has examined the Supervisory Board's reports on their activities in the first and second halves of 2020 and we do not have anything to mention in this regard in this report.

D) <u>Oversight of the statutory audit of the separate and consolidated financial statements</u>

We declare that:

- the accounts have been subjected to the required controls by the independent auditor, Deloitte & Touche, appointed by the Annual General Meeting of 24 April 2012 for the annual reporting periods 2012-2020. During their periodic meetings with the Board of Statutory Auditors, the independent auditor had nothing to report on this matter;
- the Board of Statutory Auditors: (i) has analysed the activities of the independent auditor and, in particular, the methods adopted, the audit approach used for significant aspects of the financial statements and the audit planning process; (ii) discussed issues relating to the Company's risks with the independent auditor, enabling us to establish the appropriateness of the auditors' plans in terms of their approach in view of the structural and risk profiles of the Company and the Group;
- on 2 April 2021, Deloitte & Touche issued the additional report required by art. 11 of the above European Regulation;
- on 2 April 2021, Deloitte & Touche issued their audit reports on the separate and consolidated financial statements as at and for the year ended 31 December 2020. In this regard, the following should be noted:
  - both the reports contain: (i) the auditors' opinion on the fact that the financial statements provide a true and fair of the financial position of Atlantia SpA and of the Group as at 31 December 2020, and of the results of operations and cash flows for the year then ended, in compliance with the International Financial Reporting Standards adopted by the European Union and the measures introduced in application of art. 9 of Legislative Decree 38/2005; (ii) the description of the key aspects of the audit of the accounts and the audit procedures performed in response to those key aspects; (iii) the auditors' opinion on the consistency of the report on operations and of certain specific disclosures contained in the report on corporate governance and the ownership structure with the separate and consolidated financial statements as at and for the year ended 31 December 2020 and the reports' compliance with statutory requirements; (iv) confirmation that the opinions on the separate and consolidated financial statements expressed in the two reports are in line with the opinion expressed in the additional report sent to the Board of Statutory Auditors, in its role as the committee responsible for internal and statutory audits, prepared pursuant to art. 11 of the European Regulation (Reg. EU 537/2014);
  - neither of the above reports contains qualifications or emphases of matter;
  - in their report on the consolidated financial statements, Deloitte & Touche state that they have verified that the Directors have approved the non-financial statement.

E) <u>Independence of the independent auditor, above all with regard to non-audit services</u>

The Board of Statutory Auditors verified, also with reference to the provisions of art. 19 of Legislative Decree 39/2010, the independence of the independent auditor, Deloitte & Touche, checking the nature and entity of any non-audit services provided to Atlantia, its subsidiaries and entities under common control by the auditors and by their associates. The fees paid by the Atlantia Group to the independent auditor, Deloitte & Touche or associates of Deloitte & Touche, are as follows:

€000	
Audit	3,843
Other services	1,395
Total	**5,238**

It should be noted that the category "Other services" (those other than audit) includes (i) €165 thousand relating to Atlantia, including €140 thousand regarding the signature of the Company's tax return, its consolidated income tax return and Form 770, the limited review of the consolidated non-financial statement, agreed-upon procedures on accounting data and information and remuneration plans, comfort letters for loans and bond issues (services provided by the Parent Company's auditor, Deloitte & Touche) and €25 thousand for agreed-upon procedures on the accounts payable cycle (services provided by the auditor's network); (ii) 1,230 thousand relating to subsidiaries, including €274 thousand regarding the signature of tax returns and Form 770s, agreed-upon procedures on accounting data and information and comfort letters for loans and bond issues (services provided by the Parent Company's auditor, Deloitte & Touche) and €956 thousand regarding checks on the internal control system, the limited review of non-financial statements, agreed-upon procedures on accounting data and information and comfort letters for loans and bond issues (services provided by the auditor's network).
"Other Services" accounted for 36.30% of the total fees paid for "Audit" services.
In the light of the above, the Board therefore believes that the independent auditor, Deloitte & Touche, meets the requirements for independence. Deloitte & Touche provided their annual confirmation of independence on 2 April 2021.

F) Engagement of an independent auditor to conduct the statutory audit of the accounts for the financial years 2021-2029

With approval of the financial statements as at and for the year ended 31 December 2020, the engagement of Deloitte & Touche to conduct the statutory audit of Atlantia's accounts for the nine-year period 2012-2020 expires.
In this regard, during 2019, Atlantia has carried out the process of selecting the new audit firm to carry out the statutory audit of its accounts in the financial years from 2021 to 2029, in compliance with the legislation in force.
The Annual General Meeting of shareholders held on 29 May 2020 approved the engagement of KPMG SpA to carry out the statutory audit of its accounts in the financial years from 2021 to 2029.

Negligence, irregularities, other opinions provided, initiatives undertaken

The Board of Statutory Auditors states that:
- we issued a favourable opinion, pursuant to art. 2389, paragraph 3 of the Italian Civil Code, regarding the remuneration of executive Directors;
- on 6 March 2020, the Board approved, pursuant to art. 2386, paragraph 1 of the Italian Civil Code, the Board of Directors' resolution nominating Valentina Martinelli as a member of the Board of Directors until the date of the next General Meeting of shareholders to take place following the appointment;
- on 24 September 2020, the Board approved, pursuant to art. 2386, paragraph 1 of the Italian Civil Code, the Board of Directors' resolution nominating Lucia Morselli as a member of the Board of Directors until the date of the next General Meeting of shareholders to take place following the appointment.

We did not find any evidence of negligence or irregularities during the year requiring mention in this report.

Complaints lodged under art. 2408 of the Italian Civil Code

Six complaints under art. 2408 of the Italian Civil Code were received during the year, all from the same shareholder, Tommaso Marino, the owner of 1 share in the Company.
In particular, at 7.15pm on 16 June 2020, a certified email was received from the shareholder, Tommaso Marino, notifying the Board of Statutory Auditors of a complaint pursuant to art. 2408 of the Italian Civil Code, also addressed to the Company's Chairman, Chief Executive Officer and Board of Directors, regarding the proceeding initiated by the Antitrust Authority against Autostrade per l'Italia ("ASPI"), requesting an investigation of alleged unfair commercial practice in relation to the tolls charged on the A16 Naples-Canosa motorway. Specifically, the investigation regards the information provided to road users regarding the procedures for applying for refunds in the event of disruption on the motorway network operated under concession.
At 7.42pm on 16 June 2020, a certified email was received from the shareholder, Tommaso Marino, notifying the Board of Statutory Auditors of a complaint pursuant to art. 2408 of the Italian Civil Code, also addressed to the Company's Chairman, Chief Executive Officer and Board of Directors and the CONSOB, regarding Prof. Corrado Gatti's ability to continue to meet the requirements and conditions applicable to his role. The shareholder requested the conduct of an assessment, with regard to Prof. Gatti's position as Chairman of Atlantia's Board of Statutory Auditors, in view of the criminal investigation into his conduct when he was previously chairman of the board of statutory auditors at Alitalia – Società Aerea Italiana SpA and when he served as an expert appraiser in relation to Astaldi SpA's insolvency proceedings.
At 11.23pm on 10 July 2020, a certified email was received from the shareholder, Tommaso Marino, notifying the Board of Statutory Auditors of a complaint pursuant to art. 2408 of the Italian Civil Code, also addressed to the Company's Chairman, Chief Executive Officer and Board of Directors, regarding the criminal investigation involving the Chief Executive Officer of ASPI, Mr. Roberto Tomasi, regarding the installation of motorway noise barriers. The complainant has requested an assessment of the risk of application of precautionary measures as part of the investigation with a resulting negative impact on ASPI and the Group.
At 9.11pm on 18 July 2020, a certified email was received from the shareholder, Tommaso Marino, notifying the Board of Statutory Auditors of a complaint pursuant to art. 2408 of the Italian Civil Code, also addressed to the Company's Chairman, Chief Executive Officer and Board of Directors, regarding the indemnity for any potential future liability for damages arising from the tragic collapse of the Morandi road bridge, which is being discussed by the Company and Cassa Depositi e Prestiti SpA as part of talks relating to the sale of ASPI, requesting the Board to verify the related content and limitations.
At 12.56am on 3 December 2020, a certified email was received from the shareholder, Tommaso Marino, notifying the Board of Statutory Auditors of a complaint pursuant to art. 2408 of the Italian Civil Code, also addressed to the Company's Chairman, Chief Executive Officer and Board of Directors and to the Chairman of Edizione Srl, regarding a request for checks on the fixed and variable remuneration paid to the two executives involved in the investigation of the tragic collapse of the Morandi road bridge.
At 8.12am on 12 December 2020, a certified email was received from the shareholder, Tommaso Marino, notifying the Board of Statutory Auditors of a complaint pursuant to art. 2408 of the Italian Civil Code, also addressed to the Company's Chairman, Chief Executive Officer and Board of Directors and to the Chairman of Edizione Srl, regarding press reports of an Antitrust Authority investigation of franchise agreements entered into within the Benetton group.
The Board of Statutory Auditors examined the complaints received and states the following in response to the concerns raised by the shareholder, Tommaso Marino.
- With regard to the proceeding initiated by the Antitrust Authority, investigating alleged violations of the Consumer Code, ASPI has responded by submitting the

information and documents requested by the Authority and, on 31 July 2020, submitted the commitments provided for in the regulations for investigations relating to consumer protection. On 24 September 2020, the proposed commitments were rejected by the Authority, which extended the deadline for closure of the investigation to 5 January 2021. As part of the same decision, the Authority also broadened the scope of the proceeding, extending the allegations made at the outset to include other motorway sections managed by ASPI. On 23 December 2020, the Antitrust Authority set out its preliminary findings, reaffirming its rejection of the proposed commitments presented by ASPI during the proceeding in order to avoid potential action over violations of the Consumer Code, and deeming that it has demonstrated that the disruption caused to motorway users was not adequately compensated for by measures to eliminate, suspend or reduce tolls. The Antitrust Authority considers that Autostrade per l'Italia's conduct led to a significant deterioration in the quality of the service offered, and as such constitutes an unfair and aggressive commercial practice. The deadline for concluding the proceeding was also deferred until 9 February 2021, by which time ASPI had submitted its final defense brief. In its final decision of 26 march 2021, the Authority found that ASPI's conduct constituted unfair commercial practice in violation of consumer protection law, imposing a fine of €5 million and requesting evidence of the actions taken to eliminate the identified violations. Whilst complying with the Authority's decision, ASPI has instructed its legal counsel to examine the document with a view to filing a legal challenge.

- With regard to the requirements and conditions to be met by Prof. Corrado Gatti as Chairman of Atlantia's Board of Statutory Auditors, the Board, meeting without the presence of the interested party, confirmed that, as things stand, there is no reason in law for his disqualification and there was no reason for him not to be able to continue in his role.
- With regard to the criminal investigation involving the Chief Executive Officer of ASPI, Mr. Roberto Tomasi, the Company's legal advisors have stated that, as things stand, that fact that Mr. Tomasi has clarified his position with the investigating magistrates should avoid the risk of the application of precautionary measures during the investigation.
- With regard to the indemnity referred to, to the extent of the Board of Statutory Auditors' responsibilities, no information is currently available that would require notification to shareholders.
- With regard to the fixed and variable remuneration paid to the two executives involved in the investigation of the tragic collapse of the Morandi road bridge, the Board has confirmed the dismissal of the above executives and the Company's activation of clawback provisions.
- Finally, with regard to the Antitrust Authority investigation of franchise agreements entered into within the Benetton group, the Board judges that the issue is not pertinent to Atlantia.

Separate and consolidated financial statements and the Integrated Annual Report

We note that, with the aim of increasing and improving the disclosures provided to stakeholders, in 2020 Atlantia embarked on the process of integrating the Group's financial and non-financial reporting. This has resulted in the preparation of the Group's first Integrated Annual Report.
The document also includes key information taken from the Report on Corporate Governance and the Remuneration Report.
The document consists of three sections entitled "Snapshot", "Business Model" and "Performance", which have been designed to provide progressively greater detail and guide the reader towards the most important information. These sections are:

- *Snapshot*: providing a snapshot of the Group, its performance highlights and the most significant events that took place in 2020;
- *Business Model*: containing a high-level overview of the organisation, its operating model, governance and control systems and the strategic guidelines followed by the core businesses;
- *Performance*: providing data and information useful in an integrated analysis of the Company's operations, action plans, investment and key performance indicators for the year, in both financial and non-financial terms. Moreover, the section contains more detailed and specialist information, including the separate and consolidated financial statements, the related notes and the mandatory financial and non-financial disclosures.

Atlantia's Integrated Annual Report also meets the requirements of Legislative Decree 254/2016, which has transposed Directive 2014/95/EU on non-financial reporting into Italian law. The Report thus includes a specific section called the Non-financial Statement ("NFS") and a framework showing links enabling the ready identification of non-financial disclosures within the document.
The separate and consolidated financial statements as at and for the year ended 31 December 2019 highlighted the presence of certain material uncertainties casting significant doubt on use of the going concern assumption. This was linked to the potential for an agreed settlement of the dispute over alleged serious breaches of the concession arrangement of the subsidiary, Autostrade per l'Italia, and this company's and Atlantia's exposure to liquidity and financial risk, in part as a result of the spread of the Covid-19 pandemic.
As described in detail in section 8.3 of the Integrated Annual Report, for the purposes of preparation of the Integrated Annual Report for the year ended 31 December 2020, Atlantia updated its going concern assessment, as required by the relevant legislation, accounting standards and Document no. 2 issued jointly by the Bank of Italy, the CONSOB and ISVAP on 6 February 2009, and in accordance with the Public Statement issued by the ESMA, "European common enforcement priorities for 2020 IFRS annual financial reports" and the CONSOB warning notice no. 1 of 16 February 2021, "Covid-19 Measures to support the economy". This included an assessment of the uncertainties and risks relating to the subsidiary, Autostrade per l'Italia, and of Atlantia's exposure to liquidity and financial risk, within a time-frame of 12 months from the date of approval of the Integrated Annual Report for the year ended 31 December 2020.
In this regard, Atlantia's Board of Directors considers the various risks factors and uncertainties present at the date of preparation of the separate and consolidated financial statements as at and for the year ended 31 December 2020 to be surmountable. This enabled it to conclude that that the going concern assumption has been satisfied, after also taking into account the actions taken and planned by Atlantia and its subsidiaries, including those aimed at mitigating the impact of the continuing Covid-19 pandemic.
In particular, in the light of the above events and the resulting considerations, "*Atlantia's Board of Directors has updated its assessment of risk factors and uncertainties, concluding that:*

a) *the risk of termination of Autostrade per l'Italia's concession arrangement is remote and that there is a reasonable likelihood that an agreement will be reached with the Italian Government;*
b) *the occurrence of liquidity risk is not reasonably likely in the next twelve months, partly bearing in mind Atlantia's issue, in February 2021, of bonds worth €1,000 million, maturing in 2028, and the agreement between Atlantia and Partners Group for the sale of a 49% stake in the subsidiary, Telepass (for a consideration of €1,056 million), with completion expected by the end of the first half of 2021;*
c) *it is reasonably unlikely that Atlantia will be exposed to financial risk linked to the financial position of the subsidiary, Autostrade per l'Italia (the risk of early repayment of debt guaranteed by Atlantia), or as a result of the impact caused by the restrictions on movement imposed by the authorities in response to the Covid-19 pandemic, also taking into account the above conclusions reached by Autostrade per l'Italia's board of directors.*"

With specific regard to our examination of the financial statements as at and for the year ended 31 December 2019, the consolidated financial statements (prepared in accordance with the IAS/IFRS issued by the International Accounting Standards Board (IASB) and endorsed by the European Union, and in compliance with the measures introduced by the CONSOB in application of paragraph 3 of art. 9 of Legislative Decree 38/2005) and the Integrated Annual Report, the Board of Statutory Auditors states the following:

- we have checked the overall basis of presentation of the separate and consolidated financial statements and their general compliance with the laws relating to their preparation and structure, and that they are accompanied by the documents required by the civil code and the CFA;
- we have checked the reasonableness of the valuation procedures applied and their compliance with the requirements of IFRS; Atlantia's Board of Directors, in keeping with the recommendations in the joint document issued by the Bank of Italy/CONSOB/ISVAP on 3 March 2010, has approved the impairment testing procedure and results independently and prior to approval of the financial statements;
- we have verified that the financial statements are consistent with the information in our possession, as a result of carrying out our duties;
- to the best of the Board of Statutory Auditors' knowledge, in preparing the financial statements, the Directors did not elect to apply any of the exemptions permitted by art. 2423, paragraph 4 of the Italian Civil Code;
- we verified compliance with the laws governing preparation of the management report on operations and have no particular observations to make in this regard;
- we have noted the information provided by the Directors in the Annual Report regarding the going concern assumption, financial risk, impairment testing and uncertainties in the use of estimates complies with Document 2 issued by the Bank of Italy/CONSOB/ISVAP on 6 February 2009;
- we note the reconciliation of the key performance indicators included in the reclassified consolidated income statement with the items in the statutory accounts, and the reconciliation of the reclassified consolidated statement of financial position with the consolidated statement of financial position, included in section 10.1 of the Integrated Annual Report;
- we have verified that section 10.5 of the Integrated Annual Report includes the additional disclosures the CONSOB requires the Company to provide pursuant to art. 114, paragraph 5 of the CFA;
- with reference to the tragic events relating to the collapse of the Morandi bridge and to Autostrade per l'Italia, the causes of the collapse of the Polcevera road bridge and identification of eventual criminal liability is the subject of an ongoing investigation by magistrates. Information on talks with the Government regarding the dispute over alleged serious breaches of the subsidiary's concession arrangement, detailed information is provided in note 10.7, "Significant legal and regulatory aspects", in the consolidated financial statements;
- finally, with regard to the spread of the Covid-19 pandemic, in line with recommendations from ESMA and the CONSOB regarding the impact of Covid-19 on the financial disclosures provided by listed companies, Atlantia's Directors have provided qualitative and quantitative information on the impact of Covid-19 with respect to material risks and the outlook. This information takes into account the specific nature of the Company and is based on the available data.

Consolidated Non-financial Statement

Atlantia's Board of Directors has approved the Consolidated Non-financial Statement for 2020, prepared pursuant to Legislative Decree 254/2016 and included in the Integrated Annual Report.
On 2 April 2021, the independent auditor issued its report on the compliance of the information provided in the consolidated non-financial statement with statutory requirements and reporting standards adopted.
The Board of Statutory Auditors oversaw compliance with the provisions of Legislative Decree 254/2016 and we do not have anything to mention in this regard in this report.

Election of the new Board of Statutory Auditors

The term of office of the Board of Statutory Auditors elected by the Annual General Meeting of 20 April 2018 expires with approval of the financial statements as at and for the year ended 31 December 2020. You are thus invited, in accordance with the law and the Company's articles of association, to elect a new Board of Statutory Auditors.
In the meantime, we would like to take this opportunity to thank you for the trust you have placed in us during our term of office.

Proposal to the Annual General Meeting

The Board of Statutory Auditors is in favour of approval of the financial statements as at and for the year ended 31 December 2020 and has no objections regarding the Board of Directors' proposal for covering the loss for the year.

* * *

Pursuant to art. 144-*quinquiesdecies* of the Regulations for Issuers, approved by the CONSOB with Resolution 11971/99, as amended, the list of positions held by members of the Board of Statutory Auditors at the companies in Book V, Section V, Chapters V, VI and VII of the Italian Civil Code is published by the CONSOB on its website (www.consob.it).

* * *

Rome, 2 April 2021

Board of Statutory Auditors
The Chairman
Corrado Gatti

This report has been translated into the English language solely for the convenience of international readers.

Deloitte.

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INDEPENDENT AUDITOR'S REPORT
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010
AND ARTICLE 10 OF THE EU REGULATION 537/2014

To the Shareholders of
Atlantia S.p.A.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Atlantia S.p.A. and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2020, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Going concern assessment	
Description of the key audit matter	In preparing the consolidated financial statements, the Directors conducted an assessment of the ability of the Company and the Group to continue to operate as going concerns. In conducting the assessment, the Directors identified certain risk factors and uncertainties, primarily relating to: *i)* the dispute with the Ministry of Transport (the "MIMS" or the "Grantor") over serious breaches of the concession arrangement to which the subsidiary, Autostrade per l'Italia SpA ("ASPI") is party, *ii)* changes to the legislation governing the "revocation, forfeiture or termination of motorway and road concessions, including those for toll roads and motorways" introduced by the Italian Government in the so-called "Milleproroghe 2020" Decree, *iii)* the downgrade of Atlantia's and ASPI's credit ratings by the leading international rating agencies, with possible repercussions for ASPI's debt and, as a result also for Atlantia's debt, and *iv)* the impact on liquidity resulting from the ongoing Covid-19 pandemic. The Directors report that they have assessed these factors and the actions taken by the Company and the subsidiary, ASPI, including developments in the talks with the Government with a view to agreeing on a settlement that would bring to an end the dispute over serious breaches of its concession arrangement; the bond issues completed by Atlantia, amounting to €1,000 million, and ASPI, totalling €2,250 million; the agreement for the sale of a 49% stake in the subsidiary, Telepass SpA; the improvement in the leading international rating agencies' assessment of the outlook for both companies. On completion of the assessment, the Directors concluded that the above risks and uncertainties were surmountable and were not such as to cast doubt on the ability of the Company and the Group to continue to operate as going concerns. Based on these considerations, the consolidated financial statements as at and for the year ended 31 December 2020 have been prepared on a going concern basis. For the purposes of this assessment, the Directors were required to make significant judgements regarding the outcome of future events or circumstances that are by nature uncertain. Whilst taking due account of all the available information at this time, the Directors note that these judgements are, therefore, susceptible to change as developments occur, should events that were reasonably foreseeable at the time of the assessment not occur, or should facts or circumstances arise that are incompatible with such events, and that are currently not known or are, in any case, not reasonably estimable.

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In view of the significance of the above assessment carried out by the Directors for the purposes of determining the criteria to be used in preparing the financial statements, and the importance of the disclosure regarding the Company's and the Group's ability to operate as going concerns, we considered that this assessment was a key aspect of our audit of the Group's consolidated financial statements.

Note 2 in the consolidated financial statements and sections 1.3 and 8.3 in the report on operations describe the reasons behind the Directors' decision to confirm the continued application of the going concern assumption.

Audit procedures performed

In the context of our audit, we have, among other things, carried out the following procedures:

- we gained an understanding of the risks and uncertainties, and analysed and discussed the actions planned and those already taken by the Company's Directors and ASPI, in order to assess the considerations taken into account by the Management in their going concern assessment;
- we examined, also with the support of specialists, the opinions issued by the legal advisors appointed by ASPI with reference to the assessment of the Company's position with respect to the legal and regulatory framework, also evaluating the competence, capabilities and objectivity of such advisors;
- we obtained and analysed correspondence with the MIMS and the Italian Government regarding the talks in progress, and examination of the Directors' assessment of the accounting effects of the proposals put forward by ASPI in this regard;
- we obtained and analysed correspondence with certain financial institutions following the downgrade of ASPI's credit rating and examined the Directors' assessment of the potential consequences of such events on debt and the potential impact on the Company and the Group;
- we obtained information on and analysed the cash plans prepared by the Company and ASPI and the main judgements and assumptions on which the plans are based, including an analysis of the impact of the bonds issued by the Company and ASPI;
- we consulted the minutes of the resolutions adopted by corporate bodies and, if not yet available, reports to the Board of Directors of Atlantia and exchanges of information with the Board of Statutory Auditors on material aspects, including the latest developments in talks with the Government;

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- we analysed events occurring after the end of the reporting period that may provide information useful for the going concern assessment;
- we analysed the adequacy of the information provided in the notes to the consolidated financial statements and in the report on operations with regard to going-concern uncertainties and the related assessment carried out by the Directors.

Assessment of the provisions for the repair and replacement of motorway infrastructure and of the provisions for the renewal of assets held under concession

Description of the key audit matter

The consolidated financial statements as at and for the year ended 31 December 2020 include "provisions for the repair and replacement of motorway infrastructure", amounting to €2,770 million, and "provisions for the renewal of assets held under concession", amounting to €418 million. These provisions represent the estimate of the present value of the expenses that the Group's operators (the "Operators") will have to bear to meet the contractual obligations provided for under their concession arrangements (the "Concession Arrangements"), in order to ensure that the infrastructure operated under concession is fit for purpose and safe.

The main change in the provisions for the repair and replacement of motorway infrastructure reflect the provision made by the subsidiary, Autostrade per l'Italia SpA, in relation to the undertaking given by the company to carry out increased maintenance through to 2024, as represented in the latest versions of the draft settlement agreement, Addendum (to the Concession Arrangement) and Financial Plan (the "draft Agreement") submitted to the Grantor.

The process of estimating the above provisions is complex and based on a number of variables and assumptions that include technical assumptions about the planning of work on the repair, replacement and renewal of individual components of the infrastructure. In particular, key assumptions concern the duration of maintenance cycles, the state of repair of the assets and the expected cost for homogeneous categories of intervention.

In view of the above, we considered the estimate of these provisions to be a key aspect of our audit of the Atlantia Group's consolidated financial statements as at and for the year ended 31 December 2020.

Notes 3 and 7.14 in the consolidated financial statements, respectively, illustrate the accounting policies applied by the Group and movements in the above provisions during the financial year.

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Audit procedures performed	In the context of our audit, we have, among other things, carried out the following procedures: • we gained an understanding of the process used by Operators in determining and adjusting the provisions concerned, including in relation to the commitments made by ASPI in the extraordinary maintenance plan for the period 2019-2024 submitted to the Grantor as part of the draft Agreement; • we updated the survey of the main controls carried out by the Operators in overseeing the area concerned; • we obtained and analysed the reports prepared by the Operators' technical managers in planning repair and replacement work. In particular, the assumptions underlying the calculation models used, the intervention costs and forecasts of the average time necessary for repair and replacement work were examined; • we checked the accuracy and completeness of the data used by the Operators in performing the estimates; • we analysed the reasonableness of the discount rates applied by the Operators in discounting the provisions to present value; • we verified mathematical accuracy in the calculations carried out in order to measure the provisions; • we analysed the findings of the external consultants appointed by ASPI on the state of maintenance of the main assets operated under concession and verification of the consistency between these findings and the assumptions used by Management in estimating the provisions for the repair and replacement of motorway infrastructure; • we retrospectively reviewed estimates for the previous financial year, including an analysis of any deviations between the costs incurred compared with previous estimates with reference to a sample of work completed during 2020; • we analysed the adequacy of the disclosure made in the notes to the consolidated financial statements and its compliance with the relevant accounting standards.

Impairment test of the goodwill allocated to the Autostrade per l'Italia and Abertis CGUs

Description of the key audit matter	The Atlantia Group's consolidated financial statements as at and for the year ended 31 December 2020 include "goodwill" of €12,785 million, relating to the goodwill allocated to the cash generating unit ("CGU") represented by ASPI, amounting to €4,383 million, and the goodwill resulting from the acquisition of control of the Abertis group, amounting to €7,869 million. This goodwill was not allocated to the CGUs of the Abertis group, as it reflects the group's indistinct ability to generate or acquire additional business in the management of the infrastructure held under concession and related ancillary services. In accordance with IAS 36, goodwill is not amortised, but is tested for impairment at least annually, by comparing the recoverable amount of the CGU, determined on the basis of value in use, and its carrying amount, which includes both goodwill and the other tangible and intangible assets allocated to it. To determine the recoverable amount of the goodwill allocated to the ASPI CGU, the Group, considering it likely that a settlement agreement will be reached with the Italian Government, referred to the cash flow projections indicated in the long-term plan drawn up by ASPI with reference to the period represented by the concession term, based on the latest Financial Plan submitted to the Grantor. In particular, the assumptions include traffic forecasts, the investments to be made and the tariffs expected to be applied on the basis of the regulatory mechanisms provided for in the Resolution 71/2019 issued by the Transport Regulator ("ART"). The test also took into account the impact of the Covid-19 pandemic and the burden on the company arising from the settlement agreement. Finally, the Group carried out the test and a sensitivity analysis of the recoverable amount in order to estimate, as far as possible, the potential medium- to long-term effects resulting from a continuation of the pandemic and taking into account the regulatory mechanisms in Resolution 71/2019. In terms of the Abertis group, the Directors estimated the value in use based on the explicit forecast period of five financial years and the calculation of a terminal value in order to determine in an appropriate manner the Abertis Group's ability to generate additional business. In view of the significance of the carrying amount reported in the Atlantia Group's consolidated financial statements, and the complexity of the measurement process, we considered the impairment test of the goodwill arising on the consolidation of ASPI and Abertis to be a key aspect of our audit of the Atlantia Group's consolidated financial statements as at and for the year ended 31 December 2020. Note 7.2 in the Atlantia Group's consolidated financial statements as at and for the year ended 31 December 2020 provides details of the impairment test conducted by the Group and the effects of the sensitivity analysis of the key variables used in performing the impairment test.
Audit procedures performed	In the context of our audit, we have, among other things, carried out the following procedures, also with the support of our valuation experts: • we gained an understanding of the process adopted by the Group in carrying out the impairment test; • we identified the main controls carried out by the Group on the impairment test; • we analysed the main assumptions used in preparing the projected performance of ASPI and Abertis, to determine their reasonableness. In particular, in the case of ASPI, we analysed the assumptions used in preparing the long-term plan 2021-2038, in order to ensure consistency with the Financial Plan submitted on 3 December 2020;

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- we analysed any deviations between actual historical data and the forecast data, also in view of the effects of Covid-19, in order to assess the reliability of the process followed by ASPI and Abertis in preparing their long-term plans;
- we analysed the impairment test carried out by the Group, with particular reference to:

  i. the methodology used by the Group in defining the discount rate (WACC) used in the test;
  ii. the mathematical accuracy of the calculation model used by the Group in determining value in use;
  iii. the sensitivity analyses prepared by the Group, also on the basis of the potential impact deriving from the ongoing health emergency and, in ASPI's case, from foreseeable changes to tariffs under the regulatory mechanisms introduced by Resolution 71/2019.

- we analysed of the adequacy of the disclosure regarding the impairment test and its compliance with IAS 36.

Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The Directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05, and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or the termination of the business or have no realistic alternatives to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Group's financial reporting process.

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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 Group'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 management's 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion;

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence applicable in Italy, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report.

Other information communicated pursuant to art. 10 of the EU Regulation 537/2014

The Shareholders' Meeting of Atlantia S.p.A. has appointed us on April 24, 2012 as auditors of the Company for the years from December 31, 2012 to December 31, 2020.

We declare that we have not provided prohibited non-audit services referred to in art. 5 (1) of EU Regulation 537/2014 and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the Board of Statutory Auditors, in its role of Audit Committee, referred to in art. 11 of the said Regulation.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion pursuant to art. 14 paragraph 2 (e) of Legislative Decree 39/10 and art. 123-bis, paragraph 4, of Legislative Decree 58/98

The Directors of Atlantia S.p.A. are responsible for the preparation of the report on operations and the report on corporate governance and the ownership structure of Atlantia Group as at December 31, 2020, including their consistency with the related consolidated financial statements and their compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to express an opinion on the consistency of the report on operations and some specific information contained in the report on corporate governance and the ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98, with the consolidated financial statements of Atlantia Group as at December 31, 2020, and on their compliance with the law, as well as to make a statement about any material misstatement.

In our opinion, the above-mentioned report on operations and some specific information contained in the report on corporate governance and the ownership structure are consistent with the consolidated financial statements of Atlantia Group as at December 31, 2020 and are prepared in accordance with the law.

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With reference to the statement referred to in art. 14, paragraph 2 (e), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the entity and of the related context acquired during the audit, we have nothing to report.

Statement pursuant to art. 4 of the Consob Regulation for the implementation of Legislative Decree 30 December 2016, no. 254

The Directors of Atlantia S.p.A. are responsible for the preparation of the non-financial statement pursuant to Legislative Decree 30 December 2016, no. 254.

We verified the approval by the Directors of the non-financial statement.

Pursuant to art. 3, paragraph 10 of Legislative Decree 30 December 2016, no. 254, this statement is subject of a separate attestation issued by us.

DELOITTE & TOUCHE S.p.A.

Signed by
Francesco Legrottaglie
Partner

Rome, Italy
April 2, 2021

This report has been translated into the English language solely for the convenience of international readers.

Deloitte.

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INDEPENDENT AUDITOR'S REPORT
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010
AND ARTICLE 10 OF THE EU REGULATION 537/2014

To the Shareholders of
Atlantia S.p.A.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Atlantia S.p.A. (the "Company" or the "Parent Company"), which comprise the statement of financial position as at December 31, 2020, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Going concern assessment	
Description of the key audit matter	In preparing the separate financial statements, the Directors conducted an assessment of the ability of the Company and the Group to continue to operate as going concerns. In conducting the assessment, the Directors identified certain risk factors and uncertainties, primarily relating to: *i)* the dispute with the Ministry of Transport (the "MIMS" or the "Grantor") over serious breaches of the concession arrangement to which the subsidiary, Autostrade per l'Italia SpA ("ASPI") is party, *ii)* changes to the legislation governing the "revocation, forfeiture or termination of motorway and road concessions, including those for toll roads and motorways" introduced by the Italian Government in the so-called "Milleproroghe 2020" Decree, *iii)* the downgrade of Atlantia's and ASPI's credit ratings by the leading international rating agencies, with possible repercussions for ASPI's debt and, as a result also for Atlantia's debt, and *iv)* the impact on liquidity resulting from the ongoing Covid-19 pandemic. The Directors report that they have assessed these factors and the actions taken by the Company and the subsidiary, ASPI, including developments in the talks with the Government with a view to agreeing on a settlement that would bring to an end the dispute over serious breaches of its concession arrangement; the bond issues completed by Atlantia, amounting to €1,000 million, and ASPI, totalling €2,250 million; the agreement for the sale of a 49% stake in the subsidiary, Telepass SpA; the improvement in the leading international rating agencies' assessment of the outlook for both companies. On completion of the assessment, the Directors concluded that the above risks and uncertainties were surmountable and were not such as to cast doubt on the ability of the Company to continue to operate as going concerns. Based on these considerations, the separate financial statements as at and for the year ended 31 December 2020 have been prepared on a going concern basis. For the purposes of this assessment, the Directors were required to make significant judgements regarding the outcome of future events or circumstances that are by nature uncertain. Whilst taking due account of all the available information at this time, the Directors note that these judgements are, therefore, susceptible to change as developments occur, should events that were reasonably foreseeable at the time of the assessment not occur, or should facts or circumstances arise that are incompatible with such events, and that are currently not known or are, in any case, not reasonably estimable. In view of the significance of the above assessment carried out by the Directors for the purposes of determining the criteria to be used in preparing the separate financial statements, and the importance of the disclosure regarding the Company's ability to operate as going concern, we considered that this assessment was a key matter of our audit of the Company's separate financial statements.

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Note 2 in the separate financial statements and sections 1.3 and 8.3 in the report on operations describe the reasons behind the Directors' decision to confirm the continued application of the going concern assumption.

Audit procedures performed	In the context of our audit, we have, among other things, carried out the following procedures:

- we gained an understanding of the risks and uncertainties, and analysed and discussed the actions planned and those already taken by the Company's Directors and ASPI, in order to assess the considerations taken into account by the Management in their going concern assessment;
- we examined, also with the support of specialists, the opinions issued by the legal advisors appointed by ASPI with reference to the assessment of the Company's position with respect to the legal and regulatory framework, also evaluating the competence, capabilities and objectivity of such advisors;
- we obtained and analysed correspondence with the MIMS and the Italian Government regarding the talks in progress, and examination of the Directors' assessment of the accounting effects of the proposals put forward by ASPI in this regard;
- we obtained and analysed correspondence with certain financial institutions following the downgrade of ASPI's credit rating and examined the Directors' assessment of the potential consequences of such events on debt and the potential impact on the Company and the Group;
- we obtained information on and analysed the cash plans prepared by the Company and ASPI and the main judgements and assumptions on which the plans are based, including an analysis of the impact of the bonds issued by the Company and ASPI;
- we consulted the minutes of the resolutions adopted by corporate bodies and, if not yet available, reports to the Board of Directors of Atlantia and exchanges of information with the Board of Statutory Auditors on material aspects, including the latest developments in talks with the Government;
- we analysed events occurring after the end of the reporting period that may provide information useful for the going concern assessment;
- we analysed the adequacy of the information provided in the notes to the separate financial statements and in the report on operations with regard to going-concern uncertainties and the related assessment carried out by the Directors.

Deloitte.

Recoverability of the investments in Autostrade per l'Italia SpA and Abertis HoldCo SA

Description of the key audit matter

The financial statements as at and for the year ended 31 December 2020 report investments amounting to a total of €14,708 million, including €5,338 million relating to Autostrade per l'Italia SpA ("ASPI") and €2,952 million to Abertis HoldCo SA, the parent of the Abertis group.

In keeping with IAS 36, at least once a year the Company tests investments that include goodwill for impairment.

Specifically, ASPI was tested for impairment through a comparison between the recoverable amount of the investment calculated using the value-in-use method and the relevant carrying amount.

To determine the recoverable amount of the investment in ASPI, the Company, considering it likely that a settlement agreement will be reached with the Italian Government, referred to the cash flow projections indicated in the long-term plan drawn up by ASPI with reference to the period represented by the concession term, based on the latest Financial Plan submitted to the Grantor. In particular, the assumptions include traffic forecasts, the investments to be made and the tariffs expected to be applied on the basis of the regulatory mechanisms provided for in the Transport Regulator's Resolution 71/2019. The test also took into account the impact of the Covid-19 pandemic and the burden on the company arising from the settlement agreement.

Regarding the calculation of the recoverability of the Abertis HoldCo investment, the Directors estimated the value in use based on the explicit forecast period of five financial years and the calculation of a terminal value in order to determine in an appropriate manner the Abertis Group's ability to generate additional business.

In view of the significance of the value of the above investments and the complexity of the measurement process, we considered the related impairment testing to be a key aspect of our audit of the separate financial statements.

Notes 3 and 5.3 in the separate financial statements as at and for the year ended 31 December 2020 illustrate the accounting policies applied by the Company and provide information on impairment testing.

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Audit procedures performed	In the context of our audit, we have, among other things, carried out the following procedures, also with the support of our valuation experts:

- we gained an understanding of the process adopted by the Company in carrying out the impairment test and identified the main controls carried out by Management on this test;
- we analysed the main assumptions used in preparing the projected performance of the subsidiaries and as the basis for the impairment test, to determine their reasonableness;
- we analysed any deviations between actual historical data and the forecast data, also in view of the effects of Covid-19, in order to assess the reliability of the process followed in preparing the plans;
- we analysed the impairment test carried out by the Company on the recoverable value of the above investments, with particular reference to:

  i. the methodology used by the Group in defining the discount rate (WACC) used in the test;
  ii. the mathematical accuracy of the calculation model used by the Company in determining value in use;
  iii. the sensitivity analyses prepared by the Company.

- we analysed of the adequacy of the disclosure regarding the impairment test and its compliance with IAS 36.

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

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05 and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or for the termination of the operations or have no realistic alternative to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Company's financial reporting process.

Deloitte.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism 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 management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- 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.

Deloitte.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence applicable in Italy, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report.

Other information communicated pursuant to art. 10 of the EU Regulation 537/2014

The Shareholders' Meeting of Atlantia S.p.A. has appointed us on April 24, 2012, as auditors of the Company for the years from December 31, 2012 to December 31, 2020.

We declare that we have not provided prohibited non-audit services referred to in art. 5 (1) of EU Regulation 537/2014 and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the Board of Statutory Auditors, in its role of Audit Committee, referred to in art. 11 of the said Regulation.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion pursuant to art. 14, paragraph 2 (e), of Legislative Decree 39/10 and art. 123-bis, paragraph 4, of Legislative Decree 58/98

The Directors of Atlantia S.p.A. are responsible for the preparation of the report on operations and the report on corporate governance and ownership structure of Atlantia S.p.A. as at December 31, 2020, including their consistency with the related financial statements and their compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to express an opinion on the consistency of the report on operations and some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98 with the financial statements of Atlantia S.p.A. as at December 31, 2020 and on their compliance with the law, as well as to make a statement about any material misstatement.

In our opinion, the above-mentioned report on operations and information contained in the report on corporate governance and ownership structure are consistent with the financial statements of Atlantia S.p.A. as at Decemebre 31, 2020 and are prepared in accordance with the law.

Deloitte.

With reference to the statement referred to in art. 14, paragraph 2 (e), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the entity and of the related context acquired during the audit, we have nothing to report.

DELOITTE & TOUCHE S.p.A.

Signed by
Francesco Legrottaglie
Partner

Rome, Italy
April 2, 2021

This report has been translated into the English language solely for the convenience of international readers.

14. Key indicators extracted from the financial statements of subsidiaries, associates and joint ventures, as defined by paragraphs 3 and 4 of art. 2429 of the Italian Civil Code

The figures provided below were extracted from the most recent financial statements approved by the companies' respective boards of directors.

The companies' reporting date is 31 December of each year, unless otherwise indicated.

The companies prepare their financial statements in accordance with international financial reporting standards, with the exception of Abertis HoldCo, Aero 1 Global International, Autostrade dell'Atlantico, Azzurra Aeroporti,

Pavimental, Fiumicino Energia, SPEA Engineering, Autostrade Indian Infrastucture, Autostrade Concessioni e Costruzioni and Pune Solapur Expressways Private, which prepare their financial statements in accordance with accounting principles generally accepted in their respective countries.

Subsidiaries

Autostrade per l'Italia SpA

€000	Financial Position	31 Dec 2019	31 Dec 2018
Non-current assets		17,725,669	18,108,997
Current assets		2,128,686	2,152,788
Total assets		**19,854,355**	**20,261,785**
Equity		1,462,928	2,099,789
of which issued capital		*622,027*	*622,027*
Liabilities		18,391,427	18,161,996
Total equity and liabilities		**19,854,355**	**20,261,785**
€000	**Results of Operations**	**2019**	**2018**
Operating revenue		3,856,446	3,809,335
Operating costs		-3,881,977	-2,529,994
Operating profit/(loss)		-25,531	1,279,341
Profit/(Loss) for the period		**-291,333**	**618,412**

Abertis HoldCo SA

€000	Financial Position	31 Dec 2019	31 Dec 2018
Non-current assets		5,821,489	16,519,601
Current assets		235,690	2,764
Total assets		**6,057,179**	**16,522,365**
Equity		5,846,033	6,730,491
of which issued capital		*100,060*	*100,060*
Liabilities		211,146	9,791,874
Total equity and liabilities		**6,057,179**	**16,522,365**
€000	**Results of Operations**	**2019**	**2018**
Operating revenue		-	-
Operating costs		-1,012	-636
Operating profit/(loss)		-1,012	-636
Profit/(Loss) for the period		**-20,607**	**-28,304**

Aeroporti di Roma SpA

€000	Financial Position	31 Dec 2019	31 Dec 2018
Non-current assets		2,656,973	2,550,339
Current assets		822,638	657,050
Total assets		**3,479,611**	**3,207,389**
Equity		1,174,344	1,098,459
of which issued capital		*62,225*	*62,225*
Liabilities		2,305,267	2,108,930
Total equity and liabilities		**3,479,611**	**3,207,389**
€000	**Results of Operations**	**2019**	**2018**
Operating revenue		1,109,273	1,026,490
Operating costs		-703,506	-634,195
Operating profit/(loss)		405,767	392,295
Profit/(Loss) for the period		**243,193**	**245,164**

Aero 1 Global & International S.à.r.l.

€000	Financial Position	31 Dec 2020	31 Dec 2019
Non-current assets		674,734	674,734
Current assets		101	193
Total assets		**674,835**	**674,927**
Equity		674,649	674,867
of which issued capital		*6,671*	*6,671*
Liabilities		186	60
Total equity and liabilities		**674,835**	**674,927**
€000	**Results of Operations**	**2020**	**2019**
Operating revenue		-	-
Operating costs		-213	-251
Operating profit/(loss)		-213	-251
Profit/(Loss) for the period		**-218**	**30,406**

Autostrade dell'Atlantico Srl

€000	Financial Position	31 Dec 2020	31 Dec 2019
Non-current assets		376,718	435,327
of which non-current investments		*376,718*	378,236
Current assets		46,658	33,124
Other assets		66	2
Total assets		**423,442**	**468,453**
Equity		296,222	262,856
of which issued capital		*1,000*	*1,000*
Provisions and post-employment benefits		80	1,679
Payables		127,140	203,918
Other liabilities		-	-
Total equity and liabilities		**423,442**	**468,453**
€000	**Results of Operations**	**2020**	**2019**
Value of production		-	93
Cost of production		143	-2,911
Operating profit/(loss)		143	-2,818
Profit/(Loss) for the period		**33,366**	**141,939**

Azzurra Aeroporti SpA

€000	Financial Position	31 Dec 2019	31 Dec 2018
Non-current assets		1,229,094	1,303,049
of which non-current investments		*1,229,094*	*1,303,049*
Current assets		34,538	53,909
Other assets		54	64
Total assets		**1,263,686**	**1,357,022**
Equity		610,210	706,579
of which issued capital		*3,221*	*3,221*
Provisions and post-employment benefits		142	-
Payables		653,157	650,313
Other liabilities		177	130
Total equity and liabilities		**1,263,686**	**1,357,022**
€000	**Results of Operations**	**2019**	**2018**
Value of production		-	-
Cost of production		-1,223	-874
Operating profit/(loss)		-1,223	-874
Profit/(Loss) for the period		**-53,368**	**43,790**

Stalexport Autostrady SA

Thousands of Zloty	Financial Position	31 Dec 2020	31 Dec 2019 *
Non-current assets		76,870	78,362
Current assets		345,485	197,257
Total assets		**422,355**	**275,619**
Equity		414836	269,765
of which issued capital		*185,447*	*185,447*
Liabilities		7,519	5,854
Total equity and liabilities		**422,355**	**275,619**
Thousands of Zloty	**RESULTS OF OPERATIONS**	**2020**	**2019 ***
Operating revenue		3,463	3,767
Operating costs		-4,595	-3,881
Operating profit/(loss)		-1,132	-114
Profit/(Loss) for the period		**157,577**	**-829**

** Amounts restated following the merger with Autostrady Autoroute (28 February 2020)*

Telepass SpA

€000	Financial Position	31 Dec 2020	31 Dec 2019
Non-current assets		178,758	133,667
Current assets		978,504	1,088,085
Total assets		**1,157,262**	**1,221,752**
Equity		160,948	112,912
of which issued capital		*26,000*	*26,000*
Liabilities		996,314	1,108,840
Total equity and liabilities		**1,157,262**	**1,221,752**
€000	Results of Operations	2020	2019
Operating revenue		218,623	210,532
Operating costs		-152,832	-123,469
Operating profit/(loss)		65,791	87,063
Profit/(Loss) for the period		**47,681**	**62,945**

Pavimental SpA

€000	Financial Position	31 Dec 2020	31 Dec 2019
Non-current assets		41,766	72,849
of which non-current investments		*5,388*	*5,388*
Current assets		415,124	351,271
Other assets		3,036	4,313
Total assets		**459,926**	**428,433**
Equity		10,065	14,982
of which issued capital		*10,116*	*10,116*
Provisions and post-employment benefits		9,764	11,401
Payables		438,971	401,926
Other liabilities		1,126	124
Total equity and liabilities		**459,926**	**428,433**
€000	Results of Operations	2020	2019
Value of production		498,120	410,618
Cost of production		-502,154	-409,333
Operating profit/(loss)		-4,034	1,285
Profit/(Loss) for the period		**-4,928**	**31**

Fiumicino Energia Srl

€000	Financial Position	31 Dec 2020	31 Dec 2019
Non-current assets		4,009	4,894
of which non-current investments		*266*	266
Current assets		9,193	8,550
Other assets		17	17
Total assets		**13,219**	**13,461**
Equity		11,981	11,768
of which issued capital		*742*	*742*
Provisions and post-employment benefits		922	708
Payables		316	985
Other liabilities		-	-
Total equity and liabilities		**13,219**	**13,461**
€000	Results of Operations	2020	2019
Value of production		2,934	5,041
Cost of production		-2,663	-5,331
Operating profit/(loss)		271	-290
Profit/(Loss) for the period		**213**	**-193**

SPEA Engineering SpA

€000	Financial Position	31 Dec 2020	31 Dec 2019
Non-current assets		3,226	5,249
of which non-current investments		*82*	*273*
Current assets		125,060	161,075
Other assets		1,442	1,667
Total assets		**129,728**	**167,991**
Equity		40,629	56,356
of which issued capital		6,966	6,966
Provisions and post-employment benefits		24,136	31,003
Payables		64,963	80,632
Other liabilities		-	-
Total equity and liabilities		**129,728**	**167,991**
€000	Results of Operations	2020	2019
Value of production		54,140	70,474
Cost of production		-73,882	-97,719
Operating profit/(loss)		-19,742	-27,245
Profit/(Loss) for the period		**-15,727**	**-21,854**

Autostrade Indian Infrastructure Ltd

Thousands of Rupees	Financial Position	31 Mar 2020	31 Mar 2019
Non-current assets		11,643	17,020
Current assets		99,907	85,347
Total assets		**111,550**	**102,367**
Equity		103,277	90,310
of which issued capital		*500*	*500*
Liabilities		8,273	12,057
Total equity and liabilities		**111,550**	**102,367**
Thousands of Rupees	**Results of Operations**	**1 Apr 2019 - 31 Mar 2020**	**1 Apr 2018 - 31 Mar 2019**
Operating revenue		47,793	62,491
Operating costs		-30,982	-33,986
Operating profit/(loss)		16,811	28,505
Profit/(Loss) for the period		**12,967**	**20,577**

Autostrade Concessioni e Costruzioni SpA

€000	Financial Position	31 Dec 2020	31 Dec 2019
Non-current assets		3	-
of which non-current investments		-	-
Current assets		100	-
Other assets		-	-
Total assets		**103**	**-**
Equity		62	-
of which issued capital		*100*	*-*
Provisions and post-employment benefits		-	-
Payables		41	-
Other liabilities		-	-
Total equity and liabilities		**103**	**-**
€000	**Results of Operations**	**2020**	**2,019**
Value of production		-	-
Cost of production		-38	-
Operating profit/(loss)		-38	-
Profit/(Loss) for the period		**-38**	**-**

Associates

Aeroporto Guglielmo Marconi di Bologna SpA

€000	Financial Position	31 Dec 2019	31 Dec 2018
Non-current assets		214,505	209,371
Current assets		44,800	42,506
Assets held for sale		-	-
Total assets		**259,305**	**251,877**
Equity		173,927	170,236
of which issued capital		*90,314*	*90,314*
Liabilities		85,378	81,641
Total equity and liabilities		**259,305**	**251,877**
€000	**Results of Operations**	**2019**	**2018**
Operating revenue		119,180	108,392
Operating costs		-89,295	-84,324
Operating profit/(loss)		29,885	24,068
Profit/(Loss) for the period		**20,068**	**17,101**

Joint ventures

Pune Solapur Expressways Private Ltd

Thousands of Rupees	Financial Position	31 Mar 2020	31 Mar 2019
Non-current assets		8,871,820	9,322,119
Current assets		1,082,439	597,653
Total assets		**9,954,259**	**9,919,772**
Equity		450,043	434,411
of which issued capital		*47,734*	*47,334*
Liabilities		9,504,216	9,485,361
Total equity and liabilities		**9,954,259**	**9,919,772**
Thousands of Rupees	**Results of Operations**	**1 Apr 2019 - 31 Mar 2020**	**1 Apr 2018 - 31 Mar 2019**
Operating revenue		1,656,788	1,555,200
Operating costs		-1,641,481	-1,674,983
Operating profit/(loss)		15,307	-119,783
Profit/(Loss) for the period		**15,307**	**-119,783**

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