mundys
Improve moving life

WE ARE BRINGING THE WORLD TOGETHER WITH A NEW RHYTHM

Integrated Annual Report 2022

Cover image taken from Mundys' institutional communications campaign

Improve moving life

WE ARE BRINGING THE WORLD TOGETHER WITH A NEW RHYTHM

2022 **Integrated Annual Report**

Mundys

SUMMARY

Orchestra conductor Vanessa Benelli Mosell, testimonial of the campaign of Mundys, during the institutional communications campaign for Mundys

SNAPSHOT

This section provides a snapshot of the Group, its performance highlights and the most significant events that took place in 2022

LETTER TO STAKEHOLDERS

In 2022 we focused on a number of important decisions, which will further strengthen our ability to face the challenges that lie ahead and enable us to seize any growth opportunities in a more resolute and agile way. The takeover bid on Atlantia launched by Edizione and Blackstone in April - Europe's most valuable M&A transaction in 2022 (approximately €19 billion of equity value, plus debt) - was successfully concluded, and in December Atlantia was delisted from Borsa Italiana, the Italian Stock Exchange.

The complex transaction shielded the Group from other interested parties, ensuring that the Group remained intact and preserving our international leadership in the mobility sector, whilst also safeguarding our Italian identity.

Under the new ownership structure, the Group will continue to follow our guidelines and move forward along the growth trajectory we have geared towards innovation and sustainability, while also benefiting from additional resources and expertise that will enable us to consolidate and strengthen our leadership in the sector.

To capture the essence of the renewal process we have decided to adopt a new identity. This marks an important turning point in our history, which also further strengthens the values and objectives that guide our actions. Since the Extraordinary Shareholders' Meeting of 14 March, we have become Mundys. We chose this name to represent the corporate and industrial journey we wish to embark on, based on our strong sense of belonging to Italy, but also on our global ambitions. Our new logo has features that evoke travellers on the move, dynamic flows of people, innovation and the attention we pay to the environment in which we operate.

Over the past year, we have also completed some important deals. In May, the sale of our 88.06% stake in Autostrade per l'Italia to the consortium consisting of CdP Equity, Blackstone Infrastructure Partners and Macquaire Asset Management was completed. In June we closed thet acquisition from the Siemens Group of Yunex Traffic, the leading global provider of innovative intelligent transport systems and smart mobility solutions. This deal will contribute to the Group's digitalisation processes, facilitate the technological upgrade of our infrastructure, and diversify and enhance the quality of the services we provide, thus making mobility safer and more sustainable, in keeping with today's transport needs.

In line with the aim of ensuring that Mundys continues to focus on our core business, we proceeded to restructure our assets. This has involved the disposal of certain minority interests deemed to be non-strategic, including the sale of a 17.2% stake in Lusoponte in February, and the sale of our entire 14.46% stake in Hochtief in September.

In 2022, the geopolitical landscape was marked by a high degree of uncertainty, primarily due to the war in Ukraine, which has led to severe economic and social, as well as political, repercussions.

Mundys promptly took action to provide humanitarian aid to people fleeing the conflict, providing funds to assist Ukrainian refugees hosted in Italy and activating the Atlantia4Ukraine programme. This initiative, set up and implemented by the Company in cooperation with Italian government institutions, the Ukrainian Embassy in Italy and several leading social and humanitarian organisations, enabled Ukrainian mothers and children fleeing the war to be offered support and assistance.

Despite the difficult geopolitical situation, in 2022 the transport sector continued to see steady recovery in post-Covid traffic, with performance on our motorway networks now almost back to pre-Covid levels (traffic volumes in Europe down 0.1 to 5% on 2019), or even higher (with increases from 3.2 to 11% compared with 2019 registered in Mexico and South America). Traffic in the airports sector also continued to recover, with passenger volumes at the airports we manage more than doubling compared with the previous year, and ranging from 16.3% to 33.5% below pre-pandemic levels.

Overall, our financial performance improved in 2022, with revenue of €7.4 billion up €1.1 billion (16%) compared with 2021, and EBITDA of €4.5 billion up €0.5 billion (12%) compared with the previous year. Despite the geopolitical uncertainty, capex in 2022 increased at €1.4 billion. At the same time, net financial debt fell €10.2 billion (34%), mainly due to the proceeds from the sale of Autostrade per l'Italia, to stand at €19.7 billion at year-end. In this regard, it should be noted that from the beginning of 2022, the Group completed bond issues amounting to approximately €3.9 billion, thus confirming our ability to access the market even in a period of great uncertainty. The cash and cash equivalents as at 31 December 2022, in addition to the available credit lines, are sufficient to secure the debt maturities until 2024, taking into account also the trilateral merge.

We are constantly striving to effectively meet mobility needs, but at the same time we are calling for change, looking to the future and investing in innovation, with a view to making a tangible contribution to the overall progress of the mobility sector and, in line with our DNA, generating value for all our stakeholders.

A clear example of this vision is the Innovation Hub inaugurated at Fiumicino airport in October. This international start-up accelerator, launched by Aeroporti di Roma as part of its "open innovation" strategy, aims to develop innovative solutions in the airports sector and is one of a kind in Europe. This initiative was recently complemented by a corporate venture capital programme (AdR Ventures) promoted by AdR to finance the development of projects in sectors with high innovation potential, providing support to the most promising start-ups, accompanying their integration within the industry and facilitating their efforts to grow and market their innovative solutions.

In line with our ambition to promote change and evolution in the mobility sector, in October we inaugurated Italy's first test vertiport at Fiumicino, and at the same time carried out the first test flight (in collaboration with Volocopter, UrbanV and AdR). This marks a significant milestone in our efforts to achieve the goal of making urban air mobility accessible to the public, with the first commercial flights to the centre of Rome to launch as early as 2024.

We strive daily to make our infrastructure more environmentally sustainable (67% of our electricity consumption were from renewable sources, up from the 32% in 2021), to implement a circular economy approach in our processes (73% of our waste is recycled, up 8 percentage points on 2021), and to offer the community safer and more accessible mobility. The initiatives we are implementing, such as the deployment of charging stations for electric vehicles along the motorways we manage in Chile, Italy, France and Spain, as well as at our Italian and French airports, are in line with this objective.

As a result, in 2022 we made significant progress on the sustainability front, obtaining improved ratings from the main ESG rating agencies.

Our climate change strategy (the Climate Action Plan) is aimed at achieving zero direct CO_2 emissions by 2040, as well as promoting decarbonisation of economic activities along the entire value chain related to motorway, airport and mobility services. In 2022, we reduced our direct emissions (scope 1 and 2, down 5% on 2021), but we still need to make efforts to curb indirect emissions, which, with the recovery in traffic (especially air traffic), rose substantially (scope 3, up 45% on 2021). We believe that the process of reaching our long-term targets calls for regular discussion and engagement with our stakeholders. Therefore, in 2022, for the first time, we sought the opinions of shareholders via a so-called "Say on Climate" vote. More than 98% cast their vote in favour, registering one of the highest ever percentages among listed companies in Europe regarding this issue.

In keeping with our commitment to embed ESG aspects in our value creation processes, we decided to adopt a Sustainability Linked Financing Framework in 2022 for Mundys (after successful experiences of Abertis and Aeroporti di Roma), thereby integrating sustainability in our corporate financing strategy as well.

Over the past year, Mundys was also the first company in Italy to be awarded a Fair Tax Mark by the Fair Tax Foundation. This was achieved after the publication of our first Tax Transparency Report in June, in which we provided full transparency regarding our tax governance and evidence of responsible tax conduct in all countries where we operate. Also on the transparency front, Mundys joined Transparency International, a global non-profit organisation that promotes good practices related to legality and efforts to combat corruption.

We promote merit and enhance the skills of our people, in accordance with equality and inclusion criteria, recognising the value of diversity. In 2022, this commitment led to our inclusion, for the first time, in the Bloomberg Gender Equality Index, ranking us among the world's top 400 companies working to promote gender equality in their organisations. Our Group employs around 8,700 women, of whom over 450 hold management positions.

The extent of the results achieved, the competence and passion of our people and the strength of our assets, together with our renewed identity, form a solid foundation on which to build the future with confidence. Despite the uncertain geopolitical environment, this will enable us to deliver even greater value for the benefit of all our stakeholders..

Image taken from Mundys' institutional communications campaign

MUNDYS

Delisting and new ownership structure

The main events which, during 2022 and until the date of this Integrated Annual Report, have redefined the corporate structure of Mundys S.p.A. are summarized below (formerly Atlantia S.p.A., hereinafter Mundys or the Company or the Parent Company).

Public Tender Offer

On 14 April 2022, Edizione SpA and Sintonia SpA, Blackstone Infrastructure Associates (LUX) S.à r.l., BIP-V Hogan (LUX) SCSp and BIP Hogan (LUX) SCSp, Schemaquarantadue SpA and Schema Alfa SpA, entered into an "Investment and Partnership Agreement". This was followed by another agreement between the above and Fondazione Cassa di Risparmio di Torino, setting out the conditions for the launch of a public tender offer for all of the Company's shares, with the sole exception of the shares already owned by Sintonia SpA (the "Offer"). On termination of the Offer (including the period after reopening of the Offer), on 28 November 2022, Schema Alfa SpA, as the offeror, announced that it was in possession of a total of 792,196,557 shares in the Company (including 6,598,210 treasury shares held by the Company and 273,341,000 shares held by Schemaquarantadue SpA), representing 95.933% of the Company's issued capital. This enabled Schema Alfa to both exercise its squeeze-out right, pursuant to art. 111 of Legislative Decree 58/1998, and meet its purchase obligation under art. 108 of Legislative Decree 58/1998 in respect of the remaining 33,587,433 shares representing 4.067% of the issued capital.

Borsa Italiana SpA then issued resolution 8904 on 29 November 2022, providing for the delisting of the Company's shares with effect from 9 December 2022. Full information is provided in the section Investor Relations | Public Tender Offer on Mundys's website (www.mundys.com).

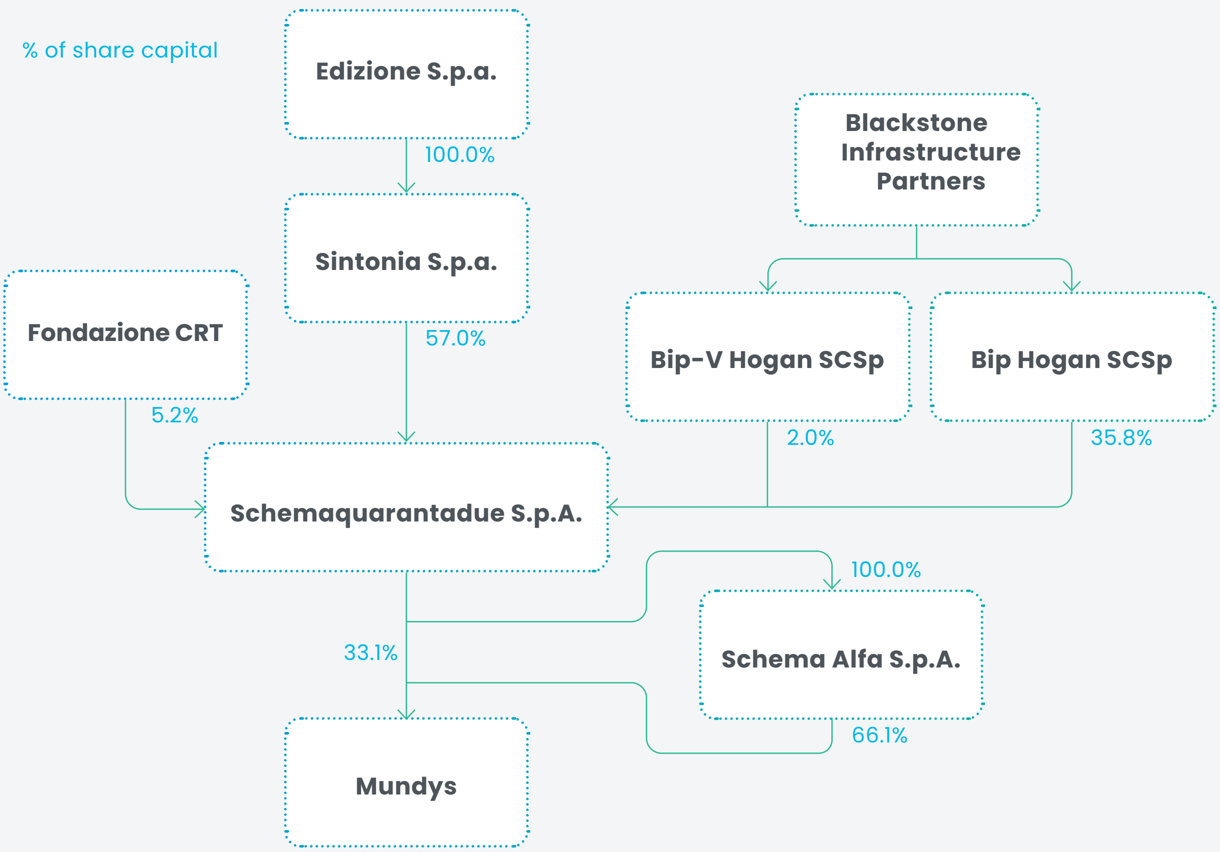
Despite the completion of the delisting, Mundys continues to be a Public Interest Entity pursuant to existing legislation (Legislative Decree 39/2010) based on the fact that it has issued bonds listed on the Euronext Dublin Stock Exchange, a regulated market managed by the Irish Stock Exchange, under its Euro Medium Term Notes ("EMTN") programme. It is registered as a listed issuer with Italy as its member state of origin following the Board of Directors' resolution of 22 December 2022.

As of 31 December 2022, the Company's issued capital consists of 825,783,990 no-par ordinary shares (including 6,598,210 treasury shares) held by Schema Alfa S.p.A. for 66.10% and Schemaquarantadue S.p.A. for 33.10%.

Schemaquarantadue S.p.A.'s issued capital is held as follows as of 31 December 2022: (i) 57.0% by Sintonia S.p.A., a wholly owned subsidiary of Edizione S.p.A., (ii) 5.2% by Fondazione CRT, (iii) 2.0% by BIP V Hogan SCSp and (iv) 35.8% by BIP Hogan SCSp. The latter two companies belong to the group funds managed by Blackstone Infrastructure Advisors L.L.C.

On 13 November 2022 Edizione S.p.A., Sintonia S.p.A., Blackstone and Fondazione CRT signed a shareholders' agreement which regulates, inter alia, relations between shareholders: information related to this agreement are available on the Company's website at www.mundys.com (Investors Section | Shareholders).

POST DELISTING STRUCTURE



Upstream loan to Schemaquarantadue SpA

On 16 January 2023, Mundys' Board of Directors, supported by the opinions of its legal and financial advisors, proposed for approval of the General Meeting of shareholders approve an upstream credit facility of up to €8,225 million to Schemaquarantadue SpA. The facility, which was approved on the same date, was funded from the Company's available liquidity. The transaction in question was approved on the basis of the following reasons, among others: (i) assessment of the financial benefits for the Company resulting from the transaction and specifically the resulting savings in financial expenses on the debt undertaken by Schemaquarantadue SpA to execute the Offer net of the financial income on the cash available in Mundys, (ii) assessment of the financial risks to which the Company is exposed and (iii) verification and confirmation of arm's length transaction.

The proceeds from use of the facility, amounting to €8,200 million, were then used by Schemaquarantadue SpA to fund full repayment of the existing bridge loan from a pool of financial institutions, amounting to €8,225 million.

Merger

In accordance with the terms of the "Investment and Partnership Agreement", between 14 and 15 February 2023, Mundys's Board of Directors and those of Schemaquarantadue SpA and Schema Alfa SpA approved the plan for a trilateral reverse merger, involving the merger of the two parent companies with and into the subsidiary (namely, Mundys). This was approved by extraordinary general meetings of the respective shareholders on 15 February 2023, following prior waiver of the terms of articles 2501-ter, paragraph four, and 2501-septies of the Italian Civil Code.

The merger deed will be executed at the end of the 60-day term required by art. 2503 of the Italian Civil Code (this is, therefore, expected to take place by April 2023), with the merger effective from the date of registration of the merger deed with the competent companies' registers (or from an alternative effective date that may be provided for in the merger deed). Accounting and tax effects will be brought back to January 1, 2023.

Following the merger, Mundys's issued capital will be unchanged, whilst the number of no-par shares will be reduced to 479,479,662 (following the cancellation of 346,304,328 shares). Furthermore, as of the merger becoming effective, the Company will adopt new by-laws, attached to the merger plan.

Corporate bodies

Following the delisting, on 22 December 2022, Mundys' Directors and Statutory Auditors resigned with effect from the date of the General Meeting of shareholders held on 16 January 2023, which appointed the new corporate bodies. Further details on the activities of the Board of Directors and the other corporate bodies in 2022 are provided in section 5.

BOARD OF DIRECTORS

Appointed by the General Shareholders' Meeting of 16th january, 2023 and in charge until the financial statements approval as of 31st december, 2025

POSITION	NAME
Chairman	Giampiero Massolo[1]
Vice Chairman	Alessandro Benetton
Director	Enrico Laghi
Director	Christian Coco
Director	Ermanno Boffa
Director	Mattia Brentari
Director	Andrea Pezzangora
Director	Andrea Valeri
Director	Jonathan Kelly
Director	Scott Schultz
Director	Maurizio Irrera

INTERNAL COMMITTEES COMPOSITION

Appointed by the board of directors of 15th february, 2023

INVESTMENT COMMITTEE

POSITION	NAME
Chairman	Enrico Laghi
Member	Christian Coco
Member	Jonathan Kelly

CONTROL, RISKS AND SUSTAINABILITY COMMITTEE

POSITION	NAME
Chairman	Scott Schultz
Member	Ermanno Boffa
Member	Christian Coco

REMUNERATION COMMITTEE

POSITION	NAME
Chairman	Ermanno Boffa
Member	Enrico Laghi
Member	Andrea Valeri

1 The Board of Directors held on 22 December 2022 granted the Chairman the interim responsibility for the Company's management. Such decision was subsequently confirmed by the Board meeting of 16th January 2023

BOARD OF STATUTORY AUDITORS

Appointed by the General Shareholders' Meeting of 16th January 2023 with three yearsterm of office: 2023-2025

POSITION	NAME
Chairman	Riccardo Michelutti
Standing Auditor	Benedetta Navarra
Standing Auditor	Graziano Visentin

231 SUPERVISORY BODY

Appointed with three years terms of office for the period 1 July 2021 – 30 June 2024

POSITION	NAME
Coordinator	Attilio Befera
Member	Enrica Marra
Member	Sonia Ferrero

INDEPENDENT AUDITOR

KPMG S.p.A. appointed by the General Shareholders' Meeting of 29 May 2020 for the period 2021- 2029

MANAGER RESPONSIBLE FOR FINANCIAL REPORTING PURSUANT TO ARTICLE 154-BIS LEGILASTIVE DECREE

Appointed by the Board of Directors held on 16 january 2023 until the financial statements approval as of 31st december, 2025

Ing. **Tiziano Ceccarani**, Mundys S.p.a.'s Chief Financial Officer

Image of Mundys' institutional communications campaign - Leonardo da Vinci Airport in Rome

Rebranding

Mundys, improve moving life

The new brand of Mundys is the result of a radical transformation process following with the public tender offer launched by Edizione and Blackstone together with Fondazione CRT.

A renewed shareholder base and our new management team together lie as an inspiration behind Mundys and our new growth strategy focusing on overseas expansion, with the aim of becoming a global leader in the management of infrastructure and sustainable integrated mobility services.

Mundys's strategic goal is to continue the Group's growth and development. This will involve investing in sustainable infrastructure (primarily airports and motorway networks) and in technological innovation, supporting people at all stages in their journey, whether across town or long-distance, by providing quality services designed with a view to caring for the environment, making destinations more attractive and simplifying the lives of people on the move.

The idea for the new brand was discussed approximately a year ago by some of Mundys's newest and youngest employees, who were keen to mark the radical changes that they have lived through at the Company. The proposal was immediately welcomed by Mundys's management, the shareholder, Edizione, and its Chairman, Alessandro Benetton, and later embraced by Blackstone following the delisting.

Mundys is a word that has a strong Latin ring to it and that refers to the concept of globality. Its logo encapsulates the movement and dynamism of travellers, whilst the colours represent the two cornerstones of the Holding Company's new strategy, innovation and care for the environment. The new brand communication campaign, in 4 languages, actively involved the Group's main asset companies.

The testimonial for Mundys's communication campaign is Vanessa Benelli Mosell, a young orchestra conductor and musician who is well-known outside of Italy. Vanessa was chosen as she represents an example of Italian excellence who, having studied and developed her musical skills at home, has built a successful international career, performing in Europe's leading theatres.

OPERATING SEGMENTS

MOTORWAYS

9,125 Km

44 Concessions

Revenues 5,825 €M

EBITDA 4,042 €M

AIRPORTS

5 **Airports**

Revenues 929 €M

EBITDA 400 €M

MOBILITY SERVICES

~ 9.6 Millions On-board units

Revenues 312 €M

EBITDA 129 €M

600 cities in 4 continents

Revenues 351 €M

EBITDA 16 €M

Telepass

YUNEX TRAFFIC*

* Consolidated from July 2022

MUNDYS AROUND THE WORLD

MOTORWAYS

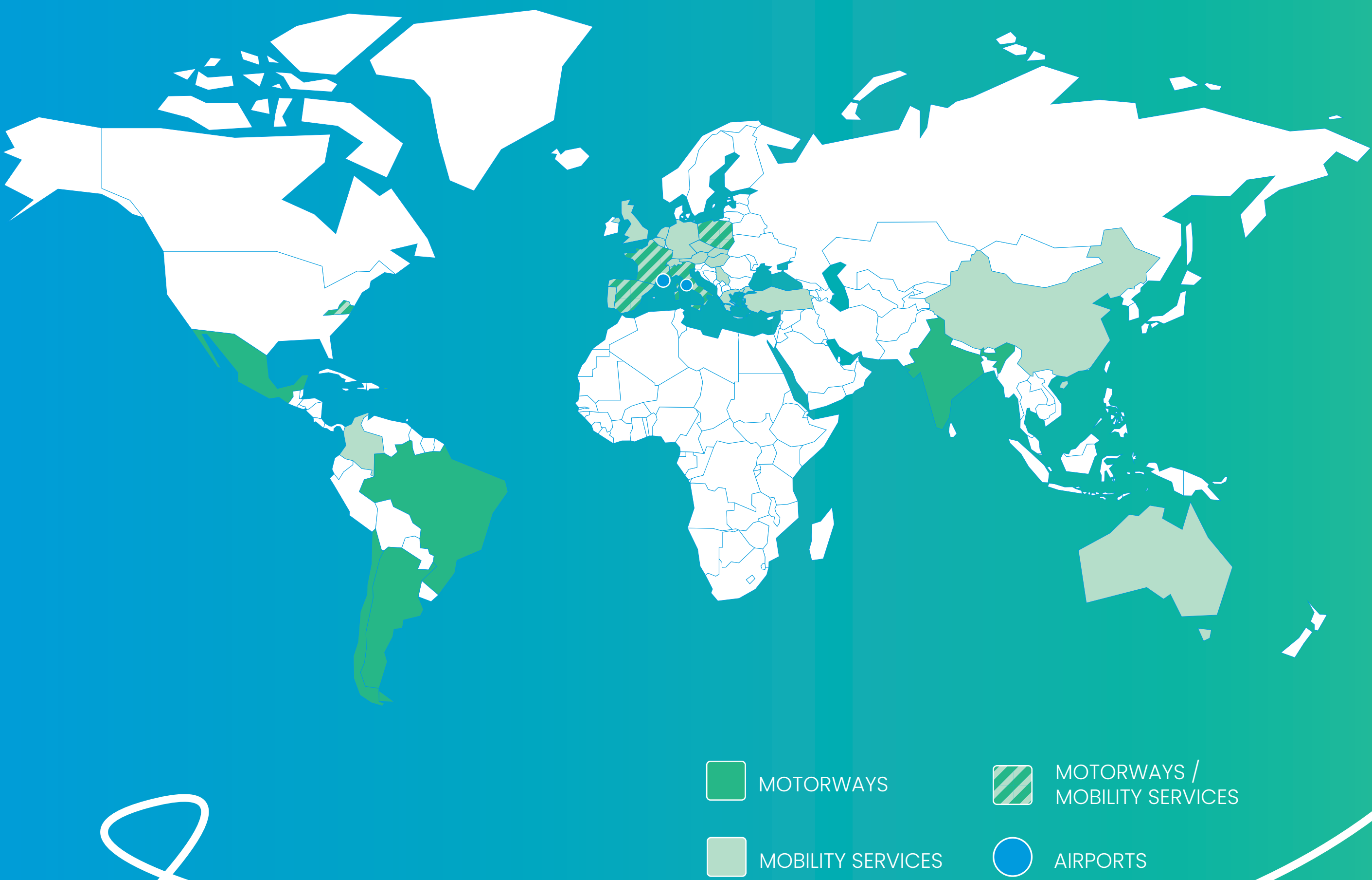
France, Brazil, Spain, Italy, Chile, Mexico, Argentina, India, Puerto Rico, Poland, United States

AIRPORTS

France, Italy

MOBILITY SERVICES

Australia, Austria, Belgium, China, Colombia, Czech Republic, England, France, Germany, Greece, Hong Kong, Hungary, Italy, Netherlands, Poland, Portugal, Serbia, Singapore, Slovakia, Spain, Swiss, Turkey



"We believe that the best way to create the mobility of the future is partnering with those who are aware of the importance of improving connections between people, goods, communities and territories. We create partnerships to develop sustainable, integrated, safe, innovative and efficient mobility, accessible to the greatest number of people: in every angle of the world, we collaborate with partners to push ahead the boundaries of mobility".

PARTNERS

MOTORWAYS

AIRPORTS

MOBILITY SERVICES

Image taken from Mundys' institutional communications campaign

1. THE YEAR 2022

1.1 MILESTONES

JANUARY

- Atlantia agrees to buy Yunex Traffic from Siemens
- Atlantia is included in Bloomberg's Gender Equality Index (GEI). Sustainalytics upgrades Atlantia's ESG rating

FEBRUARY

- Atlantia completes sale of 17.2% stake in Lusoponte

MARCH

- Atlantia approves 2021 Integrated Annual Report
- Investor Day and 2022 Plan presentation
- Atlantia raises stake in Volocopter
- Atlantia's Board of Directors allocates €1 million to fund assistance for Ukrainian refugees

APRIL

- Moody's upgrades the Atlantia Group's rating to Ba1
- Schema Alfa SpA launches voluntary public tender offer for all of Atlantia SpA's outstanding ordinary shares
- Annual General Meeting held on 29 April 2022 approves Climate Action Plan with 98% of shareholders vote in favour in first "Say On Climate" vote to be held in Italy

MAY

- Atlantia completes sale of 88.06% stake in Autostrade per l'Italia SpA.
- Sustainalytics upgrades Atlantia's rating for a second time

JUNE

- Atlantia completes acquisition of 100% stake in Yunex Traffic from the Siemens Group
- ADR — Fiumicino airport presented with "European Best Airport 2022" award by Airports Council International (ACI)
- Ukraine: Rome Summer Camp opens for children and mothers given refuge in the capital

JULY

- Atlantia renews Revolving Credit Facility totalling €1.5 bn, convertible into Sustainability-linked facility
- Atlantia again included among highest rated global companies in FTSE4Good index, having been rated among the top 10% of companies in the "Industrial Goods and Services" segment
- S&P upgrades Atlantia's credit rating to BB+ with stable outlook
- ADR — S&P upgrades ADR's credit rating to BBB with stable outlook

AUGUST

- Atlantia publishes Tax Transparency Report for 2021
- MSCI upgrades Atlantia's rating to "AA"

SEPTEMBER

- Sale of the entire stake held in Hochtief
- Atlantia awarded Fair Tax Mark for tax transparency by Fair Tax Foundation

OCTOBER

- Atlantia agrees new €1.5bn term loan facility with sustainability-linked option
- Moody's ESG assigned Atlantia the highest possible rating, "Advanced", placing the Company in the top 1% of leading global companies
- Starting of the "Acceptance period" of the voluntary public tender offer for all of Atlantia SpA's outstanding ordinary shares
- ADR — Italy's First Vertiport Deployed at Leonardo da Vinci airport
- ADR launched the innovation HUB located within Leonardo da Vinci airport

NOVEMBER

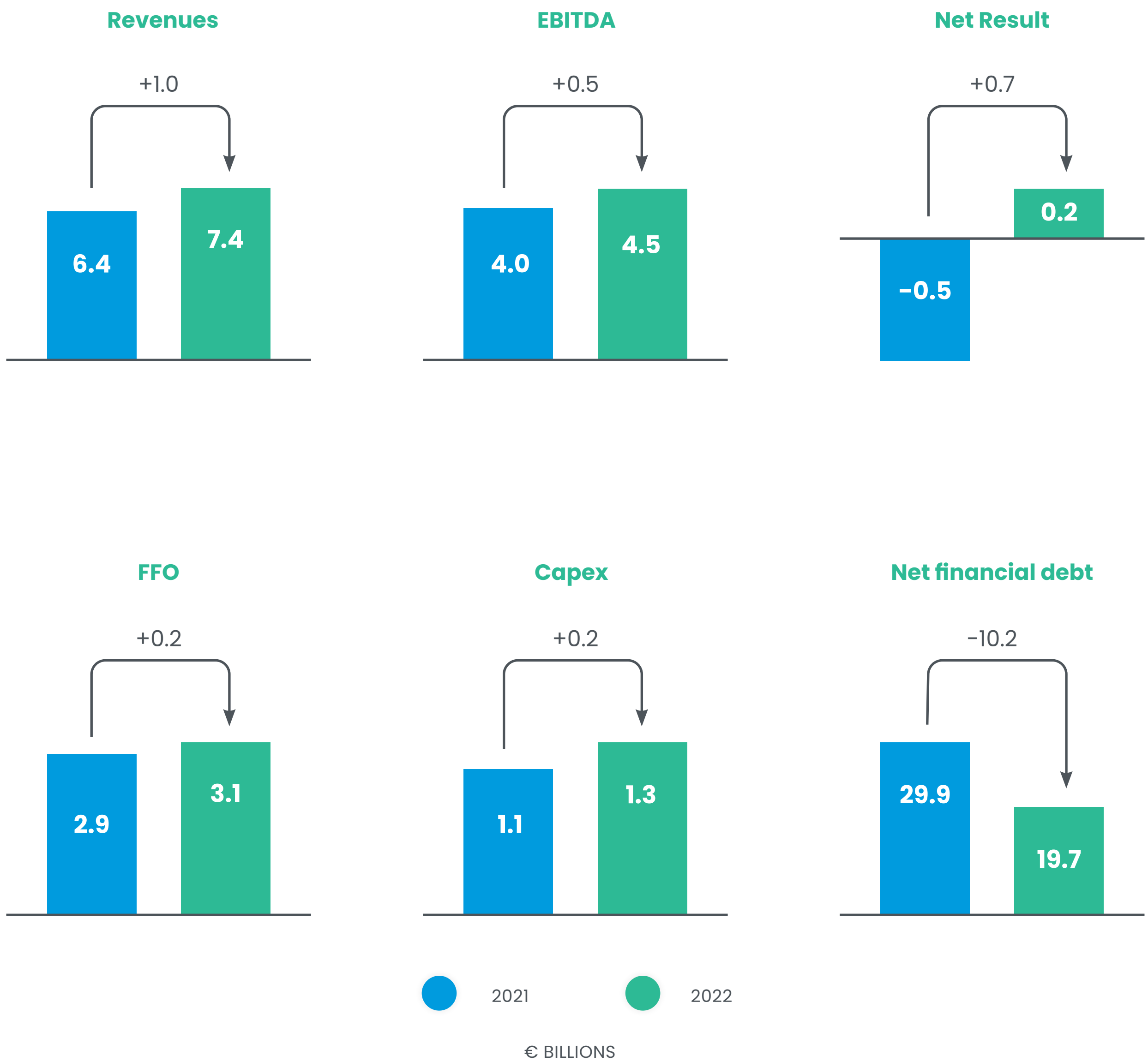
- Final results of the voluntary public tender offer at 95,33% and starting of squeeze-out
- Atlantia publishes its first Sustainability-Linked Financing Framework

DECEMBER

- Italian Stock Exchange communicates the effectiveness of the Atlantia delisting
- Atlantia improves its position in the Carbon Disclosure Project's rating for climate action
- ADR — Fitch revises Atlantia's and ADR's outlooks to stable

1.2 Financial and non-financial performance highlights

Consolidated financial performance



Managerial and financial data excluding Autostrade per l'Italia (ASPI) contribution following the disposal in May 2022

The consolidated performance for 2022 (revenues, EBITDA, net result and FFO), which excludes the Autostrade per l'Italia group's contribution following its sale on 5 May 2022, marks a significant improvement on 2021. This reflects an upturn in traffic in both the motorways segment (up 8.4%% compared with 2021) and the airports segment (up 119% compared with 2021). Net financial debt of €19.7 billion is down for €10.2 billion, primarily due to the proceeds from the sales of Autostrade per l'Italia and Hochtief (€8.2 billion and €0.6 billion, respectively), FFO (€3.1 billion) net of capex (€1.3 billion) and for the collection of the receivable related to the AP-7 concession of Abertis (1.1 billion euros), effects partially offset by the dividends distributed to Mundys' and non-controlling shareholders (totaling 1.2 billion euros).

Segments performance

		Revenues	EBITDA	FFO	Capex	Net financial debt
ABERTIS GROUP	2022	5,096	3,531	1,987	873	22,547
	2021	4,854	3,350	2,096	652	23,958
	Δ	242	181	-109	221	-1,411
	Δ%	5%	5%	-5%	34%	-6%
OTHER OVERSEAS MOTORWAYS	2022	729	511	505	99	-7
	2021	569	402	386	74	100
	Δ	160	109	119	25	-107
	Δ%	28%	27%	31%	34%	n,s,
AEROPORTI DI ROMA GROUP	2022	664	300	255	215	1,195
	2021[2]	528	262	282	175	1,672
	Δ	136	38	-27	40	-477
	Δ%	26%	15%	-10%	23%	-29%
AÉROPORTS DE LA CÔTE D'AZUR GROUP	2022	265	101	96	50	799
	2021	174	56	67	44	954
	Δ	91	45	29	6	-155
	Δ%	52%	80%	43%	14%	-16%
TELEPASS GROUP	2022	312	129	99	100	153
	2021	269	121	105	81	616[3]
	Δ	43	8	-6	19	-463
	Δ%	16%	7%	-6%	23%	-75%
YUNEX GROUP	2022	351	16	17	5	45
	2021	-	-	-	-	-
	Δ	351	16	17	5	45
	Δ%	-	-	-	-	-
MUNDYS AND OTHER ACTIVITIES	2022	10	-90	104	5	-5,039
	2021	-3	-162	-18	7	2,575
	Δ	13	72	122	-2	-7,614
	Δ%	n/s	-44%	n/s	-29%	n/s
GROUP TOTAL	2022	**7,427**	**4,498**	**3,063**	**1,347**	**19,693**
	2021	**6,391**	**4,029**	**2,918**	**1,033**	**29,875**
	Δ	1,036	469	145	314	-10,182
	Δ%	16%	12%	5%	30%	-34%

Managerial and financial data excluding Autostrade per l'Italia (ASPI) contribution following the disposal in May 2022

2 Revenues, EBITDA and FFO in 2021 include the contribution related to the grant to AdR from the "Covid aid fund" for airport operators (Law 178/2020) of €219 million

3 Net financial debt amounts to €70 million excluding €546 million classified in 2022 as trade payables towards the former correlated Autostrade per l'Italia group

Motorways segment (Abertis group and other overseas motorways) have benefitted from traffic growth (up 8% compared with 2021), the tariff increases, and the exchange rate overall positive effect, despite being adversely impacted by changes in scope following the expiry of some Abertis group's concessions in Spain (in 2021) and Chile (in 2022). Finally, the Abertis group's net financial debt is down €1.4 billion, primarily due to collection of a portion of the regulatory receivables due to the Spanish companies whose concessions expired in 2021.

The airports segment also benefitted from a significant increase in traffic compared with 2021 (up 119%), at both the Aeroporti di Roma group and the Aeroports de la Cote d'Azur group, with traffic recovery by over 70% compared with pre-crisis levels. The results also reflect collection of the grant of €219 million from the "Covid aid fund" for airport operators received by Aeroporti di Roma. This sum was accounted for in revenue 2021 and collected in 2022, contributing to the reduction in net financial debt, together with the positive contribution from mark to market value of derivative financial instruments.

Telepass group's revenues also continued to grow in 2022 due to the repricing of tolling services in Italy and the improvement of all business segments, supported by promotions and advertising activities aimed at consolidating the group's leadership in the Italian market and driving overseas expansion.

2022 results also reflect the contribution of the Yunex group consolidation in the second half of the year, following completion of its acquisition on 30 June 2022. Mundys, also contributed in 2022, having sold its investments in Autostrade per l'Italia and Hochtief, resulting in total proceeds of €8.8 billion.

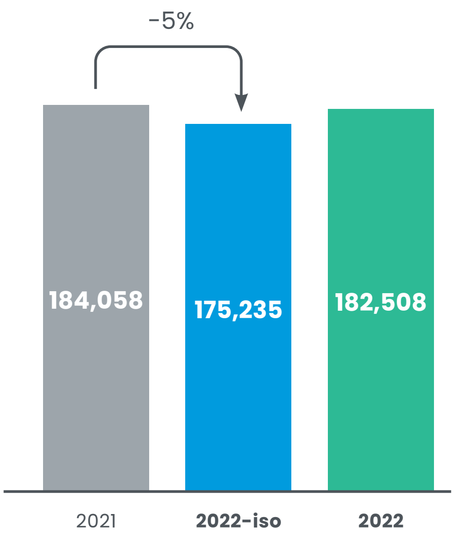
Image of Mundys' institutional communications campaign - Porta Nuova district, Milan

Non-financial performance highlights

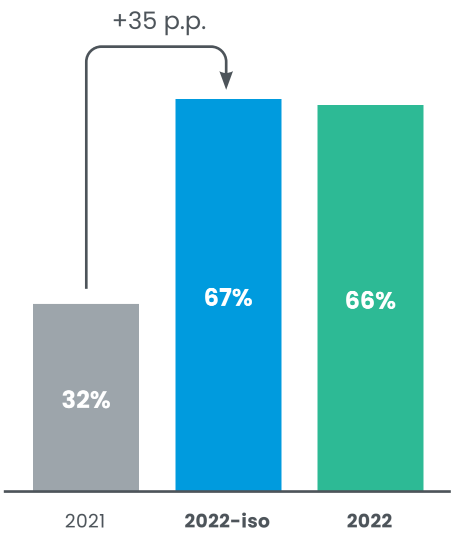
The consolidated non-financial performance is presented both on a like-for-like basis vs 2021 as well as on a full consolidated basis including the contribution of Yunex Traffic, acquired on 30 June 2022. In keeping with the responsible investment policy, during the second half of 2022, the Company started working with the management of the newly acquired Yunex Traffic in drawing up an ESG roadmap that is consistent with material topics for the specific sector and with Mundys' guidelines and targets. This activity will be completed in 2023.

Environmental footprint

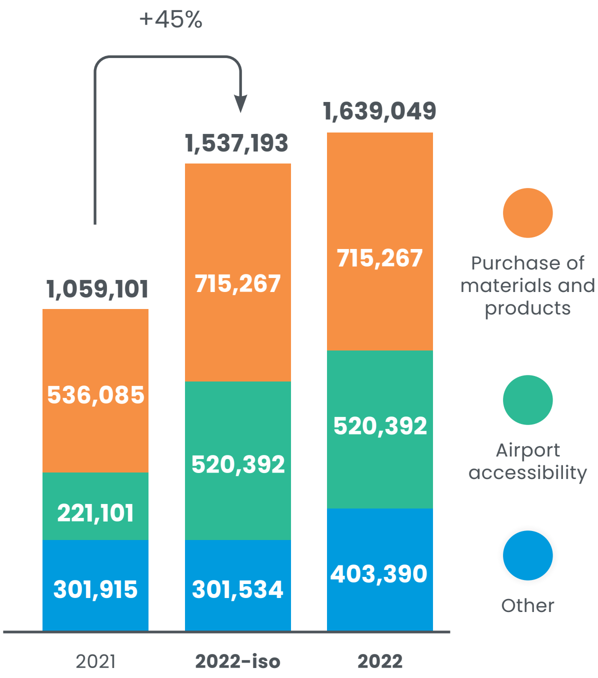
CO_2e Emission – scope 1 & 2 market-based (tCO_2e)



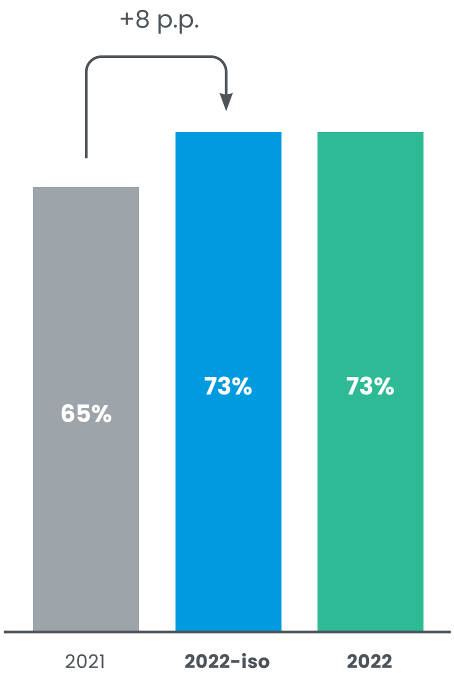
Electricity consumption from renewable sources (%)



CO_2e Emission – Scope 3 (tCO_2e)

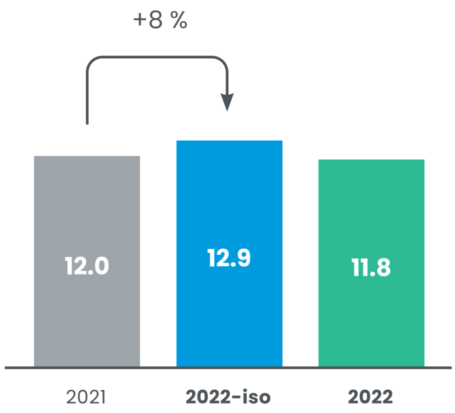


Recycled and recovered waste (%)

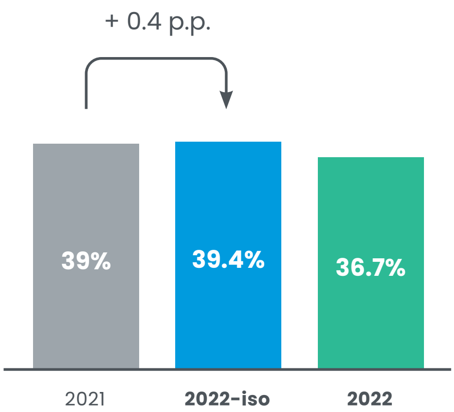


Social impact

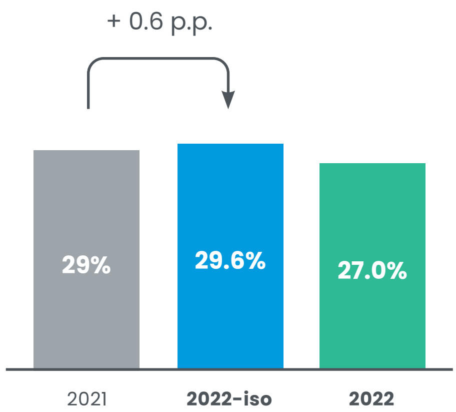
Injuries per Mln worked hours (LTIFR) – Direct employees



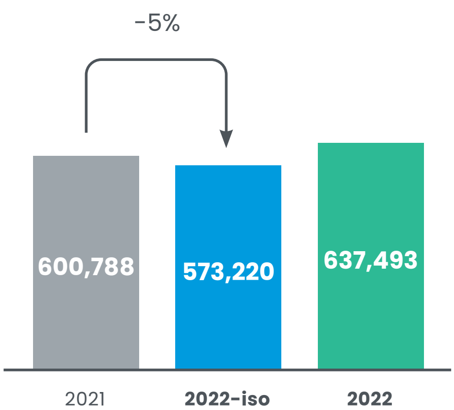
Women in total workforce (%)



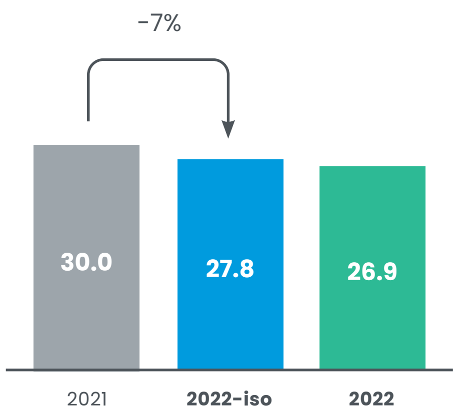
Women in managerial positions (%)



Training (total hours)



Average training per capita (# hours)



Key environmental and social performance indicators, on a like-for-like basis, show progress in line with most of the targets set by the Company in the 2021-2023 Sustainability Plan. The scope 1 and 2 decarbonisation indicators have improved, despite the strong recovery in traffic, above all at airports. Indicators for the recovery and reuse of materials and waste from the construction and management of transport infrastructure have improved, as has the gender mix. Occupational safety indicators are broadly stable, whilst scope 3 indirect emissions have risen compared with 2021, primarily due to the impact of construction work and extraordinary maintenance in the motorway segment and the increase in passenger traffic at the Group's airports.

THIS YEAR'S MILESTONES

In top 1% of companies globally according to **Moody's ESG**

>1.8 billion € in bonds and credit facilities linked to ESG metrics

In top 9% of companies globally according to **S&P Global 2023 Yearbook**

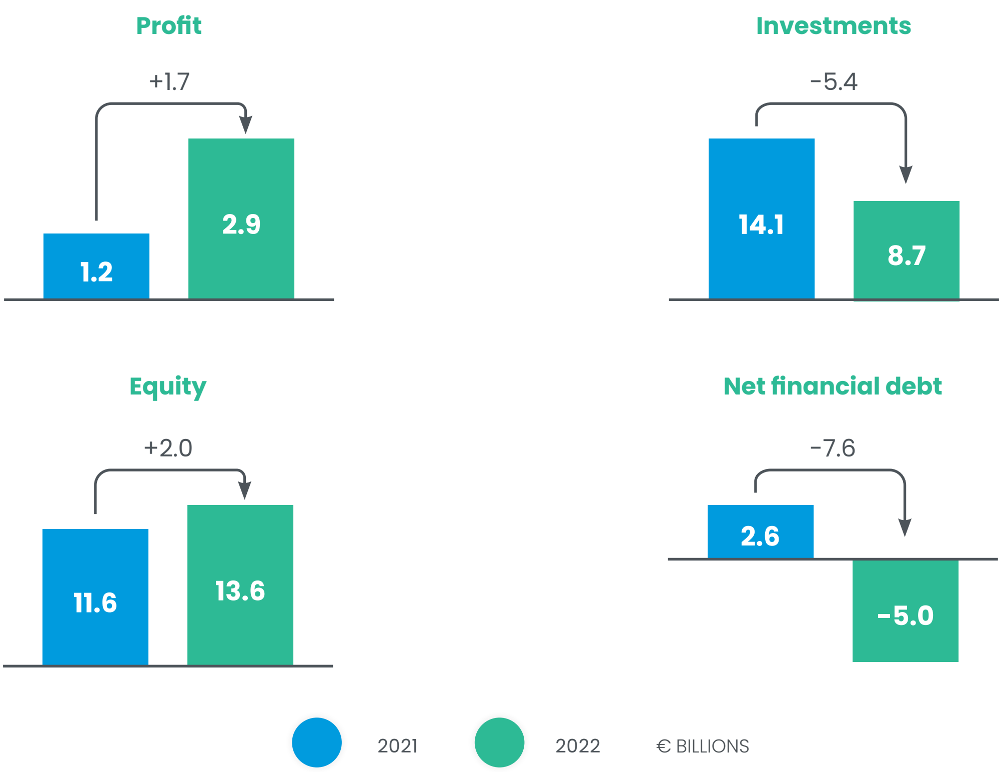
First Italian multinational company accredited to the highest level for its tax conduct by **Fair Tax Foundation**

Included in 2022 **Bloomberg Gender Equality Index** for the commitment on gender parity

Over **1.2 million training hours provided** in two years for employees development

Leader in climate transition strategy according to CDP with A- rating (former Carbon Disclosure Project)

Mundys SpA financial performance



Mundys SpA performance in 2022 shows a positive result of €2.9 billion, mainly driven by the net gain on the sale of ASPI (€2.8 billion), up €1.7 billion on 2021 which included the gain on the sale of 49% of Telepass (€1,0 billion).

Investments decreased by €5.4 billion due to the disposals of ASPI (€5.3 billion) and Hochtief (€0.8 billion) partially offset by the acquisition of Yunex (€0.7 billion).

Equity amounts to €13.6 billion, up €2 billion on 2021.

Negative net financial debt totals €5 billion (€3.5 billion gross debt and €8.5 billion cash and cash equivalents), down €7.6 billion on 2021 due to proceeds from the disposals of ASPI and Hochtief (totaling €8.8 billion) and dividends received from Abertis and other investee companies (totaling €0.4 billion), partly offset by the cash-out for the acquisition of Yunex Traffic (€0.9 billion) and the dividend distribution to shareholders (€0.6 billion)

Financial ratings

	Group ratings Ratings & outlook	Ratings of Mundys' notes Ratings & outlook
Fitch Rating	BB+	BB *stable outlook*
Moody's	Ba1 *stable outlook*	Ba2 *stable outlook*
Standard & Poor's	BB+ *stable outlook*	BB+

In 2022, the rating agencies' assessments of Mundys were positively affected by the full effectiveness of the settlement agreement and the resulting sale of Mundys' investment in ASPI on 15 May 2022. In detail:

- on March 20, 2023 Moody's confirmed Mundys' Corporate Family Rating at "Ba1";
- on December 1 2022, Fitch affirmed its consolidated rating of the Atlanta Group as "BB+", affirming its "BB" rating of the notes and upgrading the outlook to "stable" from "negative";
- on July 25 2022, Standard & Poor's upgraded its rating of the Mundys Group and its notes to "BB+" from "BB", modifying the outlook from "positive" to "stable".

Mundys' shareholder Investment and Partnership Agreement includes a financial policy, a dividend policy and M&A policy for the Company and for the main subsidiaries with target to maintain credit metrics suitable with investment grade rating

Non-financial ratings

Rating	Scale	Mundys 2022	Average performance for the sector
MSCI ESG Rating	CCC / AAA	AA	BB
Morningstar Sustainalytics	40+ / 0 (Severe - Negl. risk)	10.0 (Negligible risk)	Low risk
CDP (Climate)	D- / A	A-	C
Moody's ESG	0 / 100	73	~45

The positive ratings assigned by the ESG rating agencies in 2022 reflect the implementation of multi-year sustainability action plans and a growing commitment to monitoring and transparency regarding environmental, social and good governance performance.

The improved ratings obtained include[4]:

- the double upgrade, in just two years, from BB to AA in the rating assigned by MSCI ESG, which places Mundys in its "Industry Leader" category;
- the improvement in the score assigned by Moody's ESG, up from 47 to 73 in two years, putting Mundys among the companies receiving the highest possible "Advanced" rating;
- the ESG risk score from Morningstar Sustainalytics, judged to be "Negligible";
- recognition of the "Leadership" category by the Carbon Disclosure Project, with an A- rating, based on the solidity of the climate transition strategy pursued and the actions already taken.

At the beginning of 2023, for the second year running, Mundys received a positive rating from the Bloomberg Gender Equality Index (BGEI), the framework for assessing the transparency and performance of businesses committed to ensuring gender equality at work[5], improving the score to 65.5 out of a max score of 100.

In February, Mundys' ESG pathway was also recognised by S&P Global, which has included the Company in its Sustainability Yearbook 2023, whilst Morningstar Sustainalytics has placed Mundys among its Top Rated ESG Companies List 2023.

4 Since 9 December 2022, following the delisting, Mundys SpA has been removed from the following ratings and related indices: ISS Corporate Rating (latest score: C compared with a maximum of A+) and Quality Rating (latest score: the highest possible score of 1 out of 10 for all the Environment, Social and Governance categories), the FTSE4Good (latest score: 4.5 out of a maximum of 5.0), Refinitiv (latest rating: B+ out of a maximum of A+), GRESB Public Disclosure (the highest score possible of A).

5 Mundys is not included in Bloomberg's GEI in 2023, a share index, following the delisting in December 2022. As has happend with Bloomberg's index and the FTSE4Good index, other sustainability rating agencies and indices may cease to rate Mundys' performance in 2023.

1.3 Events after 31 December 2022

New by-laws and upstream loan

On 16 January 2023, the General Meeting resolved to adopt a new by-laws, and to appoint, until the approval of the financial statements for the 2025 fiscal year, the new Board of Directors and the new Board of Statutory Auditors. Additionally, pursuant to art. 2358, paragraph 2, of the Italian Civil Code, a subsequent extraordinary General Meeting held on the same date, approved an upstream credit facility of up to €8,225 million to Schemaquarantadue SpA., as described in the paragraph "Delisting and new ownership structure", of which €8.200 million drawn down.

Skytrax 5-star evaluation for Leonardo Da Vinci Fiumicino airport

On 26 January 2023, Fiumicino airport obtained the 5 Skytrax stars, the highest recognition awarded by the international air transport rating organization for the excellent standards in the quality of the service provided to passengers.

Sustainability yearbook and list of the most rated esg companies

In January 2023, Mundys was included in S&P Global's Sustainability 2023 Yearbook, one of the largest global databases on sustainability that includes only the 9% of the best companies globally assessed among over 7,800 in 61 sectors, and in the Top Rated ESG Companies 2023 List by Morningstar Sustainalytics, analyzing more than 15,000 companies in 41 industries. It should also be noted that Abertis was rated among the top 50 companies in the latter ranking, being included in the Global Top 50 Best Rated Companies 2023 List.

Merger of schemaquarantadue and schema alfa in mundys

On 15 February 2023, the Mundys's Board of Directors and General Meeting approved the plan for a trilateral reverse merger of the two parent companies Schemaquarantadue S.p.A. and Schema Alfa S.p.A. into the subsidiary (namely, Mundys), which will imply, among other things, the adoption of a new bylaws following the merger. For further details on this corporate transaction please refer to paragraph "Delisting and new ownership structure"

AdR ventures establishment

On February 6, 2023, ADR Ventures was born, the new corporate vehicle created by Aeroporti di Roma to launch Corporate Venture Capital activities. This is the first initiative of its kind in the air transport sector in Italy and is aimed at financing the development of projects in areas with high innovation potential..

Carbon Disclosure Project (CDP) rating upgrade

On 15 February 2023, Mundys obtained an "A-" rating from the Carbon Disclosure Project (CDP), an international organization that assesses the ability of approximately 19,000 companies to implement climate action initiatives and protect the world's natural resources. The Holding's rating marks a significant upgrade on the previous "B", on a scale from a minimum score of "D- " to a maximum of "A".

New regulatory model AdR

With the Determination 38/2023 the Transport Regulator (ART) has defined regulatory frameworks applicable from 1 April 2023 to the Italian airport sector.

Change of company name

On 14 March 2023, the Extraordinary General Meeting resolved to change the Holding's name from Atlantia S.p.A. to Mundys S.p.A.. Mundys's strategic goal is to continue the Group's growth and development, investing in sustainable infrastructure (primarily airports and motorway networks) and in technological innovation, supporting people at all stages in their journey, whether across town or long-distance, by providing quality services designed with a view to caring for the environment.

Andrea Mangoni first Mundys' CEO

Having noted the resignation of Andrea Pezzangora as a Director, the Board of Directors also called a General Meeting of shareholders to be held on 28 April to elect a new member of the Board of Directors, enabling the Board, due to meet on the same date, to appoint Andrea Mangoni as CEO.

1.4 Outlook

The new company name Mundys marks a turning point in the process of renewal of the Company and the Group; at the same time, it confirms the goal of continuing to pursue growth in Italy and abroad, through the vision of an integrated and sustainable mobility.

Mundys aims to become the world's leading infrastructure group in five years, investing in innovation and sustainability. Since the launch of the takeover bid in April 2022, the new shareholders confirmed the willingness to support Mundys for a sustainable and long-term growth, pursuing the company strategy and offering additional resources and expertise in order to enable Mundys to strengthen its leadership in the infrastructure and mobility sector.

The global macroeconomic environment in 2022 continued to be affected by a high degree of uncertainty, primarily due to the conflict in Ukraine, which led to a geopolitical crisis and upheaval in energy supply and in the availability of raw materials (in particular in Europe). Despite that, traffic figures for 2022 (motorway traffic up 4% and airport traffic down 30% compared with the figures for 2019) confirm that motorway traffic has grown to above pre-pandemic levels and that airport traffic (although not yet at 2019 levels) was able to beat expectations for the year, particularly from the spring onwards, benefitting of a renewed appetite for travel among people in the areas where the pandemic restrictions have been lifted.

For 2023, we assume a further progressive recovery in traffic, with a growth in motorway traffic compared with 2022 and a significant recovery in airport traffic compared with 2022 though below 2019.

Based on traffic forecasts and the increases in motorway and airport tariffs approved in the different countries in which Group companies operate, we expect to see continued growth in consolidated revenues and EBITDA in 2023. At the end of 2023 we also expect net financial debt reflecting the impact of the trilateral reverse merger with Schemaquarantadue and Schema Alfa and in particular the consolidation of the debt undertaken to execute the public tender offer.

Despite the above, the ongoing conflict in Ukraine and the resulting general climate of global economic instability, also following the events that affected the US and European banking system in March 2023, are continuing to contribute to near-term uncertainty that could have an impact on the above projections. The expectations should thus be considered merely indicative and based on the above assumptions.

Lastly, the implementation of the Group's sustainability roadmap will continue, through the implementation of planned activities for the achievement of short and medium-term targets, with particular attention to the energy transition actions included in the Group's Climate Action Plan, approved by the shareholders' meeting in April 2022, which aims to zero direct emissions by 2040 and to reduce indirect emissions along the value chain. The Company published its Sustainability-Linked Financing Framework on 9 November 2022, which further strengthens the centrality of ESG issues in its business strategy.

Santa Cecilia’s JuniOrchestra directed by orchestra conductor Vanessa Benelli Mosell, testimonial of the campaign of Mundys - Leonardo da Vinci Airport in Fiumicino, March 16th 2023

BUSINESS MODEL

This section contains a high-level overview of the strategic guidelines followed by our core businesses, and of the organisation's riskmanagement, governance and control systems.

Image taken from Mundys' institutional communications campaign

2. OUR STRATEGY

Our commitment is to create shared value along the value chain by combining industrial, economic and financial goals with the socio-economic development of the areas and communities we operate in. To this end, we have chosen to adopt a structured approach to guide investment decisions and management of our asset portfolio, combining the goal to achieve adequate returns on our investments given the risk profile (including Investment Grade target for our capital structure among others), with a positive social and environmental impact. Therefore, each strategic choice is weighed against its social, environmental, and economic sustainability according to a People-Planet-Prosperity triple bottom-line capturing our impact on the society and the environment alongside financial returns.

2.1 Our stakeholders

Mobility is an ecosystem that involves many parties, with whom it is essential to have shared objectives and priorities to ensure long-term prosperity throughout the value chain. Therefore, Mundys is committed to strengthening relationships of trust with its stakeholders by fostering stable, ongoing relations, based on active listening and dialogue, which respect the principles of fairness and transparency, and help to improve understanding of mutual perspectives and legitimate interests to encourage the creation of long-term value. The reputation the Company enjoys with stakeholders is an important part of its intangible value, and as such is one of the metrics regularly used to monitor the performance.

Over the years, the Company has taken an increasingly organised approach to listening to and engaging with stakeholders, by broadening and enhancing preliminary assessment procedures designed to define a more responsible and shared allocation of resources and to focus management's attention on aspects deemed significant by stakeholders. The Company promotes dialogue with stakeholders as a tool for long-term value creation, including by subsidiaries.

The Company's Engagement Policy (https://www.mundys.com/documents/37344/395847/Mundys-Dialogo+Azionisti-ENG.pdf), in force until the delisting, provides more information on how we dialogue with stakeholders. A new engagement policy can be defined during the 2023 taking into account the new ownership structure.

STAKEHOLDER MAP

Stakeholders

- SHAREHOLDERS, BANKS AND BONDHOLDERS
- CIVIL SOCIETY
- CUSTOMERS AND CONSUMER ASSOCIATIONS
- EMPLOYEES AND LABOUR UNIONS
- NATIONAL AND INTERNATIONAL INSTITUTIONS
- REGULATORS
- SUPPLIERS, BUSINESS PARTNERS, CONTRACTORS
- RESEARCH CENTRES AND UNIVERSITIES
- LOCAL COMMUNITIES
- MEDIA

COMMUNICATION CHANNELS

- **Interviews**
- **Surveys** (e.g. among employees)
- **Press meeting**
- **Institutional meetings**
- **Conferences/ conventions**
- **Conference calls**
- **Roadshows**
- **Website**
- **Publications**
- **Social media**
- **Digital and traditional communications**

Institutional website:

37% of new unique users 2022 vs 2021

67% growth in page views 2022 vs 2021

32% growth in page views per session (3.28 vs 2.50)

Linkedin:

46% of new followers 2022 vs 2021

Infra Journal:

36K unique users to website

74K webpages visited

12K followers on Twitter

2.2 Material topics for sustainable development

Already in 2021, analysis of the materiality of the sustainable development topics related to the Company's activities has been carried out, considering the evolution of the main international standards. This entails an approach that considers:

- the material topics regarding the sector - and the adjacent sectors - in which the Company operates in terms of the **impacts the Company's activities generate/may generate on the environment and society** (inside-out impact materiality). This analysis has been instrumental in identifying the topics on which stakeholders' opinions should be sought, as dealt with in the next point;
- with regard to the above material topics, a number of internal and external stakeholders, who in turn **generate impacts on the Company,** were asked to express their opinions on the **materiality** of the various topics, specifically with regard to the Company (outside-in impact materiality);
- finally, a smaller group of stakeholders with financial expertise was also asked to contribute to an assessment of the possible **financial impacts** the Company might undergo or benefit from about the material topics (financial materiality).

The materiality analysis thus takes into account the **threefold perspective of the impacts generated/ undergone**, the **current/potential impacts** and their **current and potential financial materiality** for the Company.

In 2022, the materiality analysis was updated to ensure its consistency with the impacts potentially generated and undergone in connection with the entry into the Group of the new company Yunex Traffic, which operates in the intelligent transport systems (ITS) sector. This is a substantially new area for the Group. The outcome, described below, essentially confirmed the findings of the analysis conducted in the previous year.

The process of updating the materiality analysis in 2022 was organised into several phases.

- **Analysis of topics material to the ITS** sector, namely those that may generate an impact on society and the environment, to identify any emerging issues. This phase involved:
  - **benchmarking**, via the selection of a sample of companies operating in the sector, or in adjacent sectors to Yunex Traffic, representative of technologies related to intelligent transport systems;
  - **desk analysis,** carried out via the Datamaran intelligent data analysis platform, which compared the material topics for over 160 companies, based in Europe, North and South America, East Asia and Oceania, and operating in the electronics, IT hardware and software and communications technology sector; 4,516 active regulations and 121,500 press releases were analysed.

The activities described above did not reveal any new topics with potentially significant **environmental and social impacts compared to the 21 topics** already identified in 2021.

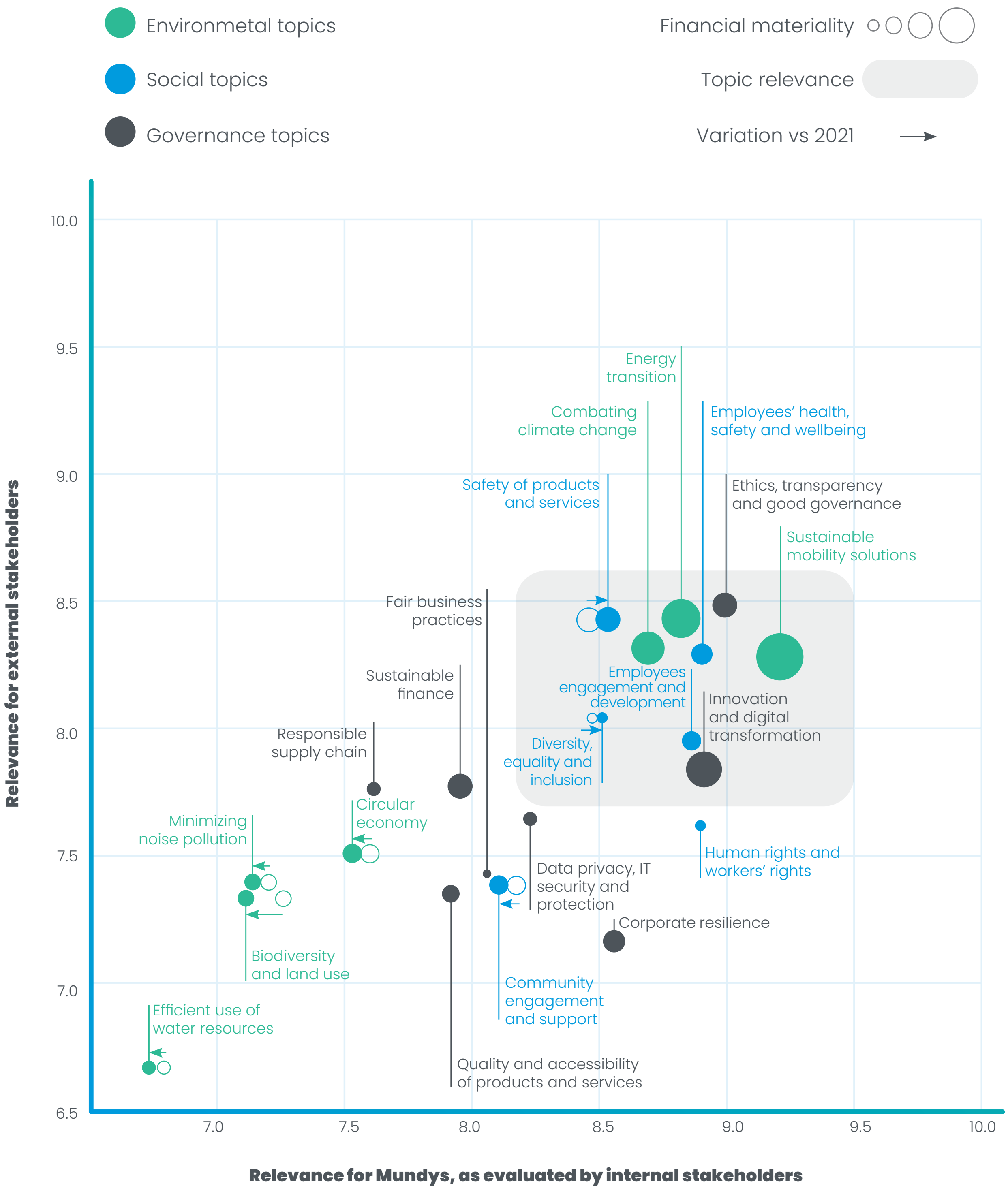
- **Active listening to some of Yunex Traffic's key stakeholders on the 21 issues identified.** Several roles from key corporate areas (such as the CEO, the CFO, product/service portfolio managers, the Chief Diversity Officer), representative of the wide-ranging businesses and various geographies in which Yunex Traffic operates, as well as spokespersons from external stakeholders, were directly involved. These stakeholders, who can generate impacts on the Company, expressed their views on the materiality of the proposed topics via a digital questionnaire. The stakeholders also expressed their opinions regarding:
  - the 3+3 topics with, respectively, the greatest and least financial impact (financial materiality);
  - the three most material topics specifically regarding the intelligent transport systems sector (reinforcing what had already been identified in the analysis as impacts generated by the company's activities under point 1);
  - the prospects for the mobility of the future.

The activity described above essentially confirmed the nine priority topics already identified in 2021, around which Mundys has organised its sustainable growth agenda. This includes:

- **four topics related to environmental impacts undergone and generated**: a. Sustainable mobility solutions / b. The energy transition / c. Combating climate change / d. Innovation and digital transformation;
- **one topic related to the oversight of business activities**: a. Ethics, transparency and good governance;
- **four topics related to social impacts undergone and generated**: a. Safety of products and services / b. Staff health, safety and welfare / c. Staff engagement and development / d. Diversity, equality and inclusion.

The chart below shows the results from the perspective of relevance to stakeholders, to which the relevance to the Company in terms of financial impact has been added. The latter assessment, represented by the size of the symbol allocated to each topic, was only made by specific stakeholders with a high degree of financial awareness (for example, the Board of Directors, the financial market, and the senior managements of the Company and Group companies). These stakeholders were asked to identify the topics with the greatest and least financial impact on Mundys' business.

MATERIALITY MATRIX



As reflected in the matrix, the update of the materiality analysis with the addition of the intelligent transport systems sector mainly led to impacts on the abscissa axis (importance of the impact for internal stakeholders), including:

- **two topics** (a. Safety of products and services / b. Diversity, equality and inclusion) **increased slightly in terms of importance**;
- **five topics** (a. Efficient water use / b. Minimising noise pollution / c. Biodiversity and land use / d. The circular economy / e. Data privacy, IT protection and security), which are less relevant for the business of the new Group company, **decreased slightly in importance**.

2.3 Business strategy

Market scenario

The global macroeconomic environment in 2022 continued to be affected by a high degree of uncertainty: the positive period of post-pandemic recovery contrasted with the geopolitical crisis linked to the conflict in Ukraine. Europe, in particular, saw upheaval in its energy procurement and in the availability of raw materials, followed by a significant, widespread increase in inflation.

In this context, difficulties in managing the pandemic in China added further complexity to the global scenario (e.g., shutdowns of manufacturing plants, disruption to global supply chains, etc.).

The economic outlook continues to be uncertain. The ongoing impact of the war and the performance of the world's leading economies, over shadowed by the threat of a potential recession, make it difficult to produce reliable forecasts.

In the meantime, steps have been taken to address the high levels of inflation (e.g., the ECB and FED have upped interest rates) and energy price volatility (e.g., caps on the price of gas in Europe to protect the public and businesses), whilst the role played by the extraordinary post-pandemic recovery plans in supporting growth has been confirmed (e.g., the EU Recovery Plan and American Rescue Plan).

Finally, the tightening of the financial environment has highlighted the need for uniform rules to safeguard the soundness and liquidity of the international banking system, avoiding the occurrence of potential systemic risks (as recently happened in the United States and Europe).

Motorway and airport traffic trends

Despite the difficult overall scenario, the mobility and transport sector has continued to see a recovery in traffic, further making up the gap with respect to pre-pandemic levels. In particular:

- motorway traffic on the network managed by the Group's operators has broadly returned to normality, reaching levels in Europe that are close to those seen in 2019, whilst even exceeding pre-pandemic levels in Central and South America, with average annual growth of between 3% (in Brazil) and 11% (in Chile and Mexico);
- airport traffic also saw a progressive upturn, again making up the ground lost due to the pandemic and, in late 2022, reaching levels of passenger traffic close to 80% of the figures for 2019 in Italy and in excess of 90% in France.

Future scenario for Mundys

In 2022 the Company completed the sale of its investments in Autostrade per l'Italia and Hochtief, as well as the acquisition of Yunex. In the same year, it was the target of a voluntary public tender offer launched by Edizione and Blackstone Infrastructure Partners. The offer came to a successful conclusion at the end of the year and Atlantia's shares were delisted from the Italian Stock Exchange.

Since the launch of the offer, the new shareholders have announced their wish to support Mundys in implementing its roadmap for sustainable, long-term growth, confirming the Company's strategy, and offering further backing in terms of resources and expertise to enable Mundys to consolidate its leadership in the infrastructure and mobility sectors.

This objective will be achieved both by developing the businesses in which the Company is already present and actively supporting the development of investees, and through new investment exploiting synergies with existing businesses, with the aim of strengthening Mundys' overall competitive position.

Mundys' approach to pursuing growth will continue to focus on sustainability and innovation, ensuring that the generation of new value benefits all stakeholders and has a positive impact on the mobility sector as a whole.

Strategy for existing business segments

Motorways business: Abertis

The main areas for development in the motorways business are focused on:

- actively management the asset portfolio, taking advantage of our current position to propose new projects to the public grantor and negotiate appropriate forms of return on new capex (e.g., extensions to concession terms);
- strengthening Abertis's position in the countries in

which it already has a presence, promoting new tender processes for concessions near to expiry and participating in tenders for new opportunities offering synergies with our existing assets;

- expanding Abertis's geographical footprint by evaluating its entry into select countries outside the existing areas of operation and developing new business opportunities;
- developing the provision of urban mobility and tolling services through Abertis Mobility Solutions and in synergy with other Group assets operating in these areas;
- continued investment in sustainability and innovation, aimed at reducing polluting emissions from road traffic and making the travel experience safer and more efficient by, for example, enabling the uptake of electric vehicles through the installation of charging points along the motorway networks we operate.

Airports business: AdR and ACA

Following the significant impact of the Covid-19 pandemic, which affected the entire sector at global level, there has been a significant recovery in traffic, above all in terms of tourism, accompanied by a strong upturn in passengers' willingness to spend. This has led to the need to be able to react promptly at operational level to cope with the rapid rise in traffic. In this context, the main priorities for future developments are:

- support for the recovery of traffic to pre-pandemic levels, above all in the international inbound segment and in markets that are still in the process of returning to normal, with efficient operating and development models designed to meet the sector's current and future needs;
- a strong commitment to the quality of the services offered to passengers, by promoting a simplified travel experience and accelerating the introduction of digital technologies to streamline airport processes, passenger flow management and the overall travel experience (e.g., biometric recognition, smart baggage handling, digital retail initiatives);
- support the development of non-aviation activities, adapting the offer to meet changing passenger needs (e.g., expansion of the terminals at Fiumicino and Nice, reshaping and enriching the retail offering and developing digital channels);
- active promotion of the sector's decarbonisation, as set out in the 2030 decarbonisation pact, continuing along the pathway to zero carbon emissions and promoting the circular economy, fostering innovative initiatives and working with key stakeholders (e.g., the agreement between AdR and FS for the development of intermodal rail-air services making it easier to access the airport by train, increasing capacity to self-produce renewable energy, the partnership with Enel X to develop energy storage systems using second-life batteries);
- building on our active role in reshaping the airports sector, proceeding with the development of urban air mobility through the UrbanV initiative promoted by AdR and ACA relating to the development of vertiports, and encouraging and supporting the generation of new ideas and solutions for airports (e.g., Fiumicino's Innovation Hub, AdR Ventures);
- a commitment to modular and flexible infrastructure development, in order to accommodate future traffic, whilst at the same time ensuring the social and environmental acceptability of airport development by adopting the latest sustainable technologies and maximising the optimal use of resources (replicating and improving on existing standards, an example of which being the new eco-friendly boarding area recently opened at Fiumicino);
- consolidation of our leadership in the sector and exploring investment opportunities, with the aim of sharing experience, know-how and best practices.

Mobility services/digital payments business: Telepass

In a market undergoing a wide-ranging transformation, regarding both the way people move (increasingly in the form of mobility-as-a-service and the use of digital payment solutions), and the competitive landscape (with a growing number of new operators entering the tolling market), Telepass' strategic priorities are focused on:

- growth in the Italian market and selective expansion into other European markets, reaching and acquiring new customers for electronic tolling services and responding to strong market competition;
- strengthening the brand through a series of short and medium-term initiatives designed to increase awareness of the mobility ecosystem outside the motorways sector;

- expansion of the offering for both private and business customers (e.g., the launch of the T-Business platform), continuing to focus on the mobility value proposition and reinforcing the presence in urban mobility;
- the further development of insurance services, continuing to offer mobility-related services, with innovative and personalised products based on the needs and habits of individual customers;
- consolidating strategic partnerships to continue to create product and service innovation by combining expertise from different sectors;
- efficiency improvements to the operating model and the exploitation of assets to accelerate the digital transformation process.

Intelligent Transport Systems (ITS) business: Yunex

In an uncertain market scenario, affected by major fallout from the macroeconomic situation, Yunex is pursuing a strategy based on the following key objectives:

- strengthening its position in the US market, leveraging its distinctive technology offering and iconic projects already developed in that market;
- focusing on innovation and business development in key markets, grasping new growth opportunities (e.g., Clean Air Zones, Environmental Traffic Management, etc.) positioning the company as a player in the Italian ITS market;
- strengthening its go-to-market capability with a modular offering of integrated solutions ranging from technology devices to software platforms and the associated services;
- continuing to invest in research and development focusing on sustainable mobility (e.g., intelligent low energy traffic lights, more complex traffic flow management systems reflecting the shift to new forms of transport and solutions enabling vehicle to infrastructure communication);
- selective entry into the e-mobility market as a provider of end-to-end charging solutions for electric vehicles (from design through to implementation and maintenance), leveraging its wide, distributed network of technicians constantly working in the field;
- completing the transition to a fully independent technology player as regards the organisation and management of its business and operating model

2.4 Objectives and value creation

For Mundys, sustainability means contributing to the development of increasingly green, safe, smart and efficient mobility solutions to meet people's primary need to move around, whilst at the same time enabling the creation of economic and social value for the communities and areas in which the Company operates, alongside financial returns.

In carrying out its activities, Mundys' approach is based around the Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda, tailoring its choices and growth strategy to help to achieving such goals. Mundys acts in compliance with environmental, social, ethical and governance principles that meet the highest international standards, as assessed by the leading ESG rating agencies.

Since 2004, the Company has adhered to the 10 Principles of the United Nations Global Compact and is actively committed to protecting human rights, workers' rights and the environment and to combatting corruption. Mundys supports the Paris Agreement on climate, since 2021 has been taking part to the United Nations Race to Zero campaign, is a signatory to the European Climate Pact and is a member of the non-profit Carbon Disclosure Project (CDP) which, from 2010, manages the number one global platform for reporting the environmental impacts of businesses, states, cities, etc. The Company also supports the Women's Empowerment Principles (WEP) of the United Nations – Equality Means Business – and is a member of the Business Integrity Forum set up by Transparency International Italy.

Mundys has reported on its sustainability performance for over 10 years, since 2011 annually publishing an integrated report that complies with the International Integrated Reporting Framework (IIRC) and, since 2020, an integrated annual report. The Company promotes transparency in the public disclosure of sustainability issues, impacts and performances at Group companies. Abertis, AdR and Telepass – assets contributing on a like-for-like basis basis for more than >86% of consolidated revenue – publish annual sustainability reports made available to their stakeholders.

Mundys is committed to creating shared value throughout the value chain, combining its business objectives with social and economic development in the areas and communities in which the Group operates. The Company manages mobility infrastructure, services and technologies, from the first to the last mile, that are increasingly sustainable, integrated, safe and accessible to the greatest number of people. The way in which environmental and social assessments are integrated throughout the investment and management cycle of the companies in portfolio are guided by an approach that embeds sustainability in the governance of Group companies. This enables us to provide concrete support to the implementation of strategic development guidelines in line with the values that guide the Company's everyday actions.

Transport infrastructure has a major impact on social and economic development, connecting people, goods, communities and territories. In a scenario marked by global challenges of increasing complexity, such as climate change, population growth and demands for a fairer distribution of resources, and the rapid changes brought about by digital technology, the mobility ecosystem is undergoing a radical transformation. In this challenging and continually evolving market environment, Mundys intends to actively promote and lead change, playing a central role in the mobility ecosystem.

In this sense, in 2021, the Company drew up an ambitious Climate Action Plan (https://www.mundys.com/documents/37344/180864/Climate+Action+Plan+EN.pdf), approved by the Annual General Meeting of shareholders held on 29 April 2022 (with 98% of shareholders in favour in the first "Say On Climate" vote held in Italy). The Plan consists of more than 150 decarbonisation actions that Group companies are undertaking in an effort to curb global warming in line with the Paris Agreement.

The Climate Action Plan commits the Company to cutting direct greenhouse gas emissions by 50% by 2030 and achieving net zero by 2040, by making its processes and operating activities more sustainable. Mundys is also committed to involving suppliers and users of transport infrastructure in bringing down indirect emissions throughout the value chain, with a 22% cut by 2030 (a reduction per km travelled for the motorway segment, and a reduction per passenger for the airport segment, of the main CO_2 emission hotspots). The aim is to be carbon neutral by 2050.

In November 2022, Mundys adopted a sustainability Linked financing framework (https://www.mundys.com/documents/37344/669685/SLFinancing_Framework_2022.pdf) with the aim of linking its financing strategy and the related instruments (including bank borrowings and bonds) with sustainability performance.

The Sustainability Linked Financing Framework, certified by the independent agency, Sustainalytics, is based on five material, clearly measurable and strategically important key performance indicators (KPIs) covering the environmental and social sustainability of the Group's operations. In this sense, cuts in direct CO_2 emissions have a major role to play, with the aim of achieving a 50% reduction across all activities by 2030, in line with the goal set by COP26 to keep the temperature rise to within 1.5°. In addition to this target, two further metrics measure the effectiveness of overall decarbonisation strategy, relating to cuts in the indirect emissions of Mundys' two most important subsidiaries, Abertis and AdR, and a long-term commitment to manage the energy transition of the assets to limit global warming and thus combat climate change. The framework also includes a metric regarding the progressive use of renewable energy and the accompanying abandonment of fossil fuels. In social terms, Mundys reaffirms the commitment to taking concrete steps to promote gender equality in the infrastructure sector, above all at management level.

Sustainability is a driver of economic and financial value creation. Its full integration within the Company's financing strategy marks a major step in achieving Mundys' aim of making a real contribution to the energy transition in the mobility sector and to making progress on gender equality at work, based on a structured, detailed approach incorporating environmental, social and governance factors in the key processes involved in creating value for the Company and its stakeholders.

Growth by creating value

Sustainable growth roadmap

The sustainability plan organised around three key pillars - Planet, People and Prosperity – sets out the strategic thinking that shapes Mundys' operating activities, commitments, long-term goals and improvement targets.

Planet

Strategic axis

We support the transition of the mobility sector towards a low-carbon economy, via an aware, concrete and farsighted approach.

We conserve the planet by using fewer of its resources in a better way, and seeking technical, technological, managerial and organizational solutions aimed at safeguarding natural capital.

Commitments

- **Achieve zero direct greenhouse gas emissions (GHG scope 1 and 2) by 2040**, via a science-based approach to keep global warming within **1.5°**
- **Engage the value chain** - upstream and downstream - in order to cut indirect GHG emissions (scope 3).
- **Encourage circularity** - give materials a second life, by promoting reduced use, recycling and reuse.
- **Foster responsible use of the natural resources** that serve our processes and activities. Manage our businesses responsibly, in line with the best environmental management standards.
- **Minimize land consumption and undertake appropriate actions to preserve and re-establish ecosystems** where infrastructure is present, in order to protect biodiversity which is a key social and economic development factor in the local areas we operate in.

Objectives and targets

Short-term - 2023

- **-20%** direct GHG emissions (scope 1 and 2) by 2023
- **30%** of electricity used from renewable sources
- Waste sent for reuse, recycling and recovery: **90%** for the airport segment; **70%** for the motorway segment
- **>75%** of activities (revenue) covered by certified environmental management systems (ISO 14001)
- Biodiversity - offset the use of additional land for the development of existing infrastructure by renaturalising an equivalent amount of land in order to guarantee **no net biodiversity loss**

Mid-term - 2030

- **-50%** direct GHG emissions (scope 1 and 2)
- **77%** of electricity used from renewable sources
- **-22%** indirect GHG emissions (scope 3) at the main hotspots across the value chain (materials used for motorway sector - CO_2 /km travelled; airport accessibility - CO_2 / pax)
- Development of a **net-zero science-based climate action plan** across the portfolio targeting net zero emissions by 2050 at the latest

Long-term - 2040

- **-100%** direct GHG emissions (scope 1 and 2)
- **100%** electricity used from renewable sources

Progress vs targets*

- **-29%** direct GHG emissions (scope 1 and 2) vs 2019
- **67%** electricity consumed from renewable sources
- **73%** waste sent for reuse, recycling and recovery (**90**% for the airport segment; **72%** for the motorway segment)
- **28%** of activities (revenue) covered by certified environmental management systems (ISO 14001)
- **Under development** the drafting of a methodological approach in order to report in line with international frameworks and standards related to impacts on biodiversity

In line with the target achievement or target already achieved — In progress

* For the purpose of assessing progress vs the targets set, 2022 performance is reported at constant perimeter, thus excluding Yunex Traffic, acquired on June 30, 2022

People

Strategic axis

We actively promote the diversity and growth of our human capital, by guaranteeing equal opportunities for everyone, and investing in development for the long-term employability of our people.

We contribute to the social and economic development of the local areas and communities we operate in, with a view to promoting the sharing of value with our stakeholders.

Commitments

- **Guarantee equal access and participation to women** in workplaces at all levels of the organisation, as well as equal pay for women. Guarantee dignified, safe, non- discriminatory, fair and inclusive working conditions for everyone - including young people and the disabled - and equal pay for equal work. Protect fundamental freedoms and respect for human rights.
- **Invest in high-quality, fair and inclusive training**, applying a lifelong learning approach with a view to keeping professional skills up to date and thereby guarantee long-term employability.
- **Promote the spread of a sustainable development culture** at all levels of the Company.
- **Look after people's wellbeing**, by guaranteeing access to quality healthcare services, protecting against financial risks, and helping to inform, train and raise awareness about safety issues throughout the value chain, including suppliers, users, communities and the younger generation.
- **Create favorable conditions for dignified work and economic growth** throughout the value chain. Design infrastructure that enables safe, accessible, and sustainable transport systems for everyone.

Objectives and targets

Short-term - 2023

- **30%** of senior and middle management positions, including board members and statutory auditors appointed by Mundys in the administrative and supervisory bodies of subsidiaries, held by women
- **>70%** of activities (revenue) covered by due diligence regarding respect for human rights (at least once every three years)
- **>70%** of senior management trained on sustainability issues
- **>30%** of employees involved in projects/initiatives regarding the Sustainable Development Goals
- **<14** work-related accidents per million of hours worked (LTIFR direct workers)
- **Improved corporate reputation** among the public, surveyed by an independent third party

Mid-term - 2030

- **Accelerate gender equality**, especially among managerial and professional leadership positions
- **Guarantee equal pay at all levels** of the organisation; equal pay for work of equal value
- **Promote active citizenship** on behalf of the communities we operate in, by supporting giving back activities by employees, including paid work
- **Continue to improve occupational safety** levels by taking us up to best in class levels (injuries and deaths)

Progress vs targets*

- **29.6%** of senior and middle management positions covered by women and **32%** of women among board members and statutory auditors appointed by Mundys in the administrative and supervisory bodies of subsidiaries since 2021 (27% in the year)
- **27%** of activities (revenue) covered by a due diligence process on human rights
- **>43,300** sustainability training hours in 2022 to around 7,600 employees and **62%** of senior managers trained in sustainability in the last 2 years
- **≈1,200** of employees involved in projects/initiatives connected with UNSDGs since 2021
- **12.9** injuries per million worked hours (LTIFR - direct employees)
- **+4.4** pt of improvement for Mundys's corporate reputation (RepTrak survey) in 2022 (+9.3 pt in the period of 2021-2022)

In line with the target achievement or target already achieved | In progress

* For the purpose of assessing progress vs the targets set, 2022 performance is reported at constant perimeter, thus excluding Yunex Traffic, acquired on June 30, 2022

Prosperity

Strategic axis

We manage our businesses with a governance system based on ethics, integrity and transparency in order to ensure that our organisation is effective, responsible and inclusive at all levels.

Commitments

- **Act transparently**, by guaranteeing public access to information that is relevant for our stakeholders.
- **Promote sustainable success**, by integrating sustainability, environmental and social - as well as economic – aspects into our business processes.
- **Act ethically throughout the value chain**, with a zero-tolerance approach to behaviours that do not comply with our Code of Ethics and our good governance policies, such as the anti-corruption policy, the diversity, equality and inclusion policy, and the stakeholder engagement policy.
- **Guarantee protection of the data** we process and deal within our activities, taking a proactive approach to risk mitigation and appropriate protection systems.

Objectives and targets

Short-term - 2023

100% of the subsidiaries:

- Publish a sustainability report available to their stakeholders
- Adopt senior management incentive schemes linked to ESG performance, as well as to financial and operational performance
- Check core suppliers via ESG audits (at least once every three years)
- Adopt a cyber security policy

Mid-term - 2030

- **Share created value** with employees, by promoting the adoption across the portfolio of mechanisms to share profits and financial returns

Progress vs targets*

The main subsidiaries in our portfolio:

- Publish a sustainability report (**>86%** of companies in terms of revenues)
- Adopt a multi-year sustainability plan (**>90%** of companies in terms of revenues)
- Integrate ESG criteria in short and/or long-term managerial incentive schemes beside financial metrics (**>90%** of companies in terms of revenues)
- Have verified and audited their critical suppliers using ESG criteria (**7%**) and have screened, at least once every three years, their critical suppliers according to ESG criteria (**74%**)
- Adopt an information and cybersecurity policy (**>92%** of companies in terms of revenues)

In line with the target achievement or target already achieved

In progress

* For the purpose of assessing progress vs the targets set, 2022 performance is reported at constant perimeter, thus excluding Yunex Traffic, acquired on June 30, 2022

Innovation and sustainability

We consider innovation a key tool in supporting the long-term sustainability of our business, with the aim of:

- identifying opportunities to protect the value of the Group's assets, putting us in the best position to meet the emerging needs of grantors and the market
- tapping into new technologies and future trends for the mobility ecosystem and infrastructure use cases.
- strengthening and accelerating the achievement of ESG goals and mitigating the risks.

Mundys is a key partner for Group companies and coordinates initiatives centrally to develop a solid view on the future of mobility.

MOBIUS

In 2022, Mundys continued the activities of the Mobius Lab, a smart mobility analysis and research laboratory set up with SDA Bocconi, which specialises in mobility end users and provides a unique space in Europe for study and research into new forms of integrated mobility. MobiUS hosted the first roundtable on "Future Mobility", during which international business leaders from major mobility providers met to discuss and sketch out the mobility ecosystem of tomorrow. In addition, the strategic partnership with Kooling, a high-tech company that gathers and analyses mobility-related data, was formalised with the aim of providing innovative solutions to improve the environmental footprint of transport infrastructure and large local communities. Finally, the first day-long hackathon, "Envisioning future mobility", was organised for Bocconi MBA students, in collaboration with other companies. The event aimed to set a challenge linked to the introduction of a revolutionary innovation in the mobility sector.

VENISIA

Mundys joined the Venice Sustainability Innovation Accelerator (VeniSIA) for innovative projects promoted by Cà Foscari University, which launched a call for ideas on low-carbon mobility to select start-ups for the implementation of a co-innovation project. Mundys chose BUFAGA, a start-up that operates at the intersection between the air purification and automotive markets. Aeroporti di Roma SpA, in its role as an asset company, is working with BUFAGA at the Fiumicino Innovation Hub to test fixed and mobile pollution reduction solutions.

Collaborating with VeniSIA has enhanced our strategic vision of transport infrastructure decarbonisation, resulting in the creation of innovative models and fostering the development of new ideas and scenarios via an open innovation approach.

World Economic Forum

At the beginning of 2023, Mundys joined the World Economic Forum, a partner of the Mobility Platform, which brings together over 140 stakeholders interested in enabling an impact-driven approach to collaboration on the development of an increasingly sustainable, integrated, safe and innovative future mobility model.

Image taken from Mundys' institutional communications campaign

Innovation at Abertis

Abertis has continued to develop an innovation model that includes a centrally managed programme aimed at:

- managing assets more efficiently to provide a better quality, safer travel experience;
- anticipating future trends and preparing for new requirements for road infrastructure;
- exploring new mobility trends and growth opportunities.

The main initiatives undertaken in 2022 include:

- the launch of the **Abertis Future Roads** Lab, focusing on connected mobility technologies and services and digital infrastructure;
- successful completion of the pilot project regarding new pavement auscultation technologies, laying the foundations for further development of machine-learning applied to pavement maintenance and the delivery of a ready-to-use product for automated visual inspections;
- the launch of a new Group-wide initiative for the development of efficient and accurate artificial intelligence models to analyse traffic videos in order to improve traffic management.

Innovation at Aeroporti di Roma and at Aéroports de la Côte d'Azur

Innovation is a crucial part of the Group airports' strategy and is developed through the implementation of innovative projects aimed at improving the infrastructure and the customer experience.

In particular, ADR developed in 2022:

- the **Innovation Hub**, a unique business accelerator in Europe, focusing on the development of innovative solutions for airports and located in a 650-square metre facility at the heart of Fiumicino's Terminal 1. The Hub hosts young start-uppers from all over the world, who benefit from both AdR's direct investment in their start-ups and the full support of a special in-house team of 30 innovators created by AdR, dubbed the "**Innovation Cabin Crew**". The acceleration period within the airport, amounting to 6 months on average, will enable startups to finalise their projects, helping them in bringing the solutions to market. The start-ups are typically selected via a "**Call for Ideas**"; following the first call, which attracted applications from 96 start-ups from all over the world, for a total of 116 proposed projects, 10 were selected. A second call was launched at the end of 2022. The strategy and results obtained were given an award in Silicon Valley by the venture capital fund, Plug and Play, who rated the Hub the best in the "**Travel & Hospitality**" ecosystem;
- extension of the international network, "**Airports For Innovation**", launched with the Spanish airport operator Aena to strengthen collaboration between airports with the primarily aim of contributing to the development of innovative solutions to make airports increasingly digital. Nice and Athens airports joined the network in 2022, bringing the total to 50 airports accounting for approximately 15% of European traffic;
- further agreements with major corporates such as Enel, Terna, Eni, Leonardo and Amazon Web Services, aimed at launching joint initiatives with a strong focus on sustainability and innovation
- the entry into service of the new **AirPort Operations Center (APOC)**, equipped with the latest technology systems and designed to guarantee business continuity even in an emergency and in the event of a cyberattack
- continuation of the **PIONEER - AirPort sustainability second life battery storage** – project involving the design, construction, commissioning and operation of an energy storage system consisting of recycled batteries, developed with ENEL X and the Fraunhofer Research and Development Institute, with funding from the European Union's Innovation Fund[6].

Co-funded by
the European Union

6 "Co-funded by the European Union. Views and opinions expressed are however those of the author(s) only and do not necessarily reflect those of the European Union or EISMEA. Neither the European Union nor the granting authority can be held responsible for them".

FOCUS

Innovation at Telepass

Telepass continued with its focus on innovation in 2022 with the aim of improving the services offered to retail and business customers. In this digital transformation process, involving contributions from both inside and outside the organisation (start-ups, incubators and innovation hubs), the following initiatives took place:

- the commercial launch of **TBusiness**, the new solution to support corporate mobility that integrates the services provided by the Telepass ecosystem, payment cards for other business expenses and simple and readily accessible reporting through a web portal;
- the commercial launch of the new product, **T-Next**, which is unique in the market in combining remote tolling, easy access to 30 mobility services offered by the Telepass ecosystem (e.g., car parks, roadside parking, fuel) and the possibility for consumer customers to purchase parametric third-party liability motor insurance policies in partnership with Generali. The device, equipped with an inbuilt voice assistant to optimise the use of mobility services, is set up for both remote tolling and to function as a black box for insurance purposes;
- the entry into the digital universe of **Non Fungible Tokens (NFTs)** with Telepass' own collection of approximately a thousand digital works (unique within the Ethereum blockchain), offering owners privileged access to the services offered by world of Telepass.

Innovation at Yunex Traffic

Yunex Traffic, a pioneer in the field of *intelligent traffic systems* (ITSs), is a leader in innovation and occupies a position in the ITS market with a complete, well-integrated end-to-end offering. In 2022, Yunex Traffic focused its innovation strategy on three key areas:

- Continuous **incremental innovation** of the existing product range and throughout their life cycle, involving:
  - implementation of the **new urban traffic control system** as part of the Real Time Optimizer (RTO) project with Transport for London
  - the commercial launch of Vehicle2X communication technology for use cases regarding traffic safety on Austria's national motorway network
  - the rollout of the **new-generation tunnel management system** as part of the new traffic management platform
- Extension of the offering, with **new innovations** focusing on sustainable business cases, including:
  - new-generation adaptive traffic control technology using **big data** and **AI optimisation technology**
  - the new **Digital Twin** solution that integrates Building Information Modelling with traffic management, simulation and forecasting systems.
- **Co-creation** for research projects in synergy with the **ecosystem** consisting of academic partners and start-ups, including:
  - Participation in more than 20 global research projects in areas relating to self-driving and connected vehicles, smart cities and multimodal mobility management;
  - the **Yunex Traffic Digital Lab**, offering design thinking expertise and co-creation and involved in many research projects as well as collaborative proof of concept projects with the company's customers.

Image taken from Mundys' institutional communications campaign

3. BUSINESS OVERVIEW

3.1 Our Group

THE GROUP'S HISTORY

2023	**Mundys is born on March 14th, 2023.** Mundys represents a new reality, which aims to improve life on the move for all its passengers, promoting a mobility under the banner of sustainability and innovation, which is increasingly efficient and integrated. Mundys is a global leader that, with its Italian roots, looks to the world to promote and enable the mobility of the future. Mundys was born from a radical process of discontinuity and transformation. The delisting from Euronext Milan in December 2022, following the successful outcome of the Voluntary Tender Offer promoted by Edizione S.p.A., Blackstone and Fondazione CRT, was a milestone for the birth of Mundys and for a start of a story that is to be written, keeping travel and the traveler at the center. **On 15 February 2023**, the extraordinary General Meeting, upon proposal of the Board of Directors, approved the reverse trilateral merger project by incorporation of Schemaquarantadue S.p.A. and Schema Alfa S.p.A. into Mundys. The merger will be signed by the end of April 2023. Furthermore, starting from the effective date of the merger, the Company will adopt a new by-laws. On 16 January 2023, the General Meeting resolved to adopt a new by-laws, and to appoint the new Board of Directors and the new Board of Statutory Auditors. Additionally, an extraordinary General Meeting held on the same date authorized an upstream credit facility of up to €8,225 million in favour to Schemaquarantadue S.p.A..
2022	**In January 2022**, the Company agreed to acquire Yunex Traffic from the Siemens Group. The acquisition was completed on 30 June 2022. On 14 April, Edizione and the Blackstone group announced a public tender offer for all of Atlantia's shares through Schema Alfa. On the same date, Fondazione CRT entered into an agreement under which it committed to accepting the offer for its shareholding in Atlantia and to reinvesting in Schema Alfa. Following the outcome of the offer and exercise of its squeeze-out right, on 29 November 2022, Schema Alfa was in possession of all Atlantia's issued capital, resulting in the Company's delisting from the Milan Stock Exchange.
2021	Evidence of the shakeup of Atlantia's strategy was provided **in 2021**, which was marked by a number of major initiatives indicative of the Group's transformation. On 3 March 2021, Atlantia took part in a private placement of shares in Germany's Volocopter, the global leader in innovative, sustainable urban air mobility solutions. On 24 June 2021, Atlantia partnered with the SDA Bocconi school of management to launch "Mobius", the first Smart Mobility Lab in Europe set up to study and research the latest trends and developments in integrated mobility. On 12 June 2021, the Company signed the agreement for the sale of our entire stake in Autostrade per l'Italia to the Consortium established by CDP, Blackstone and Macquarie. The sale was completed on 5 May 2022.
2020	Through Abertis Infraestructuras, **in 2020** the Group acquired 53.1% of Red de Carreteras de Occidente in Mexico and 55.2% of Elizabeth River Crossing in the United States.
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. 2018 also saw Atlantia acquire 15.5% of Getlink, the company that manages the Eurotunnel that runs under the channel between the UK and France.
2013	**In 2013**, Atlantia merged with Gemina 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.
2008	**Telepass SpA was established in 2008** to manage electronic tolling on Italy's motorway network.
2005	**From 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.
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, owned at 100% by Atlantia (from 2017 owned at 88,06%), a strategic investment holding company listed on the Milan Stock Exchange.
1999	**Autostrade was privatised in 1999** and IRI replaced by a stable group of shareholders led by Edizione (controlled by the Benetton family).
1950	**The Group's story began in 1950**, when IRI (Institute for Industrial Reconstruction) established a company named Autostrade Concessioni e Costruzioni SpA. 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.

3.2 Our business segments

Business by segment

Following completion of the acquisition of Yunex Traffic, a global provider of innovative Intelligent Transport Systems (ITS) and Smart Mobility solutions, the Yunex group represents a new business segment. For details on the Group's concessions, please refer to note no. 4 of the consolidated financial statements.

Motorways

Abertis group

In 2022 the Abertis group managed 34 concessions assigning responsibility for the development, maintenance and operation of toll motorways, operating approximately 8,000 km of motorway in Europe (France, Spain and Italy), America (Chile, Mexico, Brazil, the United States, Puerto Rico and Argentina) and India.

The concessions held by Acesa and Invicat (Spain), amounting to a total of 545 km, expired in 2021, whilst the concession held by Autopista del Sol and Elqui in Chile (amounting to a total of 362 km) expired in March 2022 and December 2022. The concessions are governed and regulated by tariff models which generally provide for the updating of the tariffs on an annual basis and according to the inflation recorded in the country in which they operate and according to further specific regulatory parameters for each concession (capex, etc.).

In addition, the subsidiary, Abertis Mobility Services, provides electronic barrier and free-flow tolling solutions. The sale of the French company, Eurotoll, to Telepass and FAI Service was completed on 7 July.

This segment also includes the contribution from the financial holding company that owns the controlling interest in Abertis and of which Mundys owns 50%+1 share (the remaining shares are held by the Actividades de Construcción y Servicios - ACS group and the Hochtief group).

Overseas motorways

This segment includes 12 concessions for the construction, operation and maintenance of toll motorways in Brazil, Chile and Poland, covering a total network of approximately 1,500 km. The overseas motorways too are governed and regulated by tariff models which generally provide for the updating of the tariffs on an annual basis and according to the inflation recorded in the country in which they operate and according to further specific regulatory parameters for each concession (capex, etc.).

This segment also includes the Mundys Group's financial holding companies, through which the Company controls the above overseas operators. Mundys owns 50% + 1 share of the companies that operate under concession in Brazil (the remaining shares are held by the Brazilian Bertin group), 50.01% of Grupo Costanera and its subsidiaries that operate under concession in Chile (the remaining shares are held by the CPP Investments fund), and 61.20% of the Polish Stalexport Autostrady group, listed on the Warsaw Stock Exchange.

Airports

Aeroporti di Roma group

The group includes Aeroporti di Roma (AdR) and its subsidiaries that operate within the Roman airport system, consisting of "Leonardo da Vinci" international airport located in Fiumicino and "Giovan Battista Pastine" airport located in Ciampino. AdR is the number one airport operator in Italy by number of passengers (pre-Covid-19, the Roman airport system handled almost 50 million passengers in 2019) and the seventh biggest in Europe. AdR operates Rome's two airports (Fiumicino and Ciampino) under a concession expiring on 30 June 2046.

Fiumicino and Ciampino airports are regulated on the basis of models which cap tariffs not to exceed invested capital remuneration and operating costs recovery (opex and depreciation).

Aéroports de la Côte d'Azur group

The overseas airports business 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 14.6 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). The Nice and Cannes airports too are regulated on the basis of tariff models to remunerate invested capital and to cover the operating costs incurred (opex and depreciation).

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. This segment also includes Azzurra Aeroporti, the financial holding company that owns the controlling interest of 64% in ACA and in which the Mundys Group in turn holds a 60.4% stake (the remaining shares are held by EDF Invest and the Principality of Monaco).

Telepass group

The group provides sustainable, integrated mobility services. Specifically, Telepass is responsible for operating electronic tolling systems in Italy and 13 European countries and transport-related payment systems (car parks, restricted traffic zones, vehicle tracking systems, etc.), and provides digital mobility, insurance and breakdown services. Telepass has distributed approximately 9.6 million onboard units to customers and counts approximately 831 thousand subscribers to its Telepass Pay service.

Yunex group

Yunex Traffic is a global provider of Intelligent Transport Systems (ITS) and Smart Mobility solutions, specialising in the development and supply of integrated hardware and software platforms and solutions for the operators of smart and sustainable mobility infrastructure serving urban and out-of-town areas. The company operates in more than 600 cities, 40 countries and 4 continents (Europe, the Americas, Asia and Oceania).

The acquisition of Yunex Traffic was completed on 30 June 2022).

Mundys and other activities

In addition to the above operating segments, the Parent Company, Mundys, and SPEA Engineering also contribute to the Group’s results.

Image of Mundys' institutional communications campaign - Roma Termini train station

Image taken from Mundys' institutional communications campaign - APOC room, Aeroporti di Roma

4. RISK MANAGEMENT

4.1 Enterprise Risk Management model

In this highly volatile period marked by a high degree of uncertainty, the Group has continuously assessed and monitored the risks typically associated with its business, constantly taking into account the macroeconomic context and the potential consequences of its decisions on internal and external sustainability, including those regarding human rights, climate change and the environment in the short, medium and long term.

In this context, given the ongoing conflict between Russia and Ukraine, the Group has carried out analysis to determine the level of exposure to such risks as cybersecurity, supply chain resilience and counterparty reliability, as well as fluctuations in interest rates, exchange rates, inflation and rising commodity prices. When the residual exposure has exceeded the level of risk appetite decided by each company's Board of Directors, remedial action has been taken.

Moreover, in order to step up integration of sustainability issues within risk management, the taxonomy used at Group level for Enterprise Risk Management activities has been enhanced with specific ESG risk categories that take into account material sustainability issues, the Sustainable Development Goals (SDGs) and the business. Among these types of risk, Mundys has also launched specific projects regarding:

a) supply chain: a project to promote the implementation of structured processes for assessing and monitoring critical suppliers in all Group companies, including ESG issues.

b) climate change: following the project conducted in 2021, scenario analyses and impact quantifications were carried out in 2022 regarding the main motorway assets (Abertis) and the entire airports sector (Aeroporti di Roma and Aéroports de la Côte d'Azur) over a short, medium and long-term timeframe (2030/2040);

c) human rights: a project aimed at promoting respect for human rights in all business activities and implementing human rights due diligence processes, which are also in line with the targets of Mundys' Sustainability Plan for 2021-2023. See section 5.2 for a detailed description of the activities carried out and their outcomes.

A. Governance

Mundys periodically updates and submits to its subsidiaries for adoption, the ERM policy and guidelines, which are defined in line with the relevant best practices (COSO ERM framework), laws and regulations (e.g. the Corporate Governance Code issued by Borsa Italiana's Corporate Governance Committee).

Regarding governance, the ERM model specifies for each subsidiary:

a) the central role of **Board of Directors** in ensuring that the main risks are properly identified, measured and constantly monitored, in order to verify their alignment with the Risk Appetite Statement (RAS);

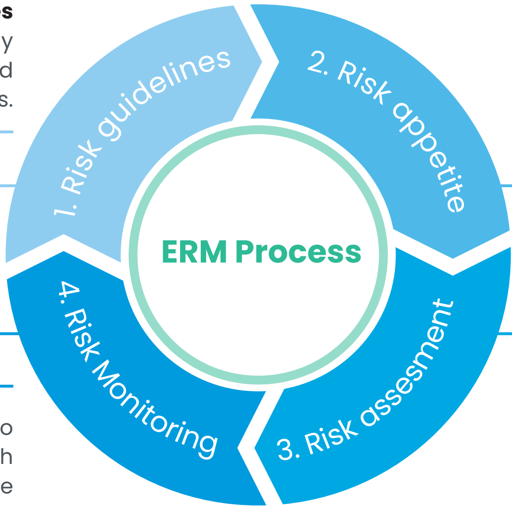
b) a **Risk Control Committee,** where foreseen, to examine the results of the different phases of the risk management process before their approval by Boards of Directors;

c) a **Risk Officer** to oversee the ERM process, according to Mundys' guidelines, and to support the various Risk Owners in applying the methodology, facilitating the implementation of a risk control model that is as close as possible to the sector in which each company operates.

B. The ERM process

ERM methodological guidelines are updated periodically by Mundys and circulated among controlled companies.

Risk Appetite is defined in Mundys and in the controlled companies and it is approved by the respective BoD'S.



Risk exposure is subjected to **ongoing monitoring** (i.e. through key risk indicators and risk tolerance thresholds). In case of exceedance of these thresholds, it is required to define adequate action plans and report to the company's CEO, Control & Risk Committee and BoD.

All risks are identified and assessed at company level base don quali-quantitative metrics. Any risk exceeding risk appetite level is reported to the company's CEO, Control & Risk Committee and BoD, and constantly monitored. In order to bring these risks within the related level of risk appetite, it is required to implement corrective actions.

Risk Appetite Statement (RAS)

To ensure the ever more effective management of risk, Mundys and the main Group Companies define and periodically update their Risk Appetite Statement (RAS). The RAS is a key element in enabling an organisation to prioritise risks when conducting its risk assessment and supports the organisation's decision-making process.

Mundys' Board of Directors annually approves the update of Risk Appetite Statement for Mundys SpA. The approved thresholds for 2022 are illustrated below.

Area of risk	Description	Risk appetite
STRATEGIC	Risks that can negatively affect the achievement of the mission, strategic objectives and perception of the reputation of the organisation and its strategies for combatting climate change	MEDIUM/LOW
OPERATIONAL	Risks arising from inadequacies in the definition and/or conduct of the organisation's business and support processes, including cybersecurity concerns	LOW/MINIMUM
FINANCIAL	Risks related to the organisation's economic, financial and asset management position	MEDIUM/LOW
COMPLIANCE	Risks related to legal aspects and compliance with applicable internal (policies and procedures) and external (laws and regulations) legislation	LOW/MINIMUM
BUSINESS CONTINUITY	Risks arising from compromised business continuity and the unavailability of people, infrastructure and/or technology assets	LOW
EXTERNAL	Risks exogenous to the organisation, relating to the external environment or to the characteristics of the sector in which the organisation operates (e.g. country risk, changes in the regulatory framework or in the competitive environment and technological innovation)	MEDIUM/LOW

4.2 Main risks and mitigation responses

2022 was marked by a series of relevant external and internal events that affected Mundys, including the:

- outbreak of the war between Russia and Ukraine on 24 February 2022;
- closing of the operation related to the sale of Mundys' entire stake in Autostrade per l'Italia SpA ("ASPI") on 5 May 2022 to the consortium consisting of CDP Equity SpA, The Blackstone Group International Partners and Macquarie European Infrastructure Fund 6;
- closing of the transaction related to the acquisition of Yunex Traffic from Siemens Group on 30 June 2022;
- announcement, on 14 April 2022, of the public tender offer for Mundys' shares launched by Schema Alfa SpA, resulting in the Company's delisting on 9 December 2022.

Taking into account the major events that occurred in 2022, the Group is exposed to the following main risks, for which specific mitigation responses have been implemented.

It should be borne in mind that Mundys and its subsidiaries define their risk appetite thresholds and monitor risks with specific performance indicators related to their operations and businesses.

Loss of value of strategic assets

STRATEGIC RISK
Mundys' risk appetite: MEDIUM

Uncertainties in the external environment may expose Mundys to potential negative impacts with respect to the defined strategic objectives and the Company's ability to generate and protect the value of its assets.

Given the nature of the Company, risk is associated with a series of external factors such as the war between Russian and Ukraine and, more generally, exposure in the economies in which the Group operates, especially with regard to the legislative and regulatory framework (see country risks and regulatory risks), traffic trends strongly influenced by such pandemic events as the Covid-19 (see traffic risks), and also risks related to climate change (see climate change risks).

Performance indicators to monitor this risk: predictive model based on Monte Carlo simulation (ebitda@risk).

Country risks

EXTERNAL RISK
Mundys' risk appetite: MEDIUM

The Group 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 to the revision of tariff frameworks and concession terms and conditions, as well as increased costs in adapting to the local environment.

Due to the Russian invasion of Ukraine, the Group raised its risk profile, especially with regard to growth risk (downward revision of GDP in the economies in which the Group operates), financial risk (e.g. higher interest rates, inflation and its related impact on capex and opex and commodity costs), third-party risk (e.g. suppliers and partners), operational risk (e.g. supply chain resilience and business continuity) and cybersecurity risk (e.g. phishing).

These risks are continuously monitored by the main Group companies, which define appropriate risk mitigation and/or transfer solutions, e.g. adjustment of business continuity plans, interest rate hedging, energy efficiency/energy independence and insurance solutions.

Performance indicators to monitor this risk: country risk score, an indicator that takes into account typical political, economic, security, legal, operational and fiscal factors for each country.

Traffic risks

EXTERNAL RISK
Mundys' risk appetite: MEDIUM

Mundys and its subsidiaries constantly forecast and monitor airport and motorway traffic, with the aim of evaluating of any potential impact on results. In 2022, the motorway sector grew 3.9% compared with 2019, confirming the full recovery from the pre-pandemic period. Airport traffic continues to register a delay (down 29.6%) compared with 2019, but it increases of 134.7% for Aeroporti di Roma and 85.3% for Aéroports de la Côte d'Azur compared with 2021.

Mundys and its subsidiaries engaged in the process of applying for grants to compensate for the losses incurred as a result of traffic reduction deriving from restriction imposed by governments to manage the

Covid-19 health emergency. In this regard, Aeroporti di Roma, in response to the losses due to the health emergency, obtained, in the period March 1 to June 30, 2020, about €220 million as a public subsidy from the "Covid damage fund" for airport operators (Law 178/2020 and Decree Law 73/2021) fully collected as well as a two-year extension, from 2044 to 2046, of the concession.

ACA began discussions with the Grantor aimed at restoring the financial feasibility of the concession, and on 15 December 2022, announced its intention to seek a formal conciliation procedure, as provided for in the Concession Arrangement.

Performance indicators to monitor this risk: traffic performance during the period.

Regulatory risks

EXTERNAL RISK
Mundys' risk appetite: MEDIUM

The Group is subject to risks arising from unfavourable changes in the legislative and regulatory environment at national and international level (e.g. concession terms and conditions, revision of the tariff framework), which may lead to asset, financial and economic damage, and have impacts on activities and the adopted business model.

This risk is dealt with via specific organisational and operating controls aimed at monitoring the legislative and regulatory environment at national and international level, and managing relations and communications with the relevant authorities (e.g. the Grantor), as well as through ongoing analysis of the market in order to take advantage of new opportunities, even close to the expiry dates of concessions.

With reference to the revision of tariffs for concessions in the portfolio, the update is, for 2023, in line with the existing tariff frameworks.

For AdR, recent developments in the regulatory environment are described in section 10.6 'Significant Events' of the consolidated financial statements.

M&A and other extraordinary transactions

STRATEGIC RISK
Mundys' risk appetite: MEDIUM

The risks linked to the due diligence and preliminary activities related to new investment initiatives through to the post-deal integration phase are managed by the Group via a cross-organisational process involving the competent departments. The Group adopts an integrated approach aimed at identifying risks and opportunities, including those inherent in environmental, social and governance (ESG) factors, when selecting and evaluating new business opportunities with the aim of creating long-term sustainable value..

Reputational risks

STRATEGIC RISK
Mundys' risk appetite: LOW

Current or prospective risks arising from the negative perceptions of the Group's image and reputation by internal or external stakeholders (e.g. institutions, investors, lenders, media, communities, customers), including as a result of crisis situations.

Specific organisational safeguards and monitoring processes, as well as contingency and business continuity plans, are in place for crisis management. This also includes guidelines aimed at facilitating an integrated Group approach to the management of such events, which could jeopardise relations with stakeholders and generate financial losses (e.g. reduced investment opportunities, difficulties in accessing the capital markets, higher financing costs, complaints/penalties). Reputational risk is subject to an organic management approach and constantly monitored.

Performance indicators to monitor this risk: the stock price beta, used until Mundys' delisting; reputational investigations.

Financial risks

The main financial risks, managed according with the related policy and guidelines, are summarised below. For a more in-depth discussion on financial risk, reference should be made to section 9.2 of the consolidated financial statements.

LIQUIDITY RISK
Mundys' risk appetite: MEDIUM/LOW

To ensure the ability to meet financial needs (e.g., operational needs, new investments, debt refinancing) and to comply with covenants and other contractual commitments, Mundys carries out continuous monitoring of its cash reserves, available credit facilities, financial covenants and risk exposures. Specifically:

- 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.

INTEREST RATE RISK
Mundys' risk appetite: MEDIUM/LOW

In order to limit the volatility of cash flows in the medium and long term, which has been exacerbated by current macroeconomic conditions, related to financial assets or liabilities (including derivatives) and to the Company's profitability, , and to contain the financial charges related to debt and/or debt refinancing, the Group prefers the fixed component (at least 70% of the debt) and continuously monitors financial market and evaluates appropriate hedging transactions.

CURRENCY RISK
Mundys' risk appetite: MEDIUM

An adverse trend in exchange rates could have economic 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, oriented to pursuing, where possible, the currency matching (natural hedge) between financing sources and operating cash flow or, alternatively, considering appropriate hedging transactions.

GUARANTEES RISK
Mundys' risk appetite: MEDIUM/LOW

Inadequate or untimely management of guarantees could result in a potential financial impact and possible enforcement of guarantees granted to third parties. Although Mundys' exposure has been reduced since the sale of the stake in ASPI, the Company continues to monitor the guarantees granted on an ongoing basis, including those arising from the acquisition of Yunex Traffic (exposure as of December 31, 2022 of €1.4 billion)

RATING RISK
Mundys' risk appetite: LOW

A downgrade of the rating of Mundys or one of its subsidiaries could entail more difficult or costly access to sources of financing and, in extreme cases, trigger early termination clauses correlated to rating performance, for debts already incurred.

The Company periodically monitors changes to credit metrics and other variables that impact rating agency assessments.

The creditworthiness of the Mundys Group and the bonds issued by the Holding Company is measured by the major international rating agencies (S&P, Moody's, Fitch).

Planning & control and financial reporting

Mundys' risk appetite: LOW

The untimely identification and response to the numerous internal and external variables (e.g., traffic trends) that may affect the Group's activities can have potential impacts on corporate sustainability, profitability and the financial position. Specific principles and guidelines of planning, control and periodic reviews of the profitability and the financial position (with reference to both downside and upside risks) are defined and a constant monitoring of the evolution of key indicators is carried out (EBITDA@risk), identifying suitable mitigation plans.

In addition, the macroeconomic, financial and regulatory context of the countries in which the main Group Companies operate significantly affects the estimates and assumptions underlying the value of the assets recognised in the financial statements (impairment test). Mundys adopts policies and procedures aligned with accounting principles and international best practices in the field of accounting and reporting, to ensure the proper recognition and measurement of its results

ESG

Climate change risks

STRATEGIC RISK
Mundys' risk appetite: MEDIUM/LOW

Ongoing climate changes may cause physical and energy transition risks (regulatory, market, technological and reputational) for the Group's business in the short, medium and long term. Climate changes may cause potential damage of various kinds in terms of access to financial markets, operating and transition costs to a low-carbon economy, and asset values.

In addition to the analyses carried out during 2021, which provided for an initial assessment of the main physical and transition risks to which the Group is exposed and defined prioritisation criteria based on the relative exposure, further analyses were carried out in 2022 which considered these IPCC scenarios: SSP 1-2.6 (low-emission scenario) and SSP 5-8.5 (high-emission scenario) for airports (ADR and ACA); and RCP 5-8.5 (high-emission scenario) and RCP 4.5 (scenario compliant with the Paris Agreement) for Abertis's motorway infrastructure, by 2030 (short/medium term) and by 2040 (long term), as well as subsequent quantification of the financial impacts. The findings reveal that airport assets are mainly exposed to the following physical risks:

- Aeroporti di Roma: extreme heat, riverine (Fiumicino only), extreme rainfall flooding, water stress and drought.
- ACA: extreme heat, extreme rainfall flooding and coastal flooding (Nice only).

As part of the study of the airport sector, the transition risks related to the increase in the carbon price were also quantified and in particular the indirect impacts on revenue of a change in demand arising from price increases, which airlines might pass on to customers.

Given the nature of its business, Abertis focused its analyses on the risks of tropical storms, flooding (pluvial and riverine), heat waves, landslides and wildfires, prioritising them in terms of how critical the potential associated financial impacts are. Quantification was thus focused on the risks of tropical storms and flooding (pluvial and riverine) and regarded specific assets for which the relevant technical features were considered.

Abertis then identified technological innovation, market and regulatory changes as the main transition risks assessed in term of their potential economic impact according to most appropriate financial factors.

Climate change risks are mitigated through: structured governance with a central role played by companies' boards of directors and the presence of specific committees to support them; investment plans aimed at increasing asset resilience, modernising infrastructure and technological development, monitoring emissions (including via certified systems such as ACA 4+ for airports) and promoting actions to cut scope 3 emissions. The physical risks and the resulting business interruption that could arise are transferred to the insurance market (in the form of All-Risk Property policies). Finally, the action plans are incorporated in the companies' capex/opex defined in the Long-Term Plan. Mundys also focused on assessing opportunities related to the energy transition, identifying renewables as a key enabler for reducing emissions. Energy efficiency initiatives were planned to reduce energy demand and encourage self-production.

Considering the analyses conducted and taking into account any costs, the potential loss of profit resulting from interrupted operation of assets and any insurance reimbursement, each risk, quantified and considered individually in the two timeframes and scenarios, could have a negligible impact on the Group's EBITDA. However, this impact might be more relevant for individual companies, which will continue to evaluate and implement the necessary actions to mitigate such risks.

The Group is firmly committed to continuously improving our climate strategy, in the recognition that understanding and raising awareness of climate-related risks creates long-term value for society and our stakeholders. Therefore, the analysis of risks and climate change will be stepped up during 2023, through further analysis and tools for the assessment.

Performance indicators to monitor this risk: climate risk scores, used to monitor the current and expected level of climate risk for a specific asset, based on the climate data collected and the location of the asset under consideration.

ESG

Risks related to the unavailability of people, infrastructures and/or systems

OPERATIONAL RISK
Mundys' risk appetite: LOW

Risks related to the unavailability of people, infrastructures (also resulting from the occurrence of exogenous accidental or natural events) and/or systems (e.g. the malfunction of equipment or critical IT system) with effects on the provision of services and business activities, may lead to losses, prolonged interruptions or inefficiencies in operational activities. These risks are managed mainly through the inclusion of specific safeguards in terms of Business Continuity, Crisis Management and

Disaster Recovery (e.g. the new AirPort Operation Centre – APOC- in Aeroporti di Roma which is equipped with technological systems that guarantee business continuity even in the event of critical situations and possible cyber-attacks), the presence of recovery processes and activities in case of accidental events, the investments in technical solutions that may reduce the impacts of a potential extreme event (e.g., anti-seismic measures, dikes etc.) and the insurance coverage on assets.

ESG Cybersecurity risks

OPERATIONAL RISK
Mundys' risk appetite: LOW

The Group is exposed to risks linked to the security of corporate information systems (cybersecurity) and/or to the prolonged unavailability of information systems (business continuity). Such risks could cause higher costs (direct and indirect), penalties arising from applicable regulations, additional expenditure in order to restore business continuity with a potential impact on the achievement of the organisation's objectives, reputational damage and the potential loss of sensitive and/or confidential data. Moreover, transactions such as the acquisition of new companies could increase exposure to potential cyber incidents or attacks.

Therefore, the Group has further accelerated the process of digitalisation and streamlining of its systems, making a series of investments aimed at ensuring the protection against external attacks. These initiatives include the:

- identification of specific organizational controls in Group companies (CISOs)
- definition, update and implementation of policies and procedures aligned with industry best practice (ISO 27001 and NIST Cybersecurity Framework)
- introduction of security measures to prevent the exfiltration of corporate and personal data;
- activation of specific risk transfer mechanisms in the insurance market;
- creation of strategic partnerships
- cooperation with the main institutions and regulators specialized in this field;
- definition of Group metrics/indicators (KPIs) to measure the effectiveness and efficiency of the security measures implemented;
- launch of regular phishing campaigns, training courses, videos and security newsletters for all employees.

This roadmap also includes the definition and continuous monitoring of improvement actions identified for each Group company, as well as the execution of simulations and tests to verify the effectiveness of the technologies, action plans and procedures implemented.

Performance indicators to monitor this risk: number of events identified and managed (true positive).

ESG Compliance with legislation and regulations

COMPLIANCE RISK
Mundys' risk appetite: MINIMUM

With the aim of disseminating a culture of compliance and ensuring behaviors always inspired by integrity, fairness and collaboration, Mundys has adopted and periodically updates the Code of Ethics, which serves as a general reference for corporate management, and a specific control models to meet the requirements of applicable regulations, including the: i) Organisational, Management and Control model (required by Legislative Decree 231/01); ii) anti-corruption model; iii) privacy and data protection model; iv) Tax Control Framework. Mundys also offers training programmes for employees designed to encourage ethical and considerate behaviour.

Group companies constantly monitor compliance with the legislative and regulatory requirements that apply to the various business sectors and countries of operation, to adapt the organisation and processes to the various legislative requirements, and to avoid potential administrative and/or other penalties imposed by the competent authorities, as well as reputational impacts.

Within the Group, certain companies (e.g. Telepass), are subject to strict regulations (e.g. anti-money laundering regulations), and also to oversight by the competent authorities (e.g. Bank of Italy); in this respect these companies adapt its activities and processes to meet these legal and regulatory requirements.

Health, safety and the environment

OPERATIONAL RISK
Mundys' risk appetite: MINIMUM

Risks related to health, safety and the environment (e.g. noise pollution for the airports) with possible economic, criminal and administrative sanctions, as well as impacts on company reputation.

These risks are managed via various measures, including:

- continuous monitoring of the relevant legislative and regulatory framework;
- presence of specific organisational measures and processes in compliance with requirements and continuous improvement/alignment with best practice;
- adoption by different Group companies of Management Systems structured in accordance with the standards (e.g., ISO14001 and ISO45001);
- monitoring system for all environmental components in the management of impacts related to the construction of major works;
- noise pollution monitoring system and noise abatement plans to reduce the impact of airport operations, in coordination with the relevant stakeholders. For example, in the case of Aeroporti di Roma, by reducing flights and the soundproofing of school buildings, whilst at Aéroports de la Côte d'Azur changes have been made to flight paths to reduce noise for local residents and to maximise the maritime overflight, limitations have been put on night flying based on aircraft noise certificates, and buildings in the affected areas have been soundproofed;
- safety inspections, health and ergonomic assessments, specific campaigns and training.

Performance indicators to monitor this risk: number of injuries, emissions monitoring, etc.

Litigation

COMPLIANCE RISK
Mundys' risk appetite: LOW

The risk of involvement in litigation (criminal and civil), with an impact on the Group's profitability, operations and reputation. The main actions to counter this risk include:

- specialist business support from corporate legal departments;
- continuous monitoring of regulatory developments and constant assessment of the adequacy of existing safeguards;
- process of allocating and managing assignments to external professionals, based on transparency and traceability criteria;
- anti-corruption and D.Lgs. 231/01 compliance audits;
- cooperation with stakeholders and the Public Administration (e.g., ministries, universities, etc.).

For a more specific discussion of litigation risk, reference should be made to section 10.6 of the consolidated financial statements.

The supply chain

OPERATIONAL RISK
Mundys' risk appetite: LOW

Risks linked to the supply chain arising from the potential unavailability and/or unreliability of suppliers in assets/financial, ethical and performance terms (including regarding ESG issues) with possible impacts on the management of business activities (e.g. delays in carrying out works) and corporate reputation. The main actions to counter this risk include:

- organisational measures and assessment/qualification processes based on parameters including technical and professional suitability, integrity, economic conditions, and the methods used to provide goods or services, as well as ESG requirements (e.g., respect for human rights, environmental protection and health and safety workplace);
- selection processes aimed at promoting free competition and equal treatment of the parties involved;
- use of contractual standards and clauses (e.g., ethical clauses);
- monitoring of performance in order to prevent any critical issues from occurring, or promptly contain the potential impacts on the continuity of operations;
- audits of suppliers, including those carried out by specialised third parties;

- market scouting activities to identify new suppliers and mitigate the risk of dependence on critical suppliers.

During 2022, also considering regulatory changes in progress (the proposed European Union Directive on Corporate Sustainability Due Diligence), the main subsidiaries carried out projects and initiatives to implement a system aimed at monitoring, preventing and mitigating adverse impacts on the environment, working conditions and individual rights and freedoms linked to the value chain, and increasingly integrating sustainability requirements within the third-party management and monitoring process.

Other risks by business segment

Other risks and related mitigation responses are shown below by business segment (motorways, airports and mobility services).

Motorways segment

Area of risk	Risk factors		Key risk responses
OPERATIONAL / BUSINESS CONTINUITY RISKS	Risks related to the proper maintenance and quality of infrastructure, exposed to exogenous and endogenous events that may affect the safety of the assets	ESG	• Presence of specific organisational and operational arrangements and structured processes for the conduct of inspections, maintenance and management, including the use of leading external providers and projects combining innovation and technology • Supplier audits with training on the onboarding process. • Periodic audits of assets, also using independent and internationally recognised external resources. • Continuous training of employees on the safety of assets. • Regularly tested emergency response procedures to ensure the safety of assets..
	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	ESG	• Presence of specific organisational and operational arrangements and structured processes in compliance with the ISO 39001 standard, "Road traffic safety management system", specific operational protocols for coordinating with competent Public Entities/Authorities. Road traffic safety programmes involving investment in engineering and technology (e.g., the construction of new safety barriers and the installation of crash absorbers at exits; the installation of barriers at the entrance of tunnels and concrete protections at the exits; the extension of slope containment; the adoption of measures to reduce the quantity of water accumulating on road surfaces, etc.).
	Risks related to the lack of management of contracts for construction of new infrastructure and/or development/modernisation work that may expose to significant delays compared to the objectives of the plan	ESG	• Presence of specific organisational and operational arrangements related to engineering and construction Contractor risk management activities

Airports segment

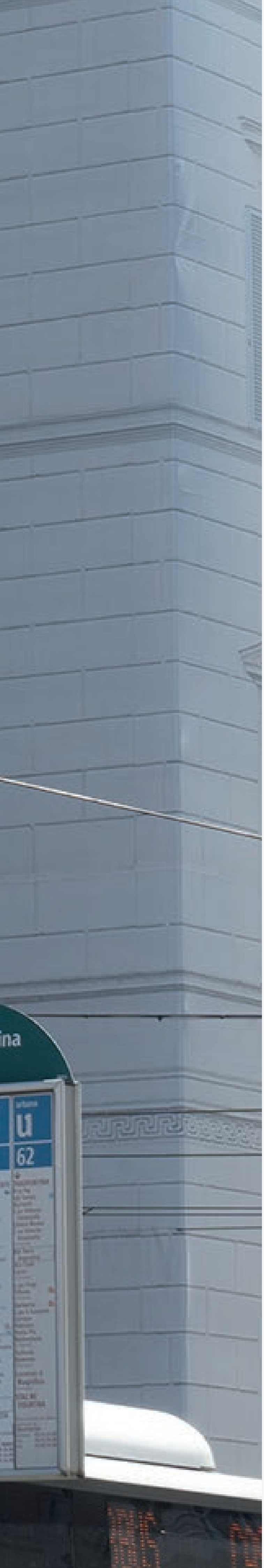
Area of risk	Risk factors		Key risk responses
STRATEGIC RISKS	Risks related to excessive dependence on key carriers and the evolution of the air transport market, also in view of the current macroeconomic context (rising inflation and recession, the Russian invasion of Ukraine.), and/or changes in users' preferences when choosing means of transport, including in terms of sustainability, with short and long-term negative effects on operating and financial performance and development policies	ESG	• Monitoring of macroeconomic and socio-political trends in the various markets and scenario analysis • Measures to increase the attractiveness of airports, which are also geared towards sustainability • Diversification and development of the airlines and markets served
EXTERNAL RISKS	Risk linked to pressure from residents or NGOs to limit airport activity, to cut back on essential investment, to close airports at night	ESG	• Stakeholder engagement (e.g., involving local communities) • Sustainability plans with a commitment to net zero by 2030Noise measurement and flight path monitoring system

OPERATIONAL / BUSINESS CONTINUITY RISKS	Risks for the safety of people and equipment in the context of airport operations (landside/airside) with possible damage to people, equipment and infrastructure	ESG	• Organisation of safety and security systems and procedures, such as:
			  • safety management systems
			  • training of staff
			  • Airport Emergency Plans
			  • monitoring of compliance with safety and security standards

Mobility services segment

Area of risk	Risk factors		Key risk responses
STRATEGIC RISKS	Risks deriving from changes in the external in context which the organisation operates (e.g., technological development, entry of new competitors, changes in customers' mobility preferences)	ESG	• Monitoring of the external context, economic and financial analyses of the different scenarios and identification of the related actions to take, also with a view to taking advantage of market, sectoral and technological diversification opportunities • Controls of new products/services (prior their launch and in subsequent phases) with respect to the provisions of the strategic plan
EXTERNAL RISKS	Risk deriving from customer relations (errors in after-sales service and complaint handling)	ESG	• Monitoring and checking of the quality performance of the services provided and the products supplied, in line with the quality standards expected by customers
OPERATIONAL / BUSINESS CONTINUITY RISKS	Risk related to the potential loss of customer data (data leakage), with impacts in terms of compliance and reputation	ESG	• Adoption of the ISO 27001 certified system • Adoption of tools, procedures and safeguards in line with the GDPR • Third-party data protection monitoring programme
	Safety risks related to products and services	ESG	• Organisational controls/ processes to ensure the safety of products and services, compliance with legal requirements and continuous improvement • Product certification systems • Third-party audits

Image taken from Mundys' institutional communications campaign - Center of Rome



5. CORPORATE GOVERNANCE

As mentioned earlier, following the delisting of the Company's shares on 9 December 2022 and in consideration of the bonds in issue and traded on the Euronext Dublin Stock Exchange, the Company is a "listed issuer with Italy as its Member State of origin", as confirmed by the Board of Directors' resolution dated 22 December 2022. The information given in this Integrated Annual Report takes into account this situation and the resulting applicable legislation, which grants companies that do not issue shares quoted in regulated markets the option of choosing not to publish the information referred to in paragraphs 1 and 2 of art. 123–bis of Legislative Decree 58 of 24 February 1998 (the "CFA"), unless fall within the category defined in paragraph 2.b) of the same article.

This section provides a description of Mundys' corporate governance procedures and the composition of corporate bodies in 2022, when the Company was still subject to the legislation applicable to listed companies.

In accordance with the disclosure requirements provided for in art. 123-bis, paragraph 2.b) of the CFA, section 5.4 ("Ethics and the Internal Control and Risk management System") describes the main characteristics of the existing risk management and internal control systems in respect of the financial reporting process, including the consolidated accounts.

The Company has opted to avail itself of the option granted by paragraph 5 of art. 123-bis of the CFA and has omitted the publication of the disclosures referred to in paragraphs 1 and 2 of the above articles.

5.1 Principles, values and procedures

Mundys' Corporate Governance model pursues the maximization of the value for shareholders and stakeholders, the continuous monitoring of the business risks and the highest transparency towards the market, and is aimed at ensuring the integrity and correctness of decision-making processes.

In compliance with the laws and regulations applied in Italy, the Company adopted a traditional governance system that clearly distinguishes between the different roles and responsibilities.

The Board of Directors is responsible for the management of the business, leading the Company in its pursuit of sustainable long-term success. The previous Board - appointed by the Annual General Meeting held on 29 April 2022 and in office until 16 January 2023, confirming the previous structure - had set up four Board committees with proposing and advisory functions that continued to operate until the delisting: the Audit, Risk and Corporate Governance Committee, the Nominations, Remuneration and Human Capital Committee, the Committee of Independent Directors with responsibility for Related Party Transactions and, lastly, the Sustainability Committee, set up to strengthen the Company's commitment to social and environmental sustainability. The oversight responsibility is assigned to the Board of Statutory Auditors, which has the task of overseeing, among other things, the compliance with the law, the articles of association and the best practices, and to the independent auditor, retained to audit the Company's accounts.

GENERAL MEETING OF SHAREHOLDERS

Board of Statutory Auditors

The Company's oversight body, tasked with overseeing the activities of the Directors and ensuring that the Company's governance and management complies with the relevant laws and the Articles of Association.

Board of Directors

Elected by Annual General Meeting of shareholders, the Board of Directors is the collective body responsible for managing the Company's affairs.

Independent Auditor

The independent auditor is the external body appointed by shareholders to conduct the statutory audit of the accounts.

Control Risk and Corporate Governance Committee

Provides support to the Board of Directors in evaluating and taking decisions on the internal control and risk management system and corporate governance.

Nominations, Remuneration and Human Capital Committee

Provides opinions and makes recommendations to the Board of Directors on the remuneration of the members of corporate bodies and senior management.

Sustainability Committee

Makes recommendations and provides advice to the Board of Directors on issues relating to social and environmental sustainability.

Committee of Independent Directors with responsibility for Related Party Transactions

Provides a prior opinion on related party transactions of greater or lesser significance in compliance with current legislation and the Procedure for Related Party Transactions adopted by the Company.

Composition of the Board of Directors and Board Committees during 2022

The Board of Directors

The Board of Directors in office until 16 January 2023[7] was appointed – using the slate voting mechanism provided for in the articles of association that applied until the delisting - by the Annual General Meeting of 29 April 2022 for the three-year period 2022–2024 and its members were: Giampiero Massolo (Chairman), Carlo Bertazzo, Maurizio Basile*, Christian Coco, Anna Chiara Invernizzi*, Maria Leddi*, Andrea Mangoni*, Valentina Martinelli, Gaia Mazzalveri*, Jean Mouton*, Elisabetta Ripa*, Nicola Verdicchio* (elected from the slate submitted by the shareholder, Sintonia SpA, the holder at the date of the AGM of a 33.1% stake in the Company, which received 61.73% of the votes cast by the issued capital represented at the AGM), Dario Frigerio*, Giuseppe Guizzi*, Licia Soncini*[8] (elected from the slate submitted by a group of asset management companies and other institutional investors, holding a stake of approximately 1.228% in the Company, which received 37.79% of the votes cast by the issued capital represented at the AGM).

The meeting of the Board of Directors held following the AGM re-appointed Carlo Bertazzo as the Company's Chief Executive Officer and General Manager[9], confirming the executive powers previously assigned to him during his previous term of office, and granted to the Chairman of the Board of Directors some executive powers regarding communication, institutional and international relations and asset protection. During 2022 and until the re-election of the Board of Directors following the delisting, the role, organisation and procedures followed by the Board of Directors were governed by the Terms of Reference adopted by the Board in accordance with the recommendations of the Corporate Governance Code. The Terms of Reference are available on the Company's website (https://www.mundys.com/it/governance/documenti-e-procedure).

Details of the composition of the Board of Directors and Board Committees in office until the Annual General Meeting called to approve the financial statements for 2021 (i.e., 29 April 2022) are provided in the annual report on corporate governance for 2021, available at the following link https://www.mundys.com/it/governance.

Board Committees

During 2022, Board Committees were tasked with in-depth analysis of all the matters falling within their respective area of competenze, with the possibility to avail themselves of external consultants, under the terms established by the Board, which provided each Committee with adequate financial resources for the fulfilment of their tasks.

Pursuant to art. 12 of the Board of Directors' Terms of Reference, in the composition of the Committees, the Board takes into account the Directors' independence requirements, professional characteristics and experience, so that each Committee is made up of members whose competence and professionalism are adequate and used effectively in relation to the tasks assigned to the Committee of which they are members.

Committees consist of at least three members, the majority of whom are independent.

The role, functions and procedures of the Committees are set out in specific terms of reference published on the Company's website (https://www.mundys.com/it/governance/documenti-e-procedure).

During 2022, Committee meetings were held on the basis of the calendar of meetings planned at the beginning of the year, indicating the principal matters to be dealt with to ensure coordination with the agenda for the Board of Directors. Committees reported on the activities carried out at the first available Board of Directors' meeting on a monthly and/or bimonthly basis, depending on the nature of the Committee and the matters involved.

The composition of the Committees established by the Board of Directors on 6 May 2022 and in office until 16 January 2023 is shown below.

7 Following the Company's delisting, on 22 December 2022, the Board of Directors resigned with effect from the date of the General Meeting called to re-elect the corporate bodies, which took place on 16 January 2023.

8 Those Directors that meet the independence requirements provided for in the CFA and Borsa Italiana SpA's Corporate Governance Code, as applied in the terms of reference for the Board of Directors that applied when the Board of Directors was re-elected on 16 January 2023. On 6 May 2022, based on the statements made by Directors and the information available to the Company, the Board assessed the independence requirements, informing the market on the same date

9 Carlo Bertazzo remained in his position until 31 December 2022. Following his resignation, executive powers were transferred to the Chairman, Ambassador Giampiero Massolo. The latter was confirmed as interim Executive Chairman by the General Meeting of shareholders and the Board of Directors' meeting held on 16 January 2023.

BOARD OF DIRECTORS

In office from the General Shareholders' Meeting of 29th april 2022 to 16th january 2023

POSITION		NAME
Chairman		Giampiero Massolo
Chief Executive Officer		Carlo Bertazzo*
Director	■	Maurizio Basile
Director		Christian Coco
Director	■	Anna Chiara Invernizzi
Director	■	Maria Leddi
Director	■	Andrea Mangoni
Director		Valentina Martinelli
Director	■	Gaia Mazzalveri
Director	■	Jean Mouton
Director	■	Elisabetta Ripa
Director	■	Nicola Verdicchio
Director	▣	Dario Frigerio
Director	▣	Giuseppe Guizzi
Director	▣	Licia Soncini

CONTROL RISK AND CORPORATE GOVERNANCE COMMITTEE

In office from the General Shareholders' Meeting of 29th april 2022 to 16th january 2023

POSITION		NAME
Chairman	■	Gaia Mazzalveri
Member		Christian Coco
Member	■	Dario Frigerio

NOMINATIONS, REMUNERATION AND HUMAN CAPITAL COMMITTEE

In office from the General Shareholders' Meeting of 29th april 2022 to 16th january 2023

POSITION		NAME
Chairman	■	Anna Chiara Invernizzi
Member	■	Maurizio Basile
Member	■	Giuseppe Guizzi

SUSTAINABILITY COMMITTEE

In office from the general shareholders' meeting of 29th april 2022 to 16th january 2023

POSITION		NAME
Chairman	■	Licia Soncini
Member	■	Maria Leddi
Member	■	Jean Mouton

COMMITTEE OF INDEPENDENT DIRECTORS WITH RESPONSIBILITY FOR RELATED

Party transactions in office from the General Shareholders' Meeting of 29th april 2022 to 16th january 2023

POSITION		NAME
Chairman	■	Dario Frigerio
Member	■	Gaia Mazzalveri
Member	■	Nicola Verdicchio

■ Independent Director ▣ Independent Director / Elected from the Minority Slate

*Mr. Carlo Bertazzo served as Chief Executive Officer of the Company until 31st December, 2022. Following his resignation, the Board of Directors assigned ad interim the management power to the Chairman Amb. Giampiero Massolo.

2
Executive Directors

6
Directors from the less represented gender

58 YEARS
Average age

11
Independent Directors pursuant to the CFA and the Corporate Governance Code

3 YEARS
average mandate tenure

18
Meetings of the Board in 2022

96%
Committees attendance

CRC GC

10 MEETINGS
of the Control Risk and Corporate Governance Committee

NR HCC

11 MEETINGS
of the Nominations, Remuneration and Human Capital Committee

CID RPT

9 MEETINGS
of the Committee of Independent Directors with responsibility for Related Party Transactions

SC

6 MEETINGS
of theSustainability Committee

91%
Number of Independent Directors in the Committees

41%
Percentage of the less represented gender in the Committees

The Board of Statutory Auditors

The Board of Statutory Auditors in office until 16 January 2023[10] was elected using the slate voting mechanism and in compliance with the gender balance legislation in force (i.e., the 2020 Budget Law) for the financial years 2021-2023.

The following Auditors were elected from the slate submitted by the shareholder, Sintonia SpA (holder of a 30.25% stake), which received 93.19% of the votes cast by the issued capital represented at the Annual General Meeting: the Standing Auditors Angelo Bonissoni, Maura Campra and Lelio Fornabaio and the Alternate Auditor Mario Civetta. The following Auditors were elected from the slate submitted by a group of asset management companies and other institutional investors (holding a total stake of approximately 0.71% in the Company), which received 4.83% of the votes cast by the issued capital represented at the Annual General Meeting, pursuant to the legislation in force and art.32 of the existing Articles of Association: the Chairman, Roberto Ruggero Capone, the Standing Auditor Sonia Ferrero and the Alternate Auditor Francesco Fallacara.

All the Statutory Auditors in office meet the professional/integrity and independence requirements prescribed by the Articles of Association and the applicable legislation and stated that they complied with the limit set for cumulative positions by the applicable legislation. Details of the personal and professional characteristics of each Statutory Auditor in office at 16 January 2023 are provided in the annual report on corporate governance for 2021, available at the following link https://www.mundys.com/it/governance

BOARD OF STATUTORY AUDITORS

Appointed by the general shareholders' meeting of 28th april, 2021 and in force until the general shareholders' meeting of 16th january, 2023

POSITION	NAME
Chairman	Roberto Ruggero Capone*
Standing Auditor	Angelo Bonissoni
Standing Auditor	Maura Campra
Standing Auditor	Sonia Ferrero*
Standing Auditor	Lelio Fornabaio

* Elected from the minority slate

Sustainability governance

The Board of Directors is responsible for the sustainability strategy, oversees its implementation and monitors the related risks and opportunities. The Board of Directors' supervision of ESG issues is an example of good governance that Mundys extends to the assets in its portfolio, requesting the boards of all its main subsidiaries to approve ESG plans and targets. The Board Committees that oversee ESG issues, including aspects relating to climate change, have already been set up by the main subsidiaries, as well as the executive committees in charge of managing ESG issues.

In 2022, the Company's Board of Directors was assisted, in coordination with the Audit, Risk and Corporate Governance Committee, by the Sustainability Committee, whose principal tasks[11] may be summarised as follows:

- to examine in advance the Company's business plan and make proposals for integrating key ESG issues with a view to generating long-term value, including climate change strategies;
- to issue an opinion on the sustainability plan and the related targets to be achieved with the aim of creating value for all stakeholders over the medium to long term, in keeping with sustainable growth principles;
- to monitor the risks and opportunities linked to climate change and all the relevant initiatives;
- to monitor the Company's positioning with regard to sustainability issues, with particular reference to the Company's ranking in the main ESG indices;
- to support the dissemination of a sustainability culture among employees, shareholders and, more generally, stakeholders;
- to provide the Audit, Risk and Corporate Governance Committee with its views on the ability of periodic financial and non-financial disclosure to correctly represent the business model, the Company's strategies, the impact of its activities and its performance, assessing whether or not this is lined with the goals set in the sustainability plan.

10 Following the Company's delisting, on 22 December 2022, the Board of Statutory Auditors resigned with effect from the date of the General Meeting called to re-elect the corporate bodies. This was held on 16 January 2023

11 The Audit, Risk and Corporate Governance Committee and the Sustainability Committee operated, in their respective areas of responsibility, until 16 January 2023, when, following the delisting, the General Meeting of shareholders elected the new Board of Directors.

The Sustainability Committee met on 6 occasions in 2022. The main subjects dealt with the update of the plan and the progress made with regard to the sustainability performance, engagement initiatives associated with the Climate Action Plan, non-financial disclosure in the Integrated Annual Report, the Sustainability Linked Financing Framework and other aspects of sustainable strategy and growth (e.g. the EU taxonomy for sustainable activities). The Board of Directors met on 4 occasions to examine sustainability issues, including updates on shareholder and stakeholder engagement initiatives in preparation for the Say on Climate vote, the Report to the Annual General Meeting on the Climate Action Plan, the refinancing of the Term Loan and the Sustainability Linked Financing Framework.

During 2022, the Chief Executive Officer was responsible for the ESG agenda and strategy implementation with the support of the relevant departments. Coordination of the Chief Executive Officer and the Board was primarily the task of the Sustainability department, headed by the Chief Sustainability & Innovation Officer, who has responsibility for providing strategic guidelines and coordinating the ESG agenda and the climate action plan. This includes supporting investees in drawing up specific improvement programmes.

Immagine della campagna di comunicazione istituzionale di Mundys – centro di Milano

5.2 Ethics and the Internal Control and Risk Management System

Mundys' Internal Control and Risk Management System (ICRMS) is embedded and widespread at the different levels of the organisation and the Company structure. It consists of a set of tools, rules, procedures and organisational structures aimed at the effective identification, measurement, management and monitoring of the main risks in order to contribute the Company's sustainable success in line with the defined strategies.

An effective ICRMS contributes to ensuring that the Company's conducts its business in line with the objectives set by the Board of Directors, enabling informed decision-making. The system helps ensure:

- the safeguarding of Company's assets;
- the efficiency and effectiveness of business processes;
- the reliability of the information provided to corporate bodies and the market;
- compliance with law and regulations, the Articles of Association and internal policies and procedures.

Specifically, the ICRMS:

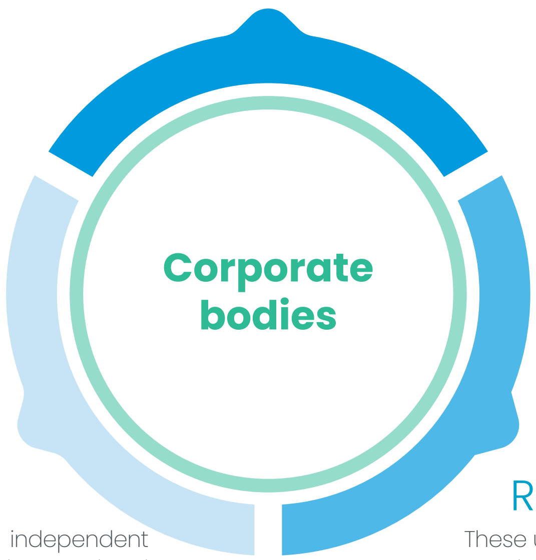
- involves bodies and people at all levels of the organisation, from the Board of Directors to management, each within the scope of its responsibility and areas of competence;
- promotes achievement of the Company's objectives;
- is defined taking into account the nature of the Company, reflecting the applicable regulatory framework, its size, sector, complexity and risk profile.

The different actors involved in Mundys' ICRMS operate according to a three-level of control, in line with the relevant regulations and best practices:

FIRST LEVEL OF CONTROL

RISK OWNERS

They identify, assess, manage and monitor the risks for which they are responsible, identifying and implementing specific risk treatments.



THIRD LEVEL OF CONTROL

INTERNAL AUDIT

The department provides independent assurance on the adequacy and operational effectiveness of first- and second-level controls and, in general, the Internal Control and Risk Management System.

SECOND LEVEL OF CONTROL

RISK CONTROL UNITS

These units monitor the main risks in order to ensure their effective and efficient treatment. They also provide support to Risk Owners in defining and implementing appropriate management and control systems for the main risks and the related controls.

Many actors are therefore involved in the ICRMS: corporate bodies (e.g., the Board of Statutory Auditors and the Supervisory Board), control functions (e.g., Internal Audit, the Manager Responsible for Financial Reporting, etc.) and management, each according to the responsibilities assigned to them under the applicable legislation and regulatory requirements, Mundys' internal rules and regulations and the related best practices.

Risk management and internal control systems over financial information

The Internal Control and Risk Management System has been managed in respect with the provisions of Article 154-bis of the CFA and based on the Internal Control - Integrated Framework (the "COSO Report"), prepared by the Committee of Sponsoring Organisations of the Treadway Commission.

The process is regulated by the Internal Control System Guidelines on Financial Reporting approved by the Board of Directors on 14 February 2020 and is repeated every six months in the following phases:

a) *Identification of financial reporting risks*: assessment of qualitative and quantitative aspects concerning, firstly, the selection of significant companies to be included in the analysis, and then the classes of transaction and significant accounts. This selection activity requires:
   i) the determination of quantitative criteria with respect to the contribution in terms of operating performance and financial condition of the individual companies to the latest accounts and the selection rules, including minimum materiality thresholds;
   ii) the consideration of qualitative elements that might contribute to the inclusion of other entities or classes of transactions on the basis of the specific risks determined by the accounting implications of the transactions carried out by the above entities, or by the presence in the accounts of the latter of substantial amounts in terms of contribution to the consolidated financial statements in relation to items not considered in the above criteria.

Every material item of data/information is traced back to the accounting and administrative processes that originated it and the risks associated with the financial report assertions are identified (existence and occurrence of events, completeness, measurement and recognition, rights and obligations, presentation and reporting), together with the control activities designed to ensure that the information produced is correct.

b) *Assessment of financial reporting risks*: the risks are assessed in terms of potential impact on the basis of quantitative and qualitative indicators and assuming the absence of controls (at an inherent level). Risks are assessed at entity level, information technology level and process level. At entity level risks are related to the overall control environment (Code of Ethics, Model, Group Anticorruption Policy, anti-fraud programs, whistleblowing Reporting Team and system) and to defective information systems. At process level, financial reporting risks (underestimation, overestimation, inaccuracy, etc.) are analysed with reference to the activities that make up the processes.

c) *Identification of controls for the risks detected*: the risks detected are addressed through controls capable of mitigating them, both at entity level and at process level. Key controls are determined, according to risk-based and top-down controls; such controls are deemed necessary to ensure with reasonable certainty the prevention and timely identification of material errors in financial reporting.

d) *Assessment of controls in relation to identified risks*: assessment of the identified controls in terms of adequacy (effectiveness of control design) and in terms of effective application. Effective application is tested through specific activities by the management responsible for implementing such controls and, to ensure the effective assessment and consistent design of the control system, by the office of the Manager Responsible of Mundys and leading external advisors.

The assessment procedure is chosen on the basis of the underlying risk: this choice takes into account the complexity of the control, the type of control (manual or automatic), the level of judgment required during the process and the dependence of the control on the functionality of other controls.

At the end of the monitoring activity, any deficiencies or problems are tested for significance.

The Manager Responsible for Financial Reporting will, at least every six months, bring to the attention of the Audit, Risk and Corporate Governance Committee the results of the activities performed (the adequacy of the administrative and accounting procedures, and their effective application) in view of the issue of the attestations provided for by article 154-*bis* of the CFA. Such results are also brought to the attention of the Parent Company's Board of Directors and the Board of Statutory Auditors.

Roles and departments involved

The Manager Responsible for Financial Reporting is responsible of the internal control system on financial reporting. In particular:

a) is responsible for ensuring the preparation and update of the administrative and accounting procedures necessary to prepare the annual financial statements, the six-monthly condensed financial statements and the consolidated financial statements, as well as any other periodic financial reports;

b) must comply with article 154-bis by issuing the attestations required by the applicable laws and regulations.

In performing these duties, the Manager Responsible for Financial Reporting relies on the Financial Reporting office and leading external experts:

a) monitoring and upgrade phases;

b) reviewing the design and effectiveness of controls;

c) fostering the necessary synergies with Mundys' Risk & Compliance unit and the Chief Information Officer & Digital Transformation in conducting checks on the internal control and risk management system and IT to ensure that the process is effective and efficient;

d) ensuring for the significant companies, with the support of subsidiaries' competent departments, the upgrade, implementation and monitoring in terms of adequacy and effective application of the procedures falling within the purview of the Manager Responsible for Financial Reporting.

Following the delisting, the Board of Directors' resolution dated 22 December 2022 confirmed Italy as the member state of origin and the Chief Financial Officer's role as Manager Responsible for Financial Reporting pursuant to art. 154-*bis* of the CFA.

Organisational, management and control model pursuant to legislative decree 231/2001 and the supervisory board

Mundys has adopted an Organisational, Management and Control Model to prevent commission of the offences set forth in Legislative Decree 231/01 (231 Model) and, over time, has updated it in line with regulatory and organisational changes and the related best practices, including the guidelines published by Confindustria.

The 231 Model consists of:

- a General Section, describing the essential elements of the Model itself, in terms of the inspiring principles and operating methods adopted for its development and updating; the requirements and distinctive features of the body responsible for supervising its operation and compliance; the disciplinary system defined by the Company as well as the methods for disseminating the Model;
- the Special Sections, arranged by company process, which containing the "Protocols", i.e. the set of control and conduct principles deemed suitable to govern the processes and activities for which a potential risk of commission of the crimes and administrative offences pursuant to Legislative Decree 231/2001 has been identified;
- the Annexes, containing a list of the crimes and administrative offences relevant under Legislative Decree 231/2001 and the company procedures relating to processes and activities at risk. On 10 June 2021, the Company's Board of Directors appointed a Supervisory Board for the three-year period from 1 July 2021 to 30 June 2024. The Supervisory Board has three members, including an internal member (the General Counsel) and two external members. During 2022, the role of internal member was assigned to the Chief Risk Officer.

The Supervisory Board meets periodically to monitor the adequacy and effective implementation of the Model and reports to the Company's Audit, Risk and Corporate Governance Committee, the Board of Directors and the Board of Statutory Auditors on the activities carried out, with regard to both updating of the Model and its monitoring activities.

Similar internal control systems relating to Legislative Decree 231/01 have been adopted by the subsidiaries based in Italy, while foreign companies have adopted control models consistent with the applicable regulations.

Internal Audit activities

The Internal Audit department operates as a third level of control, acting independently and objectively with the aim of improving and protecting the Company's value by providing assurance, advisory and objective risk-based analysis.

The Internal Audit department has the role of assessing whether or not the Internal Control and Risk Management System is fit for purpose and adequate in respect of the organisation's size and operations.


Image taken from Mundys' institutional
communications campaign

It verifies that management has identified the significant risks, that these have been assessed using consistent criteria and that appropriate mitigation responses have been devised and implemented. It also verifies that risks are managed in accordance with the guidelines drawn up by the Board of Directors, external regulations and the Group's internal rules.

The Head of Mundys' Internal Audit reports to the Board and, on its behalf, to the Chairman, has direct access to all useful information the for the performance of its duties and is provided with the necessary resources for the task at hand.

The purposes, powers and responsibilities of Mundys' Internal Audit department, in compliance with the international standards for internal auditors, are defined in the Audit Charter approved by the Board of Directors.

Within the Group, in addition to Mundys' Internal Audit department, the main operating companies have their own Internal Audit functions, equipped with appropriate resources to operate effectively in support of the management and oversight bodies of the respective companies. In this regard, Mundys' Internal Audit department provides methodological guidance to ensure the adoption of processes, methodologies and tools that are both consistent and in line with the Internal Audit International Standards and to promote continuous improvement. This is done whilst continuing to adhere to the principles of independence and autonomy of action and judgment of the individual departments. This covers a series of initiatives, such as for example digitalisation of the internal audit process and the adoption of continuous auditing techniques to monitor certain business processes, in part for the purposes of compliance with the Legislative Decree 231/01 and anticorruption regulations, already implemented by Mundys and at several group companies.

Code of Ethics

The Internal Control and Risk Management System is also based on Mundys' Code of Ethics, which has been extended to all Group companies, with the aim to promote a culture of healthy, fair and responsible approach to conducting business activities.

The Code applies to members of governance and control bodies, managers and employees of Mundys and its subsidiaries, third parties /business partners (such as, for example, suppliers, consultants, representatives, commercial partners, etc.), who work with or operate in the name or on behalf of and/or in the interests of the Group.

Mundys operates in accordance with environmental, social, ethical and governance principles that meet the very highest international standards. The company conducts the business with professional integrity and fairness, in compliance with the laws and regulations of the countries in which it operates. Through the Code of Ethics, Mundys actively commits to protecting human rights, workers' rights and the environment and to combatting corruption in line with the 10 principles in the "Global Compact", of which we are a member.

Anticorruption Policy

The Group is committed to preventing and combating every form of active or passive corruption practices involving public and/or private officials. As a factual demonstration of its commitment in this area, in addition to the Code of Ethics and the 231 Model, Mundys has adopted and over time updated the Anticorruption Policy, which has been extended to all the Group's Italian and foreign companies. The Policy:

- defines roles and responsibilities involved in fighting against corruption;
- identifies areas at risk, the tools available to employees and the rules of conduct that employees must adhere to in order to prevent and combat this risk;
- introduces, according to the requirements of the UNI ISO 37001, shared principles to conduct Corruption Risk Assessments and provides the option, in the event of suspected corruption practices or violations of the Policy, of carrying out "ad hoc" internal inquiries or investigations.

Protection of human rights

Mundys has established specific principles and rules of conduct designed to promote a culture of respect for these universally recognised rights, in line with the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights and the Declaration on Fundamental Principles and Rights at Work (ILO).

Mundys' *commitment* to respecting human rights is set out in the Code of Ethics, approved by the Board of Directors, which has been extended to subsidiaries. This explains what the Group expects of its employees, commercial partners and other parties directly connected with our activities, products or services.

To further strengthen the process for managing and monitoring the risks relating to respect for human rights, in 2022 Mundys carried out a process of identifying and assessing the potential impact of these risks and the related measures of prevention (*Human Rights Top Down Assessment*) across the Group's different businesses. This procedure involved Group companies accounting for 27% of consolidated revenues.

For each country and operating segment in which the Group operates and included in the assessment, an in-depth analysis of 12 topic areas considered relevant to business operations and the above international principles and conventions. The 12 topic areas analysed regarded: social security, fair remuneration, working hours, skills development and training, freedom of association, health and safety, forced labour, child labour, diversity and inclusion, harassment, respect for local communities and privacy.

The analysis was conducted in order to assess the potential exposure to the risk of violations of human rights and to analyse the key controls identified by the companies covered by the assessment (in terms of policy commitment, management system, projects/initiatives, monitoring and reporting). The analysis was performed according to the best due diligence practices, including the UN Guiding Principles on Business and Human Rights (UNGPs) and the Due Diligence Guidance for Responsible Business Conduct published by the Organization for Economic Co-operation and Development (OECD).

The controls analysed also regarded the supply chain with reference to the way in which subsidiaries assess and monitor their suppliers' performance to ensure that they operate in accordance with the applicable laws and the Group's principles on human rights, environmental protection and protection of the health and safety of employees and workplaces, and regarding sustainability.

Following the Human Rights Top-Down Assessment, a "Human Rights Framework" was adopted and many of initiatives launched (e.g., integration of the risks relating to human rights into the Enterprise Risk Management process). Further activities are being planned from the perspective of continuous improvement. The Framework, extended to subsidiaries and is published on Mundys' website (https://www.mundys.com/documents/37344/356823/Human+rights+framework+ENG.pdf).

In addition, as described in more detail below, a whistleblowing management system is present in each Group's subsidiaries to ensure that any potential violations of human rights are immediately intercepted, analysed and managed.

The whistleblowing process is a key element in the identification of adverse impact on human rights, providing all stakeholders with the opportunity to report if they have legitimate concerns about actual or potential adverse impacts in relation to the activities of the Company and its value chain.

Whistleblowing – Management of reports

In line with international best practices and in full compliance with the relevant legislation, Mundys has implemented a Whistleblowing management process.

The process is defined in the Whistleblowing Procedure, published on the Company's website, applicable to Mundys S.p.A. and its Italian and foreign subsidiaries. Application by subsidiaries takes into account the peculiarities of the relevant legislative framework and the need to adapt the procedure to their individual organizational context.

The procedure envisages a multidisciplinary Whistleblowing Committee within each Group company with responsibility for the reporting process.

Mundys' Whistleblowing Committee, established in 2020 and re-appointed by the Chairman in 2023, consists of the Internal Audit, Risk and Compliance Officer as Coordinator, the General Counsel, the Head of Human Capital & Organization and the Chief Financial Officer.

Mundys provides a range of alternative channels to enable anyone (internal or external stakeholders, including employees, suppliers, third parties and any other party) to submit a report (including anonymously) either in digital form (via e-mail or IT platform) or on paper, guaranteeing confidentiality and the necessary safeguards required by law.

In 2022, the Group received 544 reports and 93% of the cases were resolved, in one case with the support of specialist external investigators.

Distribution of reports by operating segment:

	No. of received reports	No. of related reports*	No. of related reports closed	No. of related reports under analysis	Founded reports as % of number received	No. of actions
Mundys	23	-	-	-	-	-
abertis	409	163	128	35	31%	58
Aeroporti di Roma	23	9	9	-	13%	12
Telepass	72	4	4	-	3%	4
Aeroport de la Cote d'Azur	-	-	-	-	-	-
Autostradale estero	15	11	10	1	13%	3
Yunex Traffic	2	2	2	-	100%	2
	544	189	153	36	24%	79

43% of the actions were closed

* Related reports are those falling within the scope of application of the Whistleblowing Procedure, substantiated and verifiable

Of the reports received, 13% included, partially, concerns relating to human rights (harassment, discrimination, health and safety), 0,4% included corruption cases and the others with primarily regarding other breaches of internal policies and conflicts of interest. The main actions taken regarded: reprimands and/or the termination of personnel within the Group, awareness-building and training initiatives, action regarding suppliers and other measures to strengthen the Internal Control and Risk Management System.

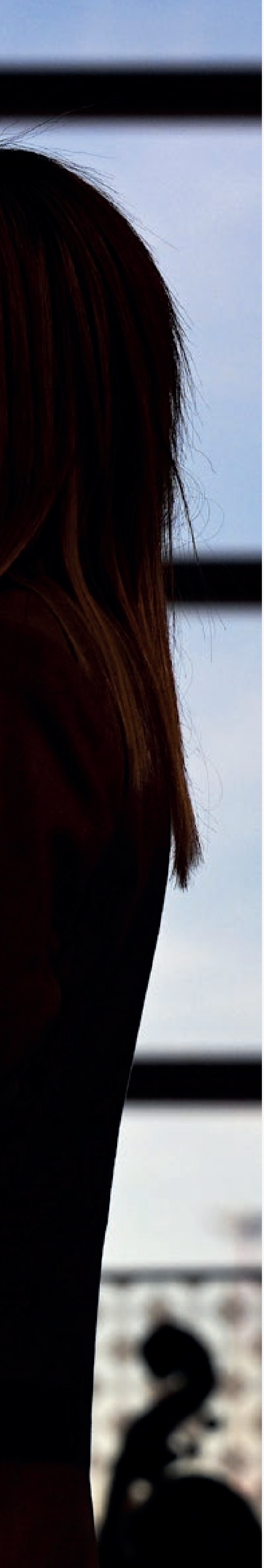
In addition, with regard to the internal audit activities of Mundys S.p.A. and its subsidiaries, specific analysis were carried out on observance of the Code of Ethics, with 40 initiatives undertaken, including 6 cases where an external specialized company was engaged..

Image taken from Mundys’ institutional communications campaign

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

Orchestra conductor Vanessa Benelli Mosell,
testimonial of the campaign of Mundys -
Leonardo da Vinci Airport in Fiumicino,
March 16th 2023



6. INTEGRATED PERFORMANCE 2022

6.1 Group financial performance

Introduction

The consolidated financial statements as of and for the year ended 31 December 2022 have been prepared on a going concern basis, applying the IFRS in effect at that date, with no significant changes with respect to those used in the consolidated financial statements as of and for the year ended 31 December 2021.

This section presents and analyses the reclassified profit & loss and the statement of changes in consolidated net debt for 2022, compared with the statements for 2021. It also includes the reclassified statement of financial position as of 31 December 2022, compared with the corresponding amounts as of 31 December 2021.

The Mundys Group's scope of consolidation has changed with respect to 31 December 2021 due to the following transactions:

- the sale of the stake in Autostrade per l'Italia on 5 May 2022 to the Consortium established by CDP Equity, Blackstone Infrastructure Partners and Macquarie European Infrastructure Fund 6 SCSp. The transaction was completed for a consideration of €8,199 million, including the ticking fee and other minor price adjustments provided for in the related agreement. The sale triggers the release of guarantees for €4,478 million provided by Mundys for certain series of bonds and loans from the European Investment Bank. The deconsolidation of the ASPI group resulted in recognition of the group's contribution through to the transaction date, together with the gain on the sale, in the "Profit/(Loss) from discontinued operations";
- the acquisition from Siemens Mobility, on 30 June 2022, of a 100% stake in Yunex Traffic, a German-registered company that is the global leader in the innovative Intelligent Transport Systems and Smart Mobility sector. The sale was completed for a consideration of €931 million, subject to price adjustments provided for in the purchase agreement.

Further details of the two transactions are provided in notes 6.1 and 6.2 to the consolidated financial statements as of and for the year ended 31 December 2022.

The comparison between income statement amounts for 2022 and 2021 is affected by expiry of the concessions held by Acesa and Invicat in Spain in August 2021 and by Autopista del Sol in Chile in March 2022.

Image of Mundys' institutional communications campaign - Leonardo da Vinci Airport in Rome

Reclassified consolidated Profit & Loss

€M	2022	2021 (reformulated)*	Change	
			Absolute	%
Motorway toll revenues	5,366	4,970	396	8%
Aviation revenues	598	294	304	ns
Other revenues	1,463	1,127	336	30%
Revenues	**7,427**	**6,391**	**1,036**	**16%**
Cost of materials and external services	-1,929	-1,511	-418	28%
Personnel costs	-1,007	-769	-238	31%
Change in provisions	7	-82	89	ns
Costs	**-2,929**	**-2,362**	**-567**	**24%**
EBITDA	**4,498**	**4,029**	**469**	**12%**
D&A	-3,028	-4,269	1,241	-29%
EBIT	**1,470**	**-240**	**1,710**	**ns**
Financial expenses, net	-835	-736	-99	13%
Profit/(loss) on equity method investments	29	-42	71	ns
EBT	**664**	**-1,018**	**1,682**	**ns**
Income tax benefits/(expenses)	-421	474	-895	ns
Profit/(Loss) from continuing operations	**243**	**-544**	**787**	**ns**
Profit from discontinued operations, net	5,824	926	4,898	ns
Profit	**6,067**	**382**	**5,685**	**ns**
Profit attributable to non-controlling interests	276	-244	520	ns
Profit attributable to owners of the parent	**5,791**	**626**	**5,165**	**ns**

* See note 2.1 to the consolidated financial statements.

Revenues amount to €7,427 million, an increase of €1,036 million (16%) compared with 2021 (€6,391 million).

Motorway toll revenues of €5,366 million are up €396 million compared with 2021 (€4,970 million). This primarily reflects traffic growth recorded by the Group's motorway operators (€690 million) and the positive impact of exchange rates (€162 million), after the reduction in revenue resulting from expiry of the concessions held by Acesa, Invicat and Autopista del Sol (€456 million).

Aviation revenues of €598 million are up €304 million compared with 2021, reflecting traffic growth at Aeroporti di Roma (up 134.7%) and Aeroports de la Cote d'Azur (up 85.3%).

Other revenues, amounting to €1,463 million, are up €336 million (30%) compared with 2021, primarily reflecting the Yunex Traffic group's contribution from 1 July 2022 (€351 million). It should be noted that, in 2021, Aeroporti di Roma recognised non-recurring revenues of approximately €219 million relating to receipt of a grant from the Covid aid fund, offset in 2022 by growth in airport non-aviation revenues and an increase in the fees charged to business and consumer customers by Telepass.

Costs of €2,929 million are up €567 million compared with 2021 (€2,362 million). This reflects increases in the cost of materials and external services and in personnel costs mainly due to airport and motorway traffic growth (€252 million), after a reduction in costs for the expiry of certain motorway concessions (€88 million), the contribution from Yunex Traffic (€334 million) and the exchange rate impacts (€61 million).

EBITDA of €4,498 million is up €469 million (+12%) compared with 2021 (€4,029 million).

D&A, totalling €3,028 million, are down €1,241 million compared with 2021. This essentially reflects a €894 million reduction in impairment losses on intangible assets and a €340 million decline in amortisation following the expiry of the above mentioned Spanish concessions in 2021. In 2022, a partial impairment of the goodwill attributed to Yunex Traffic was recognised (€175 million), as long as a partial impairment of the intangible assets (concession rights) of the Italian operator, A4 (€38 million). In 2021, on the other hand, impairment losses on intangible assets affected the Brazilian concessions held by Arteris (€723 million) and Aeroport de la Cote d'Azur (€384 million).

EBIT of €1,470 million is up €1,710 million compared with 2021 (negative EBIT of €240 million).

Financial expenses, net of €835 million are up €99 million compared with 2021 (€736 million), essentially reflecting:

- a €142 million increase in interest expense, due primarily to a rise in inflation-linked interest rates affecting the Arteris group's Brazilian operators;
- increased gains on derivative financial instruments (€97 million), essentially linked to fair value gains on Forward-Starting Interest Rate Swaps entered into by Mundys and Azzurra Aeroporti following the rise in interest rates;
- reduced financial income from the discounting to present value of concession rights (down €147 million) due essentially to expiry of the concessions held by Acesa and Invicat, offset by the partial release (up €73 million) of a liability linked to a financial guarantee provided by Iberpistas to a bank.

EBT amounts to €664 million for 2022 (negative EBT of €1,018 million in 2021).

Income tax benefits/(expenses) of €421 million are up €895 million compared with 2021 (a tax benefit of €474 million), essentially due to:

- income tax increase (€227 million) due to the higher pre-tax profit compared with the previous year;
- the release of deferred tax assets in 2022 mainly referred to tax losses (€177 million) respect to the increase in 2021 (€277 million) due to the tax losses registered from certain subsidiaries;

The **Profit from discontinued operations, net** for 2022 amounts to €5,824 million (€926 million in 2021) and includes the contribution from the ASPI group until the sale date (€526 million) and the gain resulting from its deconsolidation (€5,304 million, after taxes and transaction costs).

Profit totals €6,067 million (€382 million in 2021), with €5,791 million attributable to owners of the parent (€626 million in 2021).

Profit attributable to non-controlling interests totals €276 million and includes the ASPI group's contribution for the first five months of 2022 (€69 million).

Reclassified consolidated statement of financial position

€M	31 Dec. 2022	31 Dec. 2022 (reformulated*)	Change
Intangible assets (concession rights)	34,723	35,127	-404
Goodwill and trademarks	8,978	8,441	537
Property, plant and equipment, other intangible assets	1,476	1,094	382
Investments	1,264	1,929	-665
Working capital	263	888	-625
Provisions and commitments	-2,394	-2,372	-22
Deferred tax liabilities, net	-5,179	-4,842	-337
Other non-current assets and liabilities, net	-206	-225	19
Non-financial assets and liabilities held for sale	12	11,308	-11,296
NET INVESTED CAPITAL	**38,937**	**51,348**	**-12,411**
Equity attributable to owners of the parent	13,844	8,140	5,704
Equity attributable to non-controlling interests	7,602	7,930	-328
Equity	**21,446**	**16,070**	**5,376**
Bond	25,940	24,318	1,622
Medium/long-term borrowings	9,037	11,019	-1,982
Other financial liabilities	1,205	1,761	-556
Cash and cash equivalents	-14,475	-6,053	-8,422
Other financial assets	-2,014	-1,653	-361
Net debt related to assets held for sale	-	9,154	-9,154
Net financial debt	**19,693**	**38,546**	**-18,853**
Financial assets (concession rights)	-2,202	-3,268	1,066
Net debt	**17,491**	**35,278**	**-17,787**
EQUITY AND NET DEBT	**38,937**	**51,348**	**-12,411**

* See note 2.1 to the consolidated financial statements.

Net invested capital amounts to €38,937 million (€51,348 million as of 31 December 2021) and is down €12,411 million compared with 31 December 2021, essentially due to deconsolidation of the ASPI group.

As of 31 December 2022, **intangible assets (concession rights)**, amounting to €34,723 million, are down €404 million. This primarily reflects:

- amortisation of €2,495 million;
- exchange rate impacts of the stronger Brazilian real and Mexican peso against the euro, amounting to €1,268 million;
- investment of €857 million.

Goodwill and trademarks, amounting to €8,978 million, are up €537 million compared with 31 December 2021 (€8,441 million), reflecting goodwill (€422 million) and the trademark (€72 million) resulting from the acquisition of Yunex Traffic, as well as the impact of the stronger Mexican peso against the euro on goodwill attributable to the operator, RCO (€52 million).

Property, plant and equipment and other intangible assets amount to €1,476 million, an increase of €382 million compared with 31 December 2021 (€1,094 million), primarily reflecting the contribution from the Yunex group (€292 million).

Investments, amounting to €1,264 million, are down €665 million compared with 31 December 2021 (€1,929 million), essentially following the sale of Hochtief (€798 million), partially offset by Getlink evaluated with the equity method (€166 million).

Working capital of €263 million is down €625 million compared with 31 December 2021 (€888 million). This primarily reflects the recognition of trade payables due by Telepass to ASPI following the latter's deconsolidation in 2022 (€546 million) and AdR's collection of the grant from the "Covid aid fund" (€219 million).

Equity amounts to €21,446 million (€16,070 million as of 31 December 2021), an increase of €5,376 million due to:

- profit of €6,067 million;
- other comprehensive income of €1,244 million, including positive changes in the cash flow hedge reserve (€685 million) and the exchange rates reserve (€682 million), partially offset by fair value losses on the sale of Hochtief (€220 million);
- the payment of dividends to Mundys' shareholders (€606 million) and to non-controlling shareholders (€558 million);
- the reduction in equity attributable to non-controlling interests following deconsolidation of the ASPI group (€712 million).

Statement of changes in consolidated net debt

€M	2022	2021
Net debt at the beginning of the year	**35,278**	**39,275**
FFO	-3,268	-3,913
Capex	1,649	2,092
M&A transactions	-16,326	-1,486
Deconsolidation of the ASPI group's net debt	*-8,480*	-
Sale of ASPI	*-8,199*	-
Sale of Hochtief	*-578*	*-430*
Sale of 49% stake in Telepass	-	*-1,056*
Acquisition of Yunex	*931*	-
Dividends to Mundys' shareholders	606	-
Dividends to non-controlling shareholders	558	413
Changes in perpetual subordinated (hybrid) bonds	60	-675
Change in fair value of hedging derivatives	-925	-181
Effect of foreign exchange rate movements on net debt	510	213
Change in net working capital and other changes	-651	-460
(Increase)/Decrease in net debt for the year	**-17,787**	**-3,997**
Net debt at the end of the year	**17,491**	**35,278**

Net debt amounts to €17,491 as of 31 December 2022, a reduction of €17,787 million compared with 31 December 2021 (€35,278 million). In addition to FFO for the year net of capex, this reflects the impact of extraordinary transactions (a reduction of €16,326 million). FFO and Capex reflect the lower contribution from the ASPI Group, which was deconsolidated in May 2022.

The following main changes in financial liabilities have taken place:

- **bonds** have risen €1,622 million, essentially following issues by HIT (€1,000 million), Elizabeth River Crossing (€536 million) for the prepayment of bond (€587 million), Fernão Dias (€179 million) and Arteris (€176 million) and negative exchange rate impacts (€590 million);
- **medium/long-term borrowings** have fallen €1,982 million following repayments made by Sanef (€677 million), Abertis Infraestructuras (€630 million) and SAPN (€407 million). Mundys' €750 million Term Loan was also refinanced and its term to maturity extended until October 2024, with the term extendable at the Company's discretion until April 2026;
- **other financial liabilities** have declined €556 million, essentially following repayment of the acquisition financing of A4 (€582 million);
- **perpetual subordinated (hybrid) bonds** report a negative movement of €735 million following the issue in 2021 and accrued interest expense for 2022.

As of 31 December 2022:

- the residual weighted average maturity of the Group's debt is five years and two months (five years and eight months as at 31 December 2021);
- fixed rate debt represents 69.4% of the total (70.5% after hedging); Variable rate debt includes inflation-linked debt and debt in currencies Unidad de Fomento (Chile) and Unidades de Inversion (Mexico).
- average cost of debt in 2022, including hedging instruments, is 4.4%.

As of 31 December 2022, Group cash is at €21,111 million, of which:

- €14,475 million in cash and/or investments maturing in the short term, (€8,457 million at Mundys);
- €6,636 million in available committed credit facilities, having an average residual availability period of two years and five months. With regard to the committed facility obtained by Mundys in October 2022, amounting to €1,500 million, it is worth noticing that €750 million were drawn on 5 October and additional €163 million will be drawn on 5 April 2023. The remaining €587 million are available until 5 July 2023.

6.2 Segment performance

Abertis group

Abertis manages over 7,800 kilometres of motorway via 33 concessions in ten countries. It should be noted the expiry of the concessions held by Acesa and Invicat in Spain amounting to 545 km, at the end of August 2021, the concession held by Autopista del Sol in Chile amounting to 133 km, at the end of March 2022 and the concession held by Elqui in Chile, amounting to 229 km, at the end of December 2022.

The Abertis group's traffic on a like for like basis rose by 8.1% in 2022 compared with 2021, as shown in the following breakdown by country.

	Number of concessions	Kilometres operated	Traffic (millions of km travelled)		
			2022	2021	% change
Brazil	7	3,200	21,249	20,592	3.2%
France	2	1,769	16,378	14,793	10.7%
Chile	5	640	6,402	5,768	11.0%
Italy	1	236	5,565	5,054	10.1%
Argentina	2	175	5,751	4,866	18.2%
Mexico	5	1,011	5,306	4,934	7.6%
Spain	6	561	3,428	3,122	9.8%
Puerto Rico	2	90	2,250	2,257	-0.3%
India	2	152	1,516	1,351	12.2%
USA	1	12	151	149	1.4%
Total	**33**	**7,846**	**67,996**	**62,886**	**8.1%**

Note: on a like-for-like basis of comparison (Spain does not include Acesa and Invicat; Chile does not include Autopista del Sol)

The tariff revisions applied in 2022, as well as those approved for the period after 31 December 2022 and already approved at the date of preparation of this document, are shown below.

		2022		2023	
		Entry into effect	% change	Entry into effect	% change
France	Sanef	1 Feb 2022	*+1.9 %*	1 Feb 2023	*+ 4.5 %*
	Sapn	1 Feb 2022	*+2.1 %*	1 Feb 2023	*+ 4.8 %*
Spain	Avasa	1 Jan 2022	*+2.0 %*	1 Jan 2023	*+ 8.4 %*
	Aulesa	1 Jan 2022	*+2.0 %*	1 Jan 2023	*+ 8.4 %*
	Castellana	1 Jan 2022	*+2.8%*	1 Jan 2023	*+ 8.4 %*
	Aucat	1 Jan 2022	*+5.4 %*	1 Jan 2023	*+ 7.3 %*
	Tunels	1 Jan 2022	*+5.4 %*	1 Jan 2023	*+ 7.0 %*
	Trados-45 (1)	1 Jan 2022	*+5.4 %*	-	-
Brazil	Via Paulista	25 Nov 2022	*+7.2 %*	-	-
	Fluminense	20 Jun 2022	*+8.4 %*	-	-
	Régis Bittencourt	20 Feb 2022	*+10.4 %*	9 Mar 2023	*+3.6%*
	Intervías	16 Dec 2022	*+10.7 %*	-	-
	Planalto Sul (1)	20 Feb 2022	*+11.5 %*	-	-
	Litoral Sul	26 Dec 2022	*+14.8 %*	-	-
	Fernão Dias	29 Jun 2022	*+17.8 %*	9 Mar 2023	*+4.2%*
Chile	Rutas del Pacífico	1 Jan 2022	*+6.5 %*	1 Jan 2023	*+10.0%*
	Libertadores	1 Feb 2022	*+6.6 %*	1 Feb 2023	*+10.1%*
	Rutas del Elqui	1 Jan 2022	*+6.7 %*	/	/
	Autopista Central	1 Jan 2022	*+6.7 %*	1 Jan 2023	*+16.8%*
	Andes	1 Jan 2022	*+10.2 %*	10 Jan 2023	*+16.5%*
Mexico	Coviqsa	1 Jan 2022	*+7.4 %*	1 Jan 2023	*+ 7.8 %*
	Conipsa	1 Jan 2022	*+6.8 %*	1 Jan 2023	*+ 7.4 %*
	RCO-FARAC	15 Feb 2022	*+8.1 %* *+7.0%*	-	-
	Autovim	15 Feb 2022	*+7.4 %*	15 Jan 2023	*+7.8 %*
	Cotesa	15 Feb 2022	*+10.5 %*	1 Feb 2023	*+ 11.1 %*
Argentina	Ausol (1)	17 Feb 2022	*+26.4%*	-	-
	GCO (1)	17 Feb 2022	*+26.4%*	-	-
India	JEPL	1 Sep 2022	*+14.6%*	-	-
	TTPL	1 Sep 2022	*+14.6%*	-	-
Puerto Rico	APR	1 Jan 2022	*+1.2%*	1 Jan 2023	*+ 1.4 %*
	Metropistas	1 Jan 2022	*+2.9%*	1 Jan 2023	*+ 8.5 %*
USA	ERC	1 Jan 2022	*+5.6 %*	1 Jan 2023	*+9.1%*

(1) Tariffs in the process of being finalised

Abertis group	2022	2021	change	% change
Traffic (millions of km travelled) on like-for-like basis	67,996	62,886	5,111	*8,1%*
Average exchange rate (currency/€)				
Brazilian real	5,44	6,38	-	*+17%*
Chilean peso	917,83	898,39	-	*-2%*
Mexican peso	21,19	23,99	-	*+13%*
US dollar	1,05	1,18	-	*+12%*

€M				
Operating revenue	5,096	4,854	242	*5%*
EBITDA	3,531	3,350	181	*5%*
FFO	1,987	2,096	-109	*-5%*
Capex	873	652	221	*34%*

	31,12,2022	31,12,2021	Variazione	Variazione %
Net financial debt*	22,547	23,958	-1,411	*-6%*
Regulatory financial assets (concession rights)	1,000	1,872	-872	*-47%*
Net debt	**21,547**	**22,086**	**-539**	***-2%***

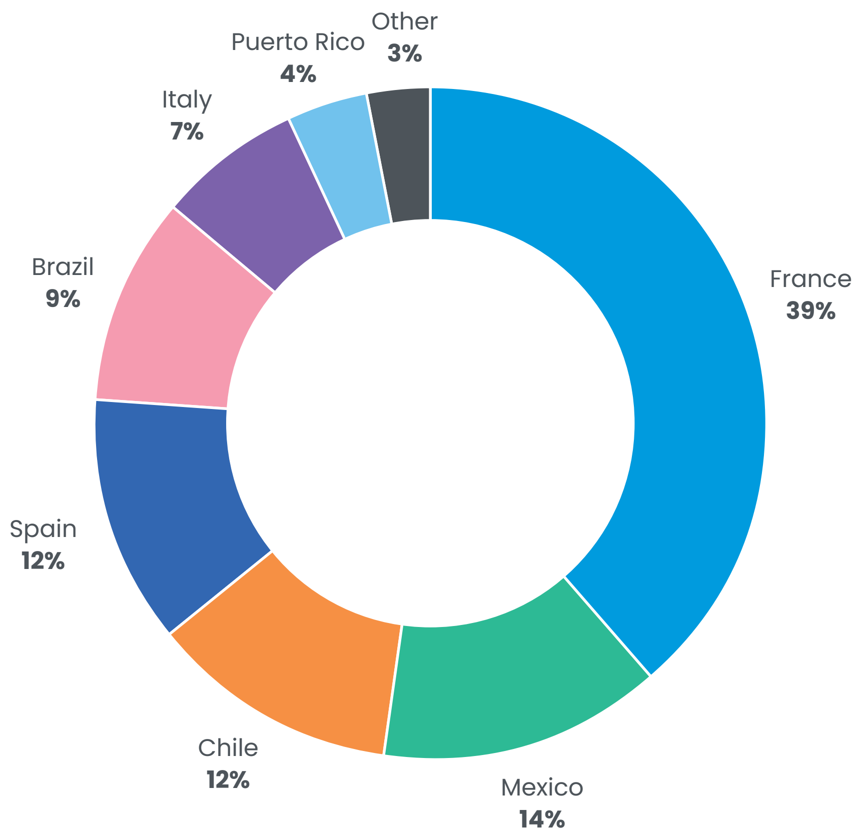
** Does not include €2 billion in hybrid financial instruments classified in equity under IFRS.*

Revenue amounts to €5,096 million, an increase of €242 million (+5%) compared with 2021. This reflects the combined effect of an upturn in traffic (up 8.1% on a like-for-like basis), the toll increases applied (5% on average) and foreign exchange effects (€126 million), partially offset by changes in scope linked to expiry of the concessions held by Acesa and Invicat in Spain and Autopista del Sol in Chile.

EBITDA amounts to €3,531 million, an increase of €181 million (+5%) compared with 2021. This primarily reflects the above traffic growth, the toll increases and the positive impact of foreign exchange movements, offset by the change in scope and an increase in operating costs linked directly to the increase in traffic, above all in France and Italy.

€M	Ebitda			
Country	2022	2021	change	% change
France	1,367	1,195	172	*14%*
Mexico	488	365	123	*34%*
Chile	439	394	45	*11%*
Spain	414	721	-307	*-43%*
Brazil	340	257	83	*32%*
Italy	242	209	33	*16%*
Puerto Rico	136	117	19	*16%*
USA	57	42	15	*36%*
Argentina	29	22	7	*32%*
India	28	22	6	*27%*
Other activities	-9	6	-15	*n.a.*
Total	**3,531**	**3,350**	**181**	***5%***

Country-by-country breakdown of EBITDA for 2022



FFO for 2022 amounts to €1,987 million, a reduction of €109 million (-5%) compared with 2021, primarily reflecting the above changes in scope. The figure also reflects an increase in financial expenses (partly due to higher inflation) and the increased taxation (primarily linked to the collection of compensation for investment carried out by Acesa), only partially offset by the improved operating performance for the period.

Capex amounted to €873 million in 2022 (€652 million in 2021) and primarily regards Brazil (the Contorno di Florianopolis project), France (the Plan de Relance and Plan d'Investissment Autoroutier programmes), Italy (Valtrompia) and Mexico, as shown below:

€M	CAPEX	
Country	2022	2021
Brazil	407	284
France	219	229
Italy	101	75
Mexico	85	15
Chile	20	17
Spain	17	19
Other activities	24	13
Total	**873**	**652**

Net financial debt amounts to €22,547 million as of 31 December 2022, a reduction of €1,411 million compared with 31 December 2021 (€23,958 million). This is primarily due to a combination of the following:

- FFO net of capex, totalling €1,114 million in 2022;
- collection from the Grantor of €1,070 million as compensation for investment carried out by Acesa and of €149 million by Invicat and Aucat;
- an improvement in the market value of the group's derivatives (€402 million);
- the payment of dividends to shareholders by Abertis HoldCo (€594 million);
- the impact of negative FX effects (€560 million) on the value of foreign currency debt.

In 2022, the Abertis group:

- issued bonds totalling €1,891 million, including those issued by HIT (€1,000 million), Elizabeth River Crossing (€536 million), Fernao Dias (€179 million) and Arteris Brasil (€176 million);
- repaid bond and borrowings for €2,949 million, primarily relating to Sanef and SAPN (€1,084 million), Abertis Infraestructuras (€630 million) and bond of Elizabeth River Crossing (€587 million);
- entered into pre-hedge Interest Rate Swaps for Abertis Infraestructuras (a notional value of €3,991 million) to manage interest rate risk on bonds expected to be issued between 2024 and 2027) and for HIT (a notional value of €600 million) to manage interest rate risk on bonds expected to be issued between 2025 and 2026.

It should be noted that as at 31 December 2022, regulatory financial asset due to the Abertis group amount to €1,000 million and primarily regard the operators in Spain (approximately €626 million), Brazil (approximately €133 million) and Argentina (approximately €106 million). These are down €872 million compared with 31 December 2021 following collections from the Grantor for investment carried out by Acesa, Invicat and Aucat.

As of 31 December 2022, the Abertis group has cash reserves of €8,687 million, consisting of:

- €4,041 million in cash and/or investments maturing in the short term;
- €4,546 million in committed revolving credit facilities with an average residual drawdown period of approximately two years and four months.

At the date of preparation of this document, covenants containing default provisions in the Abertis group's loan agreements have all been complied with.

Events after 31 december 2022

- On 11 January 2023, HIT issued bonds worth €500 million with a term of 7 years. The proceeds from the transaction will be used to refinance bonds maturing in March 2023;
- on 31 January 2023, Abertis Infraestructuras issued sustainability-linked bonds worth €600 million with a term of 6.6 years. The proceeds from the transaction will be used to refinance bonds maturing in June 2023.

Other overseas motorways

Mundys operates approximately 1,500 kilometres of motorway via 12 concessions in Brazil, Chile and Poland. In 2022, overseas motorway traffic grew by 10.4% compared with 2021, as shown in the table below.

Country	Number of concessions	Kilometres operated	Traffic (millions of km travelled)		
			2022	2021	Var.%
Brazil	3	1,121	4,643	4,223	*+10.0%*
Chile	8	327	4,207	3,785	*+11.2%*
Poland	1	61	1,040	953	*+9.1%*
Total	**12**	**1,509**	**9,890**	**8,961**	***+10.4%***

In August 2022, the Brazilian operator, Triangulo do Sol Auto-Estradas (442 km) and the Government of the State of Sao Paulo signed an addendum extending the concession term until 30 April 2023 to partially offset regulatory adjustments. In September 2022, the process of selecting the new operator was concluded with the award of the concession to Ecorodovias. Talks between Triangulo do Sol and the Grantor are underway with a view to recovering additional outstanding regulatory adjustments.

The tariff revisions applied in 2022, as well as those approved for the period after 31 December 2022 and already approved at the date of preparation of this document, are shown below.

		2022		2023	
		Entry into effect	% change	Entry into effect	% change
Brazil	Rodovia MG050	*13 Jun 2022*	*+12.1%*	-	-
	Rodovias das Colinas	*16 Dec 2022*	*+10.7%*	-	-
	Triangulo do Sol	*16 Dec 2022*	*+10.7%*	-	-
Chile	Costanera Norte	*1 Jan 2022*	*+ 6.7 %*	*1 Jan 2023*	*+13.3%*
	Vespucio Sur	*1 Jan 2022*	*+ 6.7 %*	*1 Jan 2023*	*+13.3%*
	Nororiente	*1 Jan 2022*	*+ 10.4 %*	*1 Jan 2023*	*+17.3%*
	AMB	*1 Jan 2022*	*+ 8.3 %*	*1 Jan 2023*	*+15.0%*
	Los Lagos	*1 Jan 2022*	*+ 6.7 %*	*1 Jan 2023*	*+13.3%*
	Litoral Central	*1 Jan 2022*	*+ 6.7 %*	*1 Jan 2023*	*+13.3%*
Poland	Stalexport Autostrada Malopolska	*4 Jul 2022*	*between +8.3% and +14.3% based on class of vehicle*	-	-

Postponement of the tariff increase for the operators Triangulo do Sol and Rodovias das Colinas until 16 December 2022, instead of 1 July 2022 as provided for under the respective concession arrangements, was offset by bi-monthly payments to operators from the Grantor until the contractual increase came into force.

With regard to tariff increases for 2023 applicable to the Chilean operators, in view of the exceptionally high inflation rate (13.3%), on 15 December 2022, the Grantor (the Ministry of Public Works) issued a decree designed to ease the impact of the tariff increases on road users. This involved the gradual application of the tariff increase, authorising an increase based on 50% of the inflation-linked amount (6.65%) from 1 January 2023, with the remaining 50%, in addition to any real increases provided for under the respective concession arrangements, applied from 1 July 2023. Operators will be compensated for the revenue shortfall in the first half of 2023 through payments from the Grantor by the end of 2023.

Other overseas motorways	2022	2021	change	% change
Traffic (millions of km travelled)	9,890	8,961	930	*+10.4%*
Average exchange rate (currency/€)				
Brazilian real	5,44	6,38	-	*+17%*
Chilean peso	917,83	898,39	-	*-2%*
Polish zloty	4,69	4,57	-	*-3%*
€M				
Revenue	729	569	160	*+28%*
EBITDA	511	402	109	*+27%*
FFO	505	386	119	*+31%*
Capex	99	74	25	*+34%*

	31 Dec. 2022	31 Dec. 2021*	change	% change
Net financial debt	-7	100	-107	*-107%*
Regulatory financial assets (concession rights)	1,187	977	210	*21%*
Net debt	**-1,194**	**-877**	**-317**	***36%***

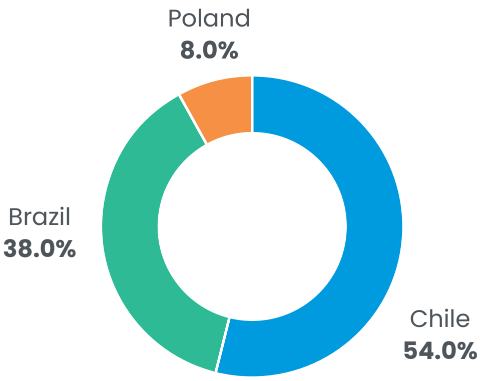
* Compared to the figure published in the 2021 Annual Integrated Report, the net financial debt as at 31.12.2021 is now shown taking into account the compensation of the financial debt of Costanera Norte towards the Ministry of Public Works with the related financial concession right connected to the investments made for the " Santiago Centro Oriente Programme" (hereinafter "CC7")

Revenue for the other overseas motorways amounts to €729 million, an increase of €160 million (28%) compared with 2021. This primarily reflects traffic growth (+10.4%), the toll increases applied and the stronger Brazilian real (€43 million).

EBITDA amounts to €511 million, an increase of €108 million (27%) compared with 2021. This reflects revenue growth, partially offset by an increase in operating costs due to both the stronger Brazilian real and maintenance costs and provisions for repair of the infrastructure managed by the Polish operator in accordance with the plan for the handback of the concession in 2027.

Country-by-country breakdown of EBITDA in 2022

€M	Ebitda			
Country	2022	2021	change	% change
Chile	276	232	44	*+19%*
Brazil	195	126	69	*+55%*
Poland	40	45	-5	*-11%*
Total	**511**	**402**	**109**	***+27%***



FFO amounts to €505 million, an increase of €119 million (31%) compared with 2021, primarily reflecting the improved operating performance, in addition to the increased contribution from financial income/(expenses), partly due to an improvement in the overall financial position.

Capex amounted to €99 million in 2022, an increase of €25 million compared with 2021 (€74 million). This primarily reflects work on widening the motorway operated by Rodovia MG 050 (€16 million), in addition to work relating to construction of the northern section of the road connecting Santiago in Chile with the city's international airport (approximately €10m), offset by the increased amount paid in 2021 as compensation for expropriations by the Chilean company, Concesión Américo Vespucio Oriente II (€11 million).

€M	CAPEX	
Country	2022	2021
Chile	52	50
Brazil	31	14
Poland	16	10
Totale	**99**	**74**

Net financial debt is negative and amounts to €7 million as of 31 December 2022 compared with a positive net financial debt in 2021 (€100 million). This reflects the improved operating performance, offset by capex and the dividends paid to non-controlling shareholders (€94 million paid by the Chilean holding company, Grupo Costanera, and €14 million by Stalexport).

Finally, the Chilean operators have recognised regulatory financial assets of €1,187 million as of 31 December 2022 under their concession arrangements, marking an increase compared with 31 December 2021 (€977 million). These primarily reflect the impact of adjusting for inflation on Costanera Norte, Conexión Vial Ruta 78 and Hasta Ruta 68 recognised in accordance with the financial model and the effect of the revaluation of financial assets.

As of 31 December 2022, the companies have cash reserves of €559 million, consisting of:

- €519 million in the form of cash and/or investments maturing in the short term;
- €40 million in committed credit facilities with an average residual drawdown period of approximately one year and four months.

At the date of preparation of this document, covenants containing default provisions in loan agreements have all been complied with.

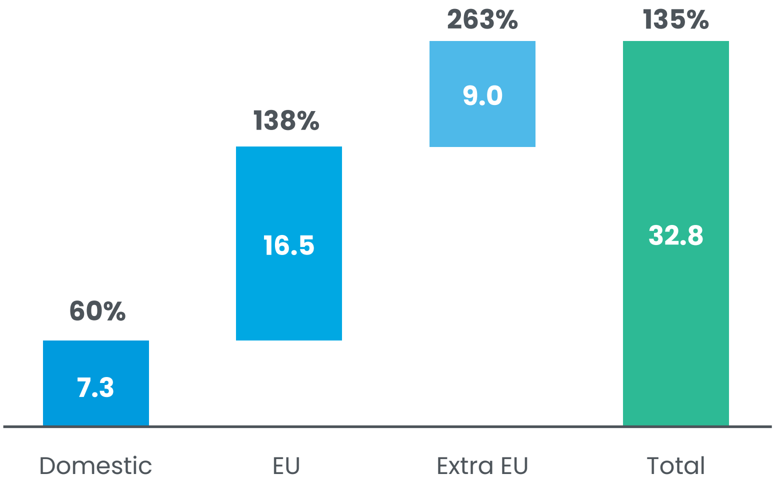
Aeroporti di Roma group

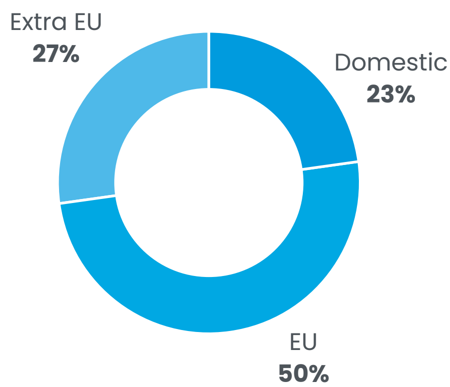
The group includes Aeroporti di Roma ("AdR") and its subsidiaries that operate within the Roman airport system, consisting of "Leonardo da Vinci" international airport located in Fiumicino and "Giovan Battista Pastine" airport located in Ciampino. AdR is the number one airport operator in Italy by number of passengers (pre-Covid-19, the system handled almost 50 million passengers in 2019 and was the seventh biggest in Europe).

The system handled 32.8 million passengers in 2022. Relaxation of the travel restrictions imposed during the pandemic and a renewed appetite for travel among people in the areas where the restrictions were lifted helped to drive significant traffic growth (up 135%) compared with 2021, accelerating the return to pre-pandemic levels (traffic has recovered to 66% of the level in 2019).

Growth was primarily driven by increases in the EU (up 138%) and Extra EU (up 263%) segments, whilst domestic traffic grew at a slower rate (+60%), bearing in mind that this market segment was less affected by the travel restrictions linked to the pandemic.

Breakdown of traffic in 2022
(millions of pax and change 2022 vs 2021)





Aeroporti di Roma group	2022	2021	change	% change
Traffic (millions of passengers)	32.8	14.0	18.8	*+135%*
€M				
Revenue	664	528	136	*+26%*
of which aviation revenue	*457*	*198*	*259*	*n/s*
EBITDA	300	262	38	*+15%*
FFO	255	282	-27	*-10%*
Capex	215	175	40	*+23%*

	31 Dec. 2022	31 Dec. 2021	change	% change
Net financial debt	1,195	1,672	-477	*-29%*
Financial assets (concession rights)	15	-	15	*n/s*
Net debt	**1,180**	**1,672**	**-492**	***-29%***

Revenue amounts to €664 million, an increase of €136 million (26%) compared with 2021. This includes:

- aviation revenue of €457 million, marking an increase of €259 million due to the recovery in traffic volumes since tariffs were provisionally frozen in 2022; no tariff increase will be applied in 2023 as well, pending the application of the new regulatory models published by the Authority for Transport Regulation (ART) on March 9, 2023, as better explained in paragraph 10.6 of the notes to the consolidated financial statements;
- other operating revenue of €207 million, a reduction of €123 million compared with 2021, which included €219 million relating to receipt of a grant from the Covid aid fund for airport operators (Law 178/2020); on a like-for-like basis other operating revenue is up €96 million due to increases in income from retail activities, car parks and advertising linked to the above growth in passenger traffic.

EBITDA amounts to €300 million, an increase of €38 million compared with 2021 (positive increase in EBITDA of €257 million, after stripping out the above grant from the Covid aid fund in 2021). This reflects the improvement in operating revenue, partially offset by increases in airport operating costs, including maintenance and energy costs, and in staff costs as the group's airports returned to full capacity.

FFO of €255 million is up €192 million compared with 2021 (after stripping out the above grant from the Covid aid fund), reflecting EBITDA growth, after the related taxation.

Capex during the period amounted to €215 million (€175 million in 2021) and primarily regards work on construction of the new Pier A, which opened in May 2022, increasing the airport's maximum capacity by 6 million passengers. Work also continued on the enlargement of Terminal 1 and the renovation of Terminal 3 and Pier B.

Net financial debt amounts to €1,195 million as of 31 December 2022, a reduction of €477 million compared with 31 December 2021. This primarily reflects the positive impact of changes in working capital, reflecting collection of the above grant of €219 million from the Covid aid fund and net tax assets under the tax consolidation arrangement, in addition to the positive change in the fair value of derivative financial instruments (€91 million) and the improved operating performance.

As of 31 December 2022, the Aeroporti di Roma group has cash reserves of €1,375 million, consisting of:

- €1,025 million in cash and/or investments maturing in the short term;
- €350 million relating to a committed sustainability-linked revolving credit facility obtained on 4 October 2022 and having an average residual drawdown period of approximately four years and six months, with the option of extending this by a further two years. The new facility has replaced the previous revolving facility of €250 million agreed in July 2016 and expiring in July 2023.

In terms of financial covenants, it should be noted that the covenant holiday granted by all the group's lenders was previously extended until at least the measurement date of 31 December 2022 included. Furthermore, on 3 April 2023 a precautionary and temporary easing of the leverage ratio covenant threshold applicable to the calculation date of 30 June 2023 has been formalized with all the banks.

Aéroports de la Côte d'Azur group

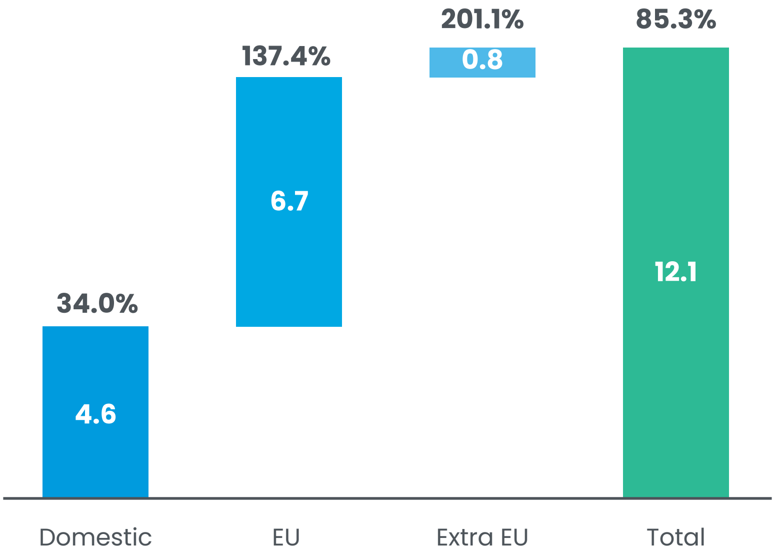
The overseas airports business includes Aéroports de la Côte d'Azur ("ACA") and its subsidiaries, whose main activity is the management of three airports in France: Nice Côte d'Azur (ANCA), Cannes - Mandelieu (ACM) and Saint-Tropez – La Môle (AGST).

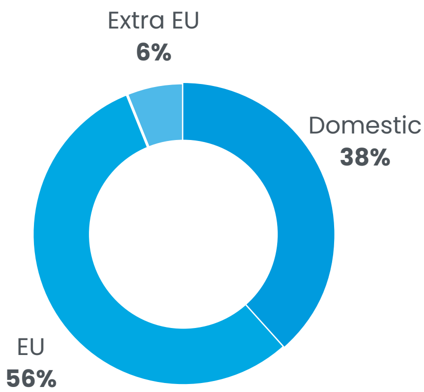
The airport system serving the Côte d'Azur handled 12.1 million passengers in 2022, registering traffic growth of 85.3% compared with 2021. This upturn in traffic reflects progressive relaxation of the travel restrictions linked to the pandemic, with traffic amounting to approximately 84% of the level recorded in 2019, partly thanks to the introduction of 26 new routes for the summer season (between April and October) and 22 new routes for the winter season in the last two months of 2022.

The following chart shows a breakdown of traffic, with the strongest growth in the Extra EU (up 201%) and EU (+137%) segments. Domestic traffic growth (+34%) was more muted, reflecting the fact that it was less affected by the travel restrictions linked to the pandemic.

Airport fees rose by 4.4% from November 2022.

Traffic breakdown for Nice airport in 2022
(millions of pax and change 2022 versus 2021)





Aéroports de la Côte d'Azur group	2022	2021	change	% change
Traffic (millions of passengers)	12.1	6.5	5.6	*+85.3%*
€M				
Revenue	265	174	91	*+52%*
of which aviation revenue	*141*	*98*	*43*	*+44%*
EBITDA	101	56	45	*+80%*
FFO	96	67	29	*+43%*
Capex	50	44	6	*+14%*

	31 Dec. 2022	31 Dec. 2021	change	% change
Net financial debt	799	954	-155	*-16%*

Revenue of €265 million is up €91 million (52%) compared with 2021, reflecting traffic growth (up 85.3%) and, to a lesser extent, the 3% increase in fees awarded at the end of 2021 and 4.4% increase applied with effect from 1 November 2022.

EBITDA of €101 million (€56 million in 2021) reflects the above revenue growth, only partially offset by an increase in operating costs, above all in variable costs following the reopening of Terminal 1 at Nice airport at the end of March 2022.

FFO of €96 million is up €29 million compared with 2021, essentially reflecting the improved operating performance, after the related taxation.

Capex amounted to €50 million (€44 million in 2021) and primarily regards the reopening of Terminal 1 at the end of March 2022 and the plan to improve quality in terminals.

Net financial debt amounts to €799 million as of 31 December 2022, a reduction of €155 million compared with 31 December 2021. This primarily reflects the positive movement in the market value of derivative financial instruments held by the parent, Azzurra Aeroporti (€135 million), in addition to the improved operating performance and a positive contribution from working capital.

As of 31 December 2022, the group has cash reserves of €139 million, consisting of:

- €119 million in cash and/or investments maturing in the short term;
- €20 million in committed credit facilities.

In addition, €20 million of the committed credit facility available in December 2022 was drawn down in January 2023.

At the date of preparation of this document, covenants containing default provisions in loan agreements have all been complied with.

Image taken from Mundys' institutional communications campaign - Center of Milan

Telepass group

The group provides sustainable, integrated mobility services, with Telepass operating electronic tolling systems in Italy and 13 European countries and transport-related payment systems (car parks, restricted traffic zones, vehicle tracking systems, etc.), and providing digital mobility, insurance and breakdown services. Telepass manages approximately 9.6 million onboard units and its T-Pay customers number approximately 831 thousand.

The acquisition of the French company, Eurotoll, from Abertis group was completed on 7 July 2022. Eurotoll operates interoperable tolling services in Europe with licences to operate in France, Belgium and Austria. It offers tolling services for heavy vehicles to over 8,500 customers. The transaction offers Telepass the opportunity to further strengthen its leadership in the European tolling services market for heavy vehicles.

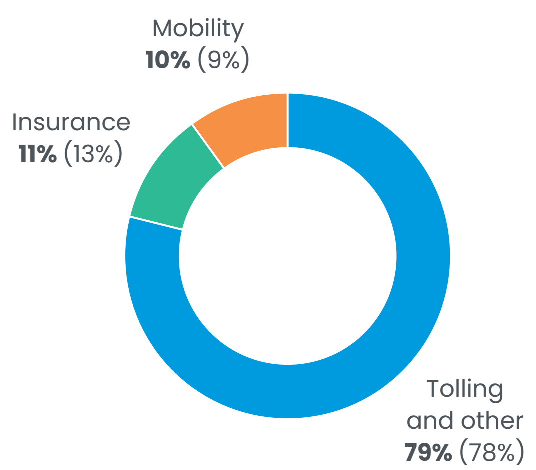
Telepass group	2022	2021	change	% change
Telepass devices *(m)*	9.6	9.4	0.2	*2.7%*
Number of T-Pay customers *('000s)*	831	647	184	*28%*
€M				
Revenue	312	269	43	*16%*
EBITDA	129	121	8	*7%*
FFO	99	105	-6	*-6%*
Capex	100	81	19	*23%*

	31 Dec. 2022	31 Dec. 2021	change	% change
Net financial debt	153	616	-463	*n/s*

The customer base continued to grow in 2022 in terms of both Telepass devices in circulation (up 2.7%) and T-Pay customers (up 28%).

The Telepass group's **revenue** amounts to €312 million for 2022 (including €247 million from remote tolling and acquiring services, €34 million from breakdown services and the distribution of insurance policies and €31 million from mobility services), marking an increase of €43 million (+16%) compared with 2021. This reflects the increase, from second half of 2022, of a part of subscription fees in Italy, the increase in subscriptions, the merchant fees relating to the international market and the contribution from Eurotoll from the second half of 2022.

Breakdown of operating revenue in 2022 by business
(with the breakdown for 2021 shown in brackets)



The Telepass group's **EBITDA** amounts to €129 million, an increase of €8 million compared with 2021. This reflects the above mentioned revenue growth, almost entirely offset by a rise in costs linked to the increase in turnover (distribution and marketing costs), an increase in promotional and advertising expenses linked to efforts to maintain leadership in the Italian mobility sector and drive customer acquisitions, an increase in the workforce and the consolidation of Eurotoll.

FFO of €99 million is down €6 million (-6%) compared with 2021. This reflects both the increase in financial expenses linked to factoring transactions, rising interest rates and an increase in sureties due to the greater volume of transactions handled, and an increase in income tax, which in 2021 included the tax benefits resulting from Telepass SpA's "Patent Box".

Capex amounted to €100 million (up €19 million compared with 2021) and primarily regards the purchase of remote tolling devices and the development of information systems.

Net financial debt amounts to €153 million as of 31 December 2022 (€70 million as of 31 December 2021, after stripping out €546 million payable to the then related party, the Autostrade per l'Italia group now classified as trade payable). The increase of €83 million compared with 31 December 2021 reflects the payment of dividends (€56 million) and net working capital outflows relating to billing trends, after offsetting FFO against capex during the year.

As of 31 December 2022, the Telepass group has cash reserves of €413 million, consisting of:

- €233 million in cash and/or investments maturing in the short term;
- €180 million in committed credit facilities with an average residual drawdown period of approximately eleven months.

In September 2022, Telepass agreed:

- a revolving credit facility, amounting to €50 million with a maturity date of 29 March 2024, with €15 million drawn down as of 31 December 2022;
- a new revolving stand-by facility, amounting to €100 million and with a final maturity date of 30 March 2024;
- with regard to the financing agreed in February 2020, totalling €200 million (already fully disbursed), an extension of the term loan amounting to €150 million maturing on 27 February 2026. The maturity date for the remaining €50 million remains the original date of 25 February 2023;
- a new term loan, amounting to €100 million, with the drawdown period ending on 27 February 2023 and a final maturity date of 27 February 2026; €55 million has been disbursed as of 31 December 2022.

At the date of preparation of this document, covenants containing default provisions in loan agreements have all been complied with.

Yunex Traffic

Yunex Traffic is a global provider of Intelligent Transport Systems (ITS) and Smart Mobility solutions, specialising in the development and supply of integrated hardware and software platforms and solutions for the operators of smart and sustainable mobility infrastructure serving urban and out-of-town areas. The company operates in more than 600 cities, 40 countries and 4 continents (Europe, the Americas, Asia and Oceania).

The acquisition of Yunex Traffic was completed on 30 June 2022. Yunex Traffic contributes to the Mundys Group's results for 2022 from the second half, with **revenue** of €351 million, **EBITDA** of €16 million and **FFO** of €17 million. As of 31 December 2022, Yunex Traffic has **net financial debt** of €45 million, including €33 million in amounts payable to Mundys SpA.

As of 31 December 2022, the group has cash reserves of €43 million, consisting of cash and/or investments maturing in the short term.

In addition, the group has €343 million in guarantees relating to clients or financial institutions.

6.3 Mundys financial performance

Reclassified income statement

€M	2022	2021	Change	%
Dividends	363	419	-56	-13%
Gains/(Losses) on the sale of investments	2,803	1,032	1,771	n/s
Impairment losses	-222	-104	-118	n/s
Profit/(Loss) from investments (A)	**2,944**	**1,347**	**1,597**	**n/s**
Interest expense on debt and other net financial expenses	-45	-94	49	-52%
Net profit/(loss) on derivative financial instruments	126	-5	131	n/s
Profit/(Loss) from financial activities (B)	**81**	**-99**	**180**	**n/s**
Staff costs	-42	-31	-11	35%
Other operating costs, net	-31	-29	-2	7%
Provisions	-	-77	77	-100%
Operating profit/(loss) (C)	**-73**	**-137**	**64**	**-47%**
Depreciation and amortisation (D)	**-3**	**-1**	**-2**	**n/s**
Profit/(Loss) before tax (E=A+B+C+D)	**2,949**	**1,110**	**1,839**	**n/s**
Income tax benefits/(expense) (F)	-87	59	-146	n/s
Profit/(Loss) for the year (E+F)	**2,862**	**1,169**	**1,693**	**n/s**

The **profit from investments** reflects:

a) the net gain on the sale of Autostrade per l'Italia, amounting to €2,809 million, with respect to a consideration of €8,199 million (including the ticking fee and price adjustments finalised at the date of closing) and transaction costs of €51 million. 2021 primarily included the gain on the sale of a 49% stake in Telepass, totalling €1,030 million;

b) an impairment loss on the investments in Yunex (€211 million) and Aeroporto di Bologna (€11 million), compared with the impairment losses recognised in 2021 on the carrying amounts of Azzurra Aeroporti (€87 million) and the above Aeroporto di Bologna (€17 million);

c) dividends from investees, as summarised below.

€M	2022	2021	Change
Abertis HoldCo	297	297	-
Telepass	28	53	-25
Hochtief	22	44	-22
Stalexport Autostrady	8	21	-13
Aero1 Global (Getlink)	8	4	4
Dividends from investees	**363**	**419**	**-56**

The **profit from financial activities** is summarised below.

€M	2022	2021	Change
Bond issues	-53	-51	-2
Term loans	-15	-21	6
Revolving credit facilities	-5	-4	-1
Time deposits (cash investments)	29	-2	31
Other financial income/(expenses), net	-1	-16	15
Interest expense on debt and other financial expenses (A)	**-45**	**-94**	**49**
Gains/(Losses) on derivative financial instruments	144	92	52
Realised losses on derivative financial instruments	-8	-30	22
Reclassification of cash flow hedge reserve to profit or loss	-10	-67	57
Net income/(losses) on derivative financial instruments (B)	**126**	**-5**	**131**
Profit/(Loss) from financial activities (A+B)	**81**	**-99**	**180**

The improvement of €180 million compared to 2021 essentially reflects:

a) increased income from derivative financial instruments (€131 million), primarily fair value gains on Forward-Starting Interest Rate Swaps due to rising interest rates (€52 million), a reduction in the amount reclassified to profit or loss from the cash flow hedge reserve (€57 million) and lower differentials exchanged following the unwinding, in 2022, of Forward-Starting IRSs (€22 million);

b) increased income on the short-term investment of available liquidity (a net change of €31 million), due to cash available after the sale of ASPI and rising interest rates in the second half of 2022;

c) reduced costs on the collar financing (€25 million) following its unwinding in May 2021 and on term loans (6 million), following repayments totalling €2,500 million in 2021, partially offset by the cost of the new bank facility used to refinance the remaining €750 million due on Term Loan in October 2022.

The **operating loss** is summarised below.

€M	2022	2021	Change
Wages and salaries	-24	-20	-4
Staff incentive plans	-18	-11	-7
Staff costs (A)	**-42**	**-31**	**-11**
Ordinary operating costs	-18	-15	-3
Extraordinary projects and costs	-13	-14	1
Other operating costs, net (B)	**-31**	**-29**	**-2**
Provisions (C)	**-**	**-77**	**77**
Operating profit/(loss) (A+B+C)	**-73**	**-137**	**64**

After adjusting for the provisions for risks recognised in 2021, the operating loss is €13 million higher compared with 2021, primarily due to the increase in staff costs as result of incentive payments related to the termination of certain managers, including the Chief Executive Officer.

Income tax expense of €87 million (benefits of €59 million in 2021) reflects taxable income for the year, including income from the sale of investments and dividends collected.

The **profit** for 2022 amounts to €2,862 million (€1,169 million in 2021).

Statement of comprehensive income

€M	2022	2021
Profit/(Loss) for the year (A)	**2,862**	**1,169**
Gains/(Losses) on fair value measurement of investments	-220	-113
Gains/(Losses) on fair value measurement of fair value hedges	-	6
Tax effects	-	-6
Other comprehensive income for the year not reclassifiable to profit or loss (B)	**-220**	**-113**
Reclassification of other comprehensive income for the year to profit or loss (C)	**7**	**47**
Total other comprehensive income/(loss) (D=B+C)	**-213**	**-66**
Comprehensive income/(loss) for the year (A+D)	**2,649**	**1,103**

Comprehensive income of €2,649 million primarily reflects:

a) profit for the year of €2,862 million;

b) fair value losses on the investment in Hochtief (€220 million), following a reduction in the value of the shares from €71.00 as of 31 December 2021 to €51.43, representing the sale price.

Reclassified statement of financial position

€M	31 Dec. 2022	31 Dec. 2021	Change
Investments	8,664	8,730	-66
Property, plant and equipment and intangible assets	31	29	2
Working capital	-12	5,410	-5,422
of which investments held for sale	*-*	*5,338*	*-5,338*
Provisions	-105	-79	-26
Deferred tax assets, net	23	93	-70
Other non-current assets	5	2	3
NET INVESTED CAPITAL	**8,606**	**14,185**	**-5,579**
Equity	**13,612**	**11,562**	**2,050**
NET FINANCIAL DEBT	**-5,006**	**2,623**	**-7,629**
Bond issues	2,732	2,728	4
Medium/long-term borrowings	749	749	-
Other financial liabilities	82	181	-99
Cash and cash equivalents	-8,457	-806	-7,651
Other financial assets	-112	-229	117
NET FINANCIAL DEBT AND EQUITY	**8,606**	**14,185**	**-5,579**

Investments, amounting to €8,664 million, are down €66 million compared with 31 December 2021, following the sale of Hochtief (as of 31 December 2021, the investment amounted to €798 million) and the acquisition of Yunex Traffic (€734 million after impairment losses of €211 million).

€M	%	31 Dec. 2022	31 Dec. 2021	Change
Abertis HoldCo	50% +1	2,952	2,952	-
Autostrade dell'Atlantico	100%	755	755	-
Stalexport Autostrady	61%	105	105	-
Other		16	16	-
Motorways segment		**3,828**	**3,828**	**-**
Aeroporti di Roma	99%	2,915	2,915	-
Azzurra Aeroporti	53%	62	62	-
Aeroporto di Bologna	29%	83	94	-11
Airports segment		**3,060**	**3,071**	**-11**
Aero 1 (Getlink)	100%	1,000	1,000	-
Yunex Traffic	100%	734	-	734
Telepass	51%	14	14	-
Volocopter	2%	24	15	9
Mobility		**1,772**	**1,029**	**743**
Hochtief	(14%)	-	798	-798
Spea Engineering	60%	4	4	-
Other investments		**4**	**802**	**-798**
Investments		**8,664**	**8,730**	**-66**
Autostrade per l'Italia	(88%)	-	5,338	-5,338
Investment held for sale		**-**	**5,338**	**-5,338**

Working capital, amounting to a negative €12 million, is down €5,422 million compared with 31 December 2021 (€5,410 million), primarily following the sale of the investment in Autostrade per l'Italia (in 2021, accounted for as a discontinued operation amounting to €5,338 million) and the recognition of current tax expense for the period (€87 million).

Equity of €13,612 million is up €2,050 million (€11,562 million as of 31 December 2021) due to comprehensive income for the year of €2,649 million, partially offset by payment of a dividend of €606 million (€0.74 per share).

Negative net financial debt as of 31 December 2022 totals €5,006 million (including cash and cash equivalents of €8,457 million), an improvement of €7,629 million (€2,623 million as of 31 December 2021) due to the following.

€M	2022	2021
Net financial debt at the beginning of year	**2,623**	**4,435**
Dividends paid to shareholders	606	-
Dividends from investees	-363	-419
Sale of investments	-8,777	-1,064
Investment in controlling interests	945	-
Investment in non-controlling interests, property, plant and equipment and intangible assets	14	22
Change in fair value and unwinding of the collar financing and the funded collar on Hochtief shares	-	-419
Interest and other charges on accrued debt	45	94
Profit/(Loss) from financial activities and change in fair value of derivative financial instruments	-136	-62
Working capital and other changes	37	36
Net financial debt at the end of the year	**-5,006**	**2,623**

Gross financial debt, amounting to €3,500 million as of 31 December 2022 (€2,750 million in bond issues and €750 million in term loans):

a) has a remaining average weighted term to maturity of approximately 3 years and 7 months (4 years and 4 months as of 31 December 2021);

b) is 78.6% fixed rate, in line with Mundys' financial risk management guidelines (fixed rate debt >70%).

The average cost of medium/long-term borrowings in 2022, including differentials on derivatives, was 2.46% (2.21% excluding differentials on derivatives).

As of 31 December 2022, the Company has cash reserves of €9,957 million, consisting of:

a) €8,457 million in cash and/or investments maturing in the short term;

b) €1,500 million in revolving committed credit facilities, increased from the previous €1,250 million on 1 July 2022 after extending the term from July 2023 to July 2025, with the aim of strengthening the Company's financial structure. The transaction includes an option to convert the facility into a Sustainability-linked Revolving Credit Facility, which was exercised on 17 March 2023 and is expected to be approved by the lending banks by April 2023.

On 7 November 2022, Mundys published its Sustainability Linked Financing Framework, embedding sustainability in the Company's financing strategy. The Framework, setting out our commitments and specific, measurable targets clearly linked to sustainable financial instruments, applies to both new bond issues and the agreement or conversion of bank borrowings (including existing Revolving Credit Facilities and Term Loans) tied to sustainability KPIs and, above all, to achievement of the related improvement targets.

In addition:

a) in April 2022, Forward-Starting Interest Rate Swaps with a notional value of €1,850 million were unwound, with the recognition of fair value gains of €19 million;

b) the loan granted to Autostrade dell'Atlantico (€50 million) was repaid in April 2022;

c) on 5 October 2022, Mundys agreed a new bank facility amounting to €1,500m, expiring in October 2024 but renewable through to April 2026. This was partially used for the early refinancing of a bank loan of €750 million. It is worth noticing that on 5 April 2023 additional €163 million will be drawn. The remaining €587 million are available until 5 July 2023. The transaction contains an option to convert the facility into a Sustainability-linked Facility, exercised on 17 March 2023 and expected to be approved by the lending banks by April 2023;

d) as part of the acquisition of Yunex, the assumption of €33.5 million in loans to the subsidiary from Siemens;

e) Mundys' provision, during the last quarter of 2022, of counter guarantees totalling €158 million to companies belonging to the Yunex Traffic group and the provision of first demand bank guarantees counter guaranteed by Mundys for the benefit of Siemens, totalling €54 million (€32 million at the end of March 2023, an amount equal to 50% of the counter guarantees provided by Siemens to support Yunex obligations under contracts entered into with customers), pursuant to the Share Purchaser Agreement signed by Mundys and Siemens on 17 January 2022, the duration of which was extended by a further 6 months with respect to the original date through to 30 June 2023;

f) collection, in December, of the term deposit of €120 million agreed upon with Telepass in June 2021.

Finally, available cash as of 31 December 2022 was used for an upstream facility of €8,200 million from Mundys to Schemaquarantadue, authorised by the Extraordinary general Meeting of Mundys' shareholders held on 16 January 2023, enabling the parent to effect an early repayment by Schemaquarantadue of the bridge loan of €8,225 million obtained in November 2022 to finance a portion of the consideration payable under the public tender offer for Mundys' shares launched by Schemaquarantadue through Schema Alfa. The upstream facility will be extinguished pursuant to art. 1253 of the Italian Civil Code as a result of the trilateral merger. The related merger deed was approved on 15 February 2023 and is expected to be effective by April 2023, resulting in the merger of Schemaquarantadue and Schema Alfa with and into Mundys.

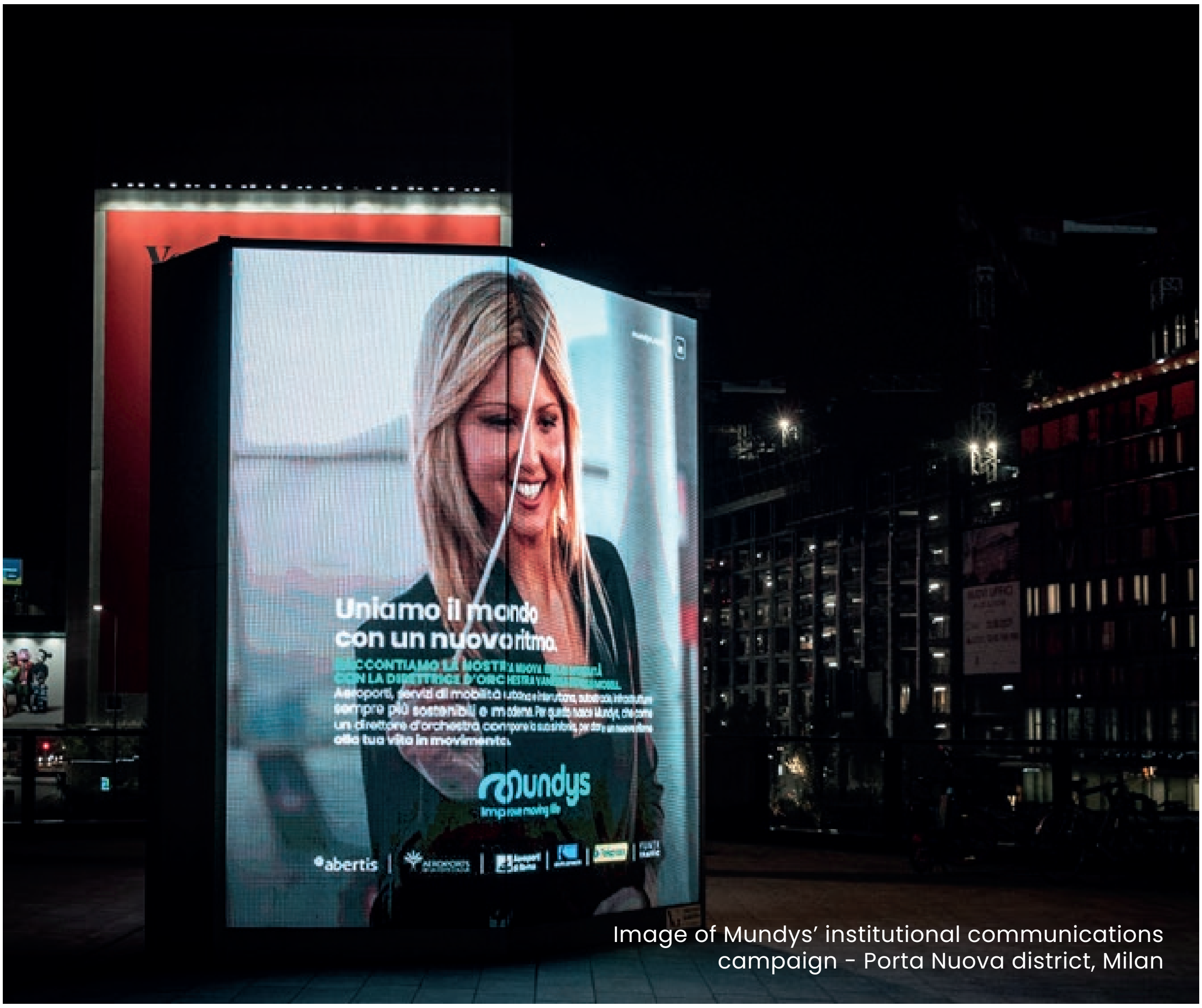


Image of Mundys' institutional communications campaign - Porta Nuova district, Milan

6.4 The Group's ESG performance

The performance achieved during the year for all the material topics in Mundys' sustainability roadmap is described in this section.

Climate change and the energy transition

Infrastructure for the transport of goods and people is essential for the social and economic development of territories and communities. However, transport is a major contributor to greenhouse gas emissions, responsible for approximately 16.9%[12] of global emissions, of which road transport accounts for around 12% and aviation around 2%. Demand for mobility is expected to increase as the world's population grows and, therefore, it is essential to combine this growth with a progressive reduction in transport's carbon footprint.

There have been significant developments in European legislation in this regard, aimed at achieving the EU commitments to reduce net greenhouse gas emissions by at least 55% by 2030 and to zero by 2050, as well as the Sustainable Finance Disclosure Regulation (SFDR) and the Corporate Sustainability Reporting Directive (CSRD), which will require greater transparency from companies on climate metrics and policies.

In this rapidly changing context, which calls for a collective effort to achieve the common goal of limiting the average rise in global temperatures to 1.5 degrees centigrade compared to pre-industrial levels by 2100, in liaison with the Group's main companies, Mundys has developed a long-term Climate Action Plan (CAP).

The CAP sets out the Group's commitment to decarbonise activities by following a reduction path in line with scientific scenarios, aimed at managing climate change risks and identifying opportunities arising from the transition to a low-carbon economy, which largely affects the business sectors in which the Company operates.

The CAP includes short-, medium- and long-term targets, set in line with the Science Based Target initiative (SBTi)[13] protocols, using 2019 as a base year (a year that reflects pre-pandemic motorway and airport traffic levels).

The objectives identified are:

- reduce net direct emissions (scope 1 and 2) by **50%** by **2030** compared to 2019, and achieve net zero emissions by **2040**;
- achieve **100%** electricity consumption from renewable sources by **2040**;
- reduce by **22%** the intensity[14] of indirect (scope 3) emissions derived from goods and passenger access to airports, and the procurement of materials needed for the modernisation and maintenance of motorway infrastructure by **2030**. These two categories account for more than 80% of the indirect manageable scope 3 emissions (approximately 1.4 million tonnes CO_2e in 2019).

At the Annual General Meeting of Shareholders in April 2022, the Plan was approved by an advisory shareholder vote ("Say on Climate") with more than 98% of votes "For", making Mundys the first Italian company to undertake this procedure involving utmost transparency and accountability in relations with the market and stakeholders.

Mundys' Climate Action Plan includes investment to reduce the carbon footprint via:

- the construction of renewable energy power plants to serve motorway and airport assets[15];
- the gradual electrification of company vehicle fleets, and the construction of charging infrastructure to serve them;
- the use of low-impact alternative fuels where electric vehicles are not a technologically and/or economically efficient solutions;
- the development of projects to optimise energy consumption, such as improvements to heating and air conditioning systems and indoor and outdoor lighting, by using LED technology on a large scale, and intelligent systems to monitor the energy performance of buildings;

12 Source: Climate Watch, The World Resources Institute (Y 2019) - https://www.climatewatchdata.org/ghg-emissions?source=Climate%20Watch

13 Targets in the process of approval by SBTi (https://sciencebasedtargets.org)

14 Calculated from passenger traffic for emissions related to the airport operating segment, and kilometers travelled for those related to the motorway operating segment.

15 In 2022, AdR obtained a single consent for the construction and operation of the first of the two solar farms envisaged in the investment plan. The plant has a capacity of 22 MW and will be built next to runway 3 at Fiumicino airport. The contract is in the process of being awarded, with expectation of becoming operational by the beginning of 2025.

- the development of projects for the storage of energy generated by on-site renewable power plants;
- the purchase of certified green energy (high quality certificates), including via medium- to long-term instruments such as physical or virtual Power Purchase Agreements (PPAs).

Regarding indirect emissions (scope 3), with the long-term ambition of achieving net zero emissions by 2050, the aim is to actively contribute to the decarbonisation of the value chain. To this end, Group companies have planned investment, primarily in the following areas:

- reduced consumption of materials and products used in maintenance and construction works, including through recovery and re-use processes;
- the procurement of goods and services with lower life-cycle emissions;
- the installation of charging points for electric vehicles in passenger and operator car parks to promote sustainable mobility access at airports;
- improved access to airport terminals, with an increase in the number of trains and better connectivity via integrated train plus plane intermodal solutions, incentive schemes for the use of low-emission vehicles, and improved public transport connections;
- services to improve the flow, accessibility and user-friendliness of urban mobility and adjacent infrastructure.

Emission reduction actions are assessed in terms of their expected long-term costs and benefits (as a maximum until the end of concession). The costs are included in the budgets and long-term forecasts of Group companies that have prepared adequate Capex and Opex estimates, as well as analyses of expected returns taking into account various factors, including the expected evolution of certain technologies, the current and future availability of low- or zero-emission energy sources, trends in the costs of some applications, which are currently high but likely to fall in the future due to upscaling, as well as the benefits of access to sustainable finance instruments and potential savings from increased carbon costs. Offsetting measures have not been taken into account in the definition of the 2030 target and the related decarbonisation action plans.

Crucial to the implementation of the climate action plan are the development of technological and supply chain partnerships and the engagement of various stakeholders, including suppliers and customers and the political and regulatory authorities of the countries in which Group companies operate, with whom Mundys is committed to cooperating in order to foster a favourable regulatory environment for ecological transition and the creation of sustainable value by making available the experience we have gained in the sector.

In 2022, Mundys participated in institutional dialogue, especially about the positive environmental impacts expected from the development of intelligent transport systems (ITS), the development of new forms of sustainable mobility, and EU Regulation 2020/852 related to the taxonomy of environmentally friendly economic activities, as well as the decarbonisation of the aviation sector and the role of airport infrastructure. Regarding the latter, Mundys is a partner of the Air Transport Decarbonisation Pact (http://www.decarbonizzazionetrasportoaereo.it/) an initiative promoted by Aeroporti di Roma with the scientific support of the Polytechnic University of Milan, to encourage and accelerate the achievement of air transport sustainability objectives, including net zero emissions by 2050. This involves an organic approach, focused on the development and implementation of various solutions, including renewable energy, sustainable aviation fuel, synthetic fuels, research and development of alternative forms of energy for aircraft propulsion (hydrogen and electric), intermodal transport, etc. Companies, institutions and universities are signatories of the agreement.

PATTO PER LA
DECARBONIZZAZIONE
DEL TRASPORTO AEREO

Partner

The Group contributes to the decarbonisation of the sector by leveraging infrastructure to facilitate the transport energy transition (e.g. charging infrastructure to promote electric mobility, promotion of the use of alternative fuels such as sustainable aviation fuels, new modes of transport such as urban air mobility), developing solutions that encourage intermodal transport of people and goods, and exploiting technology and digitalisation to make mobility more intelligent, safer, and more user friendly for the community as a whole, with less environmental impact.

Climate change strategy and governance

An effective corporate governance structure is a key element for making progress in the climate transition strategy. Mundys' Board of Directors makes decisions on climate change, and guides the long-term strategy, including the approach to climate risks, opportunities and responsible lobbying, and overseeing its implementation. In 2022, the Board was assisted in these activities primarily by the Sustainability Committee and the Risk, Audit and Corporate Governance Committee, the latter regarding climate change related risk management. These committees carried out their activities in their respective fields of competence until 16 January 2023, when the shareholders' meeting, held after the delisting, appointed the new Board of Directors. In February 2023, the Board of Directors established the Audit, Risk and Sustainability Committee.

Implementation of the decarbonisation roadmap is one of the metrics used to measure management's ESG performance, and the achievement of decarbonisation targets is linked to incentive schemes, as described in the Company's 2022 remuneration policy (https://www.mundys.com/documents/37344/553723/Relazione_Remunerazione_ENG.pdf). To encourage full accountability regarding the sustainability performance of its assets, Mundys encourages its subsidiaries to adopt remuneration guidelines inspired by international best practices. Key elements of these guidelines include linking at least 10 per cent of annual bonuses and at least 20 per cent of long-term incentives to ESG objectives, including those related to the Climate Action Plan. Incentive schemes linked to ESG factors are in place for most of the subsidiaries.

In April 2022, Mundys published its first voluntary climate strategy report prepared in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), thereby enhancing climate change disclosure to the market and stakeholders.

In line with the TCFD recommendations, the regular process of identifying, analysing and assessing climate change-related risks and opportunities (Climate Change Risk Assessment - CCRA) was carried out during the year. Mundys implemented the climate change risk assessment methodology at the holding company by extending it to all Group companies and incorporating it into the enterprise risk model (ERM). The CCRA is focused on two main categories of risk:

- **physical risks**, resulting from an increase in the frequency and scale of natural events (acute risk), or from long-term changes in climate patterns (chronic risk);
- **transition risks**, which are associated with the gradual shift to a low-carbon economy and include regulatory and legal risks, technological risks, market risks and reputational risks.

When analysing these risks and assessing the associated financial impacts, different time scenarios are considered, usually with a five-year interval, as well as different climate scenarios representing more or less protective conditions, depending on the mitigation policies that will be put in place, economic and population growth forecasts, and technological and geopolitical trends. The risks connected with climate change can jeopardise a company's operations, raise operating costs, have an impact on revenues, affect the ability to attract investment and access capital markets, and require increased insurance coverage of assets under management and extraordinary investment for their modernisation or the reconstruction of damaged structures; they can also directly affect a company's reputation. Similarly, they can generate new market and business development opportunities arising from the transition of the transport sector to low-carbon mobility.

For further details on CCRA activities, please refer to the "Risk management" section of this Integrated Annual Report and the annual disclosure for Carbon Disclosure Project - CDP (https://www.cdp.net/en/responses?queries%5Bname%5D=mundys).

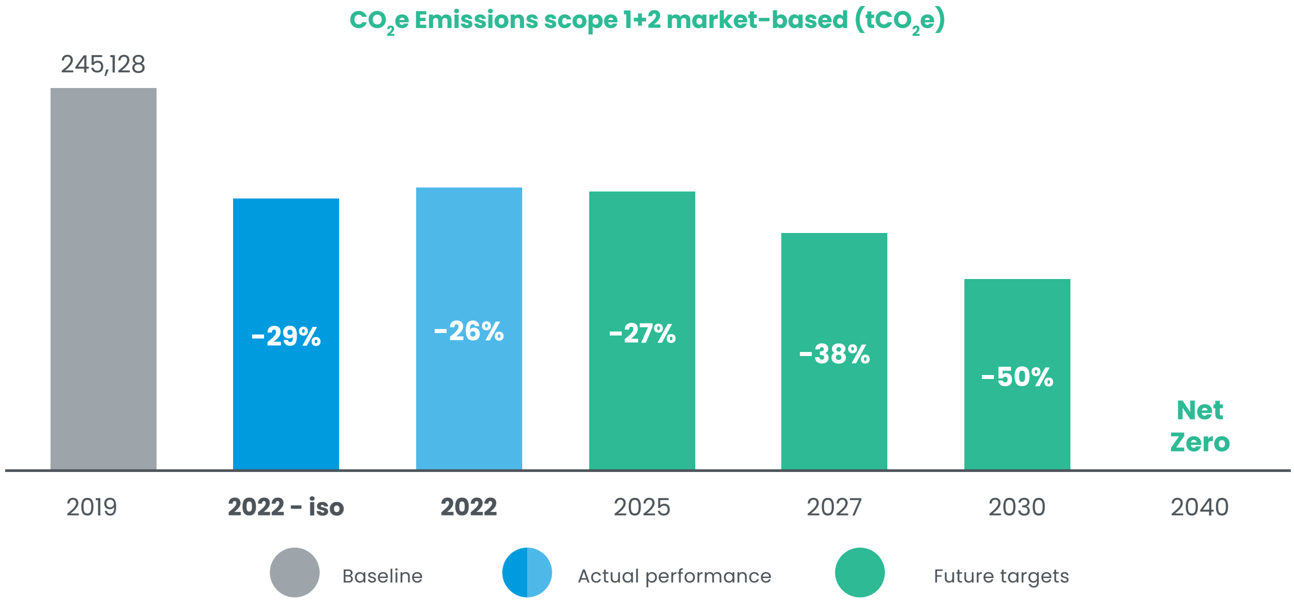
Carbon footprint

Tonnes CO_2eq	2022	2022-iso	2021[16]	22vs21	22-iso vs 21
Scope 1					
Stationary sources	87,862	82,004	67,329	30%	22%
Mobile sources	48,364	48,281	47,070	3%	3%
Refrigerant gases	6,384	6,384	2,781	130%	130%
Total	**142,610**	**136,669**	**117,180**	**22%**	**17%**
Indirect emissions - Scope 2					
Scope 2 emissions (location-based approach - LB)	66,088	64,255	72,955	-9%	-12%
Scope 2 emissions (market-based approach - MB)	39,898	38,566	66,878	-40%	-42%
LULUCF					
Emissions from land use	366	366	NA		
Other indirect emissions - Scope 3					
Upstream activities	1,064,865	963,009	778,853	37%	24%
of which from the purchase of materials and products for motorway infrastructure maintenance	715,267	715,267	536,085	33%	33%
Downstream activities	574,184	574,184	280,248	105%	105%
of which from airport access	520,392	520,392	221,101	135%	135%
Total Scope 3 emissions	**1,639,049**	**1,537,193**	**1,059,101**	**55%**	**45%**
Total CO_2e - Scope (1 + 2LB)	208,698	200,924	190,135	10%	6%
Total CO_2e - Scope (1 + 2MB)	182,508	175,235	184,058	-1%	-5%
Total CO_2e - Scope (1 + 2MB + 3)	1,821,557	1,712,428	1,243,159	47%	38%

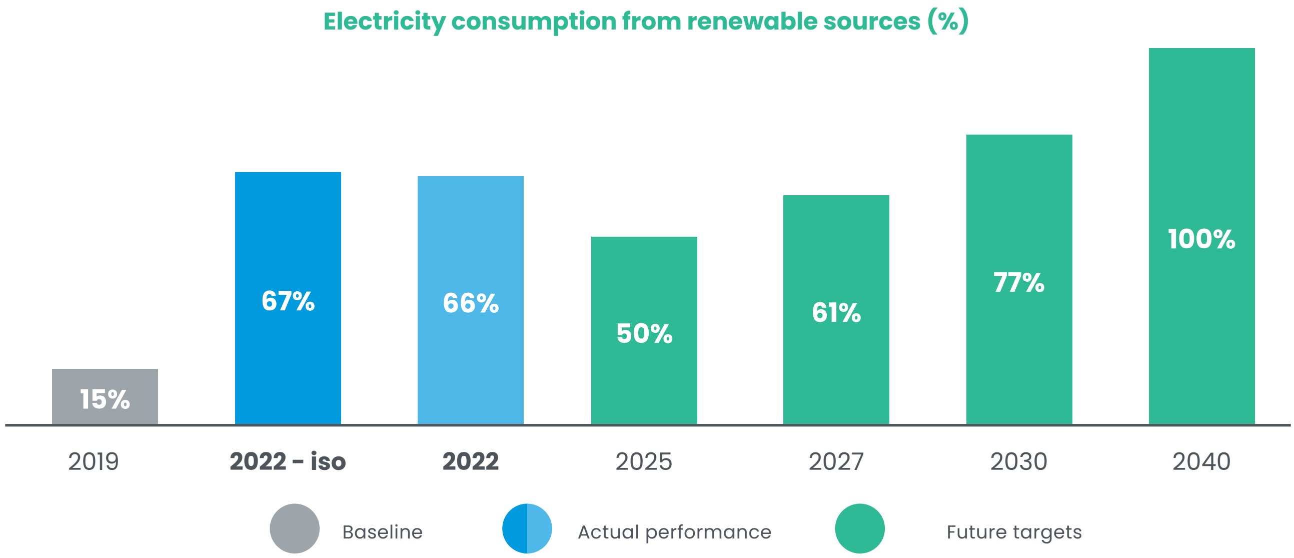
In 2022, the Group produced a total of approximately 1.7 million tonnes of carbon dioxide equivalent, marking an increase of 38% compared with 2021[17].

16 2021 data differ from those published in the 2021 Integrated Annual Report, due to restatement after the ISO14064 certification process, and receipt of data after the publication date of the 2021 Integrated Annual Report.

17 This section describes the Group's 2022 performance, excluding the contribution from the acquisition of Yunex Traffic during the year. Yunex's contribution to the Group total is less than 4% of total scope 1 and 2 emissions, and approximately 6% of scope 3 emissions.



Scope 1 and 2 emissions, including direct emissions from fuel consumption (scope 1) and indirect emissions from electricity and thermal supply (scope 2), fell by 5% to around 175,000 tonnes. The upturn in motorway traffic and, above all, the sharp recovery in airport traffic compared to 2020-2021, led to an increase in fuel consumption for power plants and vehicles, despite continued investment in decarbonisation projects, which in some cases have been slowed down due to supply chain problems.



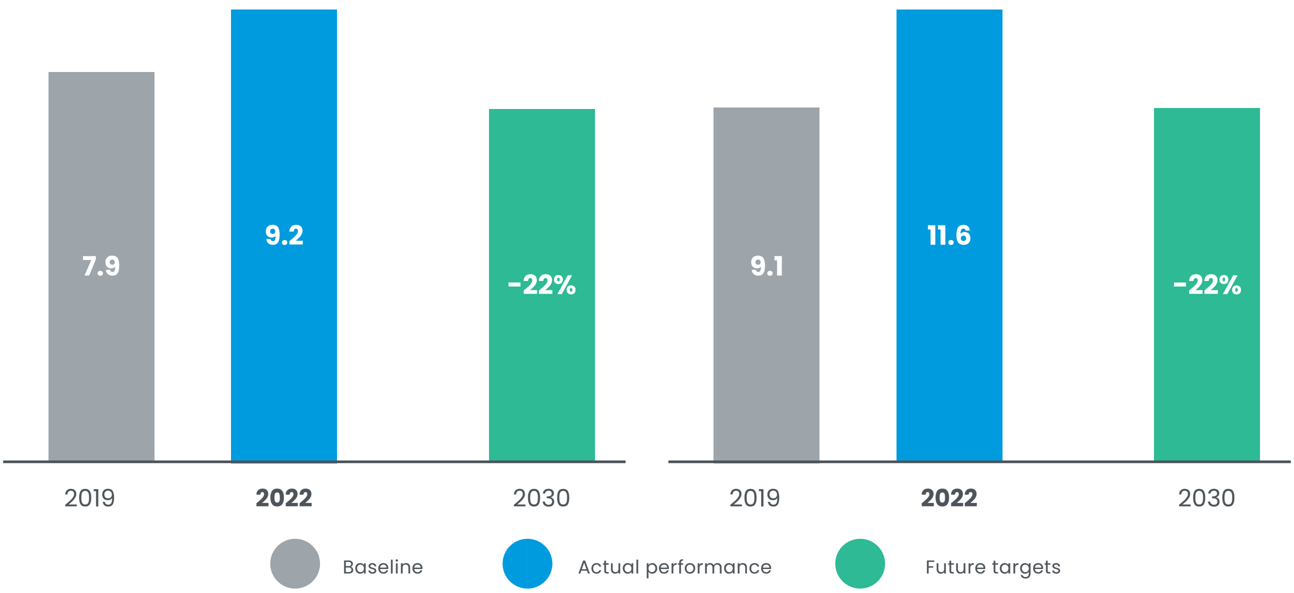
On the other hand, the consumption of renewable electricity rose significantly, partly thanks to market conditions that enabled acceleration of the procurement of certified green energy with guaranteed origin, totalling 67% of total electricity consumption in 2022, which corresponds to a 42% reduction in scope 2 CO_2e emissions compared to 2021. It is important to emphasise that this reduction is not necessarily associated with structural change, but rather with short-term actions. Such a reduction must be achieved year after year by parallel implementation of the measures envisaged in the Climate Action Plan for self-generation of renewable electricity.

Motorways segment

CO_2e Emissions scope 3 – Purchase of goods and services (tCO_2e per Mln Km travelled)

Airports segment

CO_2e Emissions scope 3 – Accessibility ($KgCO_2$ per passenger)



Upstream and downstream indirect emissions in the value chain, namely scope 3 emissions, were up 45% on 2021, mainly due to the effect of construction and extraordinary maintenance works in Brazil, Chile and Mexico, which entailed a greater amount of materials, goods and energy consumed by the companies engaged in the works; a rise in emissions related to airport access resulting from increases in passenger and cargo traffic compared to the previous year; and the means of transport that passengers chose to travel to and from the airport, which, even post-pandemic, show a general and widespread preference for the use of private rather than public transport. For the remaining scope 3 categories, there is a substantial stability from the previous year.

In terms of intensity, the ratio of emissions related to the procurement of goods and services for the maintenance and expansion of the motorway network operated by Group companies is 9.2 tonnes of CO_2 per million kilometres travelled by users. Regarding emissions related to airport access, the emission intensity is 11.6 kilograms of CO_2 per passenger.

During the year, the greenhouse gas emissions inventory was further improved, especially for scope 3 categories[18], and ISO 14064 certification was obtained.

Downstream emissions related to the use of transport infrastructure, namely emissions from motorway traffic and aviation emissions (the latter consisting of aircraft consumption) are not included in the carbon footprint as they are indirectly related to the use of transport infrastructure. This approach is consistent with the GHG protocol for category 11 regarding scope 3 emissions from the use of products and services, as also ratified by the GHG inventory certification process.

From 2022, greenhouse gas emissions and removals resulting from land use, land-use change and forestry (LULUCF) have been estimated and integrated into the reporting. The calculation is in line with the IPCC[19] guidelines and it considers several factors, including the area subject to change of use, the land use category before and after the activity, and the above- and below-ground biomass content per hectare and per type of land used.

18 Regarding scope 3 emissions, reference was made to the GHG protocol "Corporate Value Chain Accounting and Reporting Standard" which identifies 15 categories of indirect emissions that are upstream and downstream of the organisation along the value chain.

19 The Intergovernmental Panel on Climate Change, https://www.ipcc.ch/

Sustainable mobility solutions

Solutions for sustainable mobility include a wide range of mobility technologies and services that are environmentally friendly, economically sustainable and meet users' mobility needs. Given the impact that transport has on the environment and the role of transport infrastructure as an enabler of the transition to environmentally friendly mobility, there is a need for new mobility solutions. This requires adaptation of infrastructure to enable new transport modes and services (for example, e-mobility, alternative fuels, new forms of transport), and the adoption of technological and digital solutions to make travel smarter, safer and more interconnected (for example, simple, integrated user platforms for urban micro-mobility).

Motorways segment

Investment in the motorways segment has been focused on solutions to enable the spread and use of environmentally friendly vehicles. As part of this investment, to meet the need for widespread electric mobility charging infrastructure, the Group's motorway operators continued to install charging points in strategic areas. By the end of 2022, the Abertis group had installed more than 390 charging points (EVCPs), out of a total of more than 700 planned by 2027.

At the same time, companies have been working on digital technologies to monitor and improve traffic flow, which enable a reduction in fuel consumptions and related CO_2 emissions. During the year the Abertis group completed several projects along these lines, including the implementation of restricted and low emission zones (LEZ), such as those in the Spanish cities of Pamplona[20] and Valencia[21].

Airports segment

Air transport is a strategically important sector for economic and social development as it enables the movement of passengers and goods around the world and supports the development of entire economic sectors, such as tourism. The Group's airports are constantly looking for solutions to support the transition of this form of transport towards achievement of a lower environmental impact (for example, CO_2 emissions reduction and noise abatement), including through cooperation with the various partners in the value chain. During the year, the sustainable development of airport infrastructure saw efforts concentrated in two main areas: the development of innovative and efficient infrastructure, and the promotion of integrated, multimodal mobility solutions.

Particularly important in 2022, was the inauguration of the new boarding area A at Rome's Leonardo da Vinci Airport, which brought additional capacity of 6 million passengers. The new 37,000-square-metre area was built using the most innovative and environmentally friendly solutions available on the market[22], such as those under the LEED gold level certification, the installation of a photovoltaic system for energy production, smart air conditioning systems, and the choice of sustainable materials and components. This expansion project has also had an impact on the supply chain, with more than 1.5 million hours worked by local companies.

2022 also saw the inauguration of Europe's first vertiport test[23], UV-0. This infrastructure is vital for the operation of electric vertical take-off aircraft (e-VTOLs) for passenger transport. The investee company, Volocopter, made its first test flight in Italy using this infrastructure in October. Moreover, in November the vertiport management company UrbanV signed a memorandum of understanding[24] with Enel X Way, Enel's mobility company, to implement joint projects for the development of advanced air mobility, with a focus on electricity and charging infrastructure.

The growing number of electric charging points installed at the Group's airports is also part of the actions that are enabling the decarbonisation of transport. In particular, Aeroporti di Roma is

20 https://www.abertis.com/news/abertis-mobility-services-to-implement/

21 https://www.abertis.com/news/abertis-mobility-services-part-of-the-pilot-project/

22 https://www.adr.it/viewer?p_p_id=it_txt_adr_cookiepolicy_web_portlet_AdrCookiePolicyBannerPortlet&p_p_lifecycle=0&p_p_state=normal&p_p_mode=view

23 https://www.urbanv.com/it/vertiport-experience/

24 https://www.adr.it/viewer?p_p_id=3_WAR_newsportlet&p_p_lifecycle=0&p_p_state=normal&p_p_mode=view&_3_WAR_newsportlet_redirect=%2Fcomunicati-

installing 500 charging points, 100 airside and 400 landside[25], with completion expected by 2025; in 2022, the first ultra-fast charging points were installed at Fiumicino airport. Another initiative aimed at increasing sustainable access to airports is the agreement with Ferrovie dello Stato Italiane SpA regarding sustainable intermodal transport[26] and boosting direct high-speed rail services to the airport.

To complement these projects, airports continued to cooperate with their value chain in making low emission fuels available. In 2021, the Group's Italian and French airports had already enabled the launch of the first flights fuelled with sustainable aviation fuel (SAF), such as Air France's Nice-Paris flight[27], 30% of which is powered by low emission jet fuel supplied by TotalEnergies. In 2022, airports further increased the availability of SAF and, in the case of AdR, even supplied this fuel to ITA Airways for the Rome-Venice and Rome-Barcelona routes throughout the year[28].

Efforts also continued to adopt low-impact energy solutions for airside airport vehicles. At the beginning of 2022, the collaboration agreement signed in 2021 between AdR and ENI resulted in the supply of 5,000 litres of pure hydrogenated HVO biofuel for road vehicles to transport passengers with reduced mobility[29]. This biofuel, derived from vegetable matter and waste, which can be used in a concentration of 100%, cuts CO_2 emissions, measured over the entire life cycle, by between 60 and 90% compared to traditional fuel.

Mobility services

Mobility requires the support of services and technologies to be safer, more sustainable, smart and integrated. The recent investment in Yunex Traffic, a company operating intelligent transport systems, is aimed at meeting this need. Via instantaneous data collection, processing and analysis, the technological systems developed by the company enable provision of a set of services that improve people's mobility experience, reduce emissions and pollution in cities, and increase safety. This includes turning infrastructure into an intelligent, interconnected and digitalised system that can communicate with the means of transport it serves. One example is the contract Yunex Traffic won for traffic management in Switzerland[30], which will reduce pollutant emissions and shorten drivers' waiting times, thanks to integrated management of road, rail and air traffic and monitored access to low-emission urban areas.

These intelligent systems also enable more inclusive mobility. The traffic control system installed in Tychy in Poland at the end of June 2022[31], which manages 40 intersections using 600 cameras, is able to prioritise public transport and any emergency vehicles present, provide clear information to drivers and passengers on the traffic situation, monitor the weight and speed of cars, and dialogue with the self-driving vehicles that will be on the roads in the future. All these services improve road safety and traffic flow, as well air quality and the wellbeing of citizens. Another example is the company's special

25 https://www.adr.it/documents/17615/20916850/2022+04+07+Sustainability-Linked+Financing+Framework+2022.pdf/b8cfc81e-672b-0148-5c81-7ffbc794745d?t=1649331043765

26 https://www.adr.it/viewer?p_p_id=3_WAR_newsportlet&p_p_lifecycle=0&p_p_state=normal&p_p_mode=view&_3_WAR_newsportlet_redirect=%2Fcomunicati-stampa%3Fp_p_id%3D3_WAR_newsportlet%26p_p_lifecycle%3D0%26p_p_state%3Dnormal%26p_p_mode%3Dview%26_3_WAR_newsportlet_delta%3D20%26_3_WAR_newsportlet_resetCur%3Dfalse%26_3_WAR_newsportlet_cur%3D2&_3_WAR_newsportlet_jspPage=%2Fhtml%2Fnews%2Fdetails.jsp&_3_WAR_newsportlet_nid=24098832

27 https://www.nice.aeroport.fr/en/news/a-nice-paris-flight-fueled-with-30-sustainable-aviation-fuel-saf

28 https://www.adr.it/viewer?p_p_id=3_WAR_newsportlet&p_p_lifecycle=0&p_p_state=normal&p_p_mode=view&_3_WAR_newsportlet_redirect=%2Fcomunicati-stampa%3Fp_p_id%3D3_WAR_newsportlet%26p_p_lifecycle%3D0%26p_p_state%3Dnormal%26p_p_mode%3Dview%26_3_WAR_newsportlet_delta%3D20%26_3_WAR_newsportlet_resetCur%3Dfalse%26_3_WAR_newsportlet_cur%3D2&_3_WAR_newsportlet_jspPage=%2Fhtml%2Fnews%2Fdetails.jsp&_3_WAR_newsportlet_nid=24163028

29 https://www.adr.it/viewer?p_p_id=3_WAR_newsportlet&p_p_lifecycle=0&p_p_state=normal&p_p_mode=view&_3_WAR_newsportlet_redirect=%2Fcomunicati-stampa%3Fp_p_id%3D3_WAR_newsportlet%26p_p_lifecycle%3D0%26p_p_state%3Dnormal%26p_p_mode%3Dview%26_3_WAR_newsportlet_delta%3D20%26_3_WAR_newsportlet_resetCur%3Dfalse%26_3_WAR_newsportlet_cur%3D2&_3_WAR_newsportlet_jspPage=%2Fhtml%2Fnews%2Fdetails.jsp&_3_WAR_newsportlet_nid=23615783

30 https://www.linkedin.com/posts/Mundys-s-p-a-_weMundys-activity-7003707721589886976-62ui?utm_source=share&utm_medium=member_desktop

31 https://www.yunextraffic.com/the-most-modern-traffic-control-system-in-poland-is-launched-its-tychy/

virtual speed check system[32], which can recognise pedestrians with reduced mobility and help them by extending crossing times at pedestrian crossings.

The solutions offered by the Telepass Group, with its "free flow" technology and digital payment systems for mobility services, are also aimed at reducing transport-related waiting times, whilst decreasing vehicle consumption and emissions. In addition, Telepass Group has continued to expand its range of innovative services, from personal travel insurance to smart mobility solutions. One example is the services provided by the start-up Wash Out, which have enabled Telepass to become the market leader in waterless car washing services, namely the ability to wash vehicles, including on public roads, using 100% ecological products and without any waste overspill, thereby saving millions of litres of water[33].

32 https://www.linkedin.com/posts/Mundys-s-p-a-_internationaldayofpersonswithdisabilities2022-activity-7004714416428462080-_x5N?utm_source=share&utm_medium=member_desktop

33 https://www.telepass.com/it/gruppo/sostenibilita/focus-on

Image of Mundys' institutional communications campaign - Nice Airport

Our people

People are the key drivers of Mundys' value creation model, as they comprise the engine that enables safe and sustainable everyday mobility for the millions of people around the world who use the Group's infrastructure. Through its subsidiaries, Mundys relies on the talent and expertise of over 23,000 employees who, with passion and responsibility, ensure the operational management of infrastructure and mobility services in dozens of countries around the world.

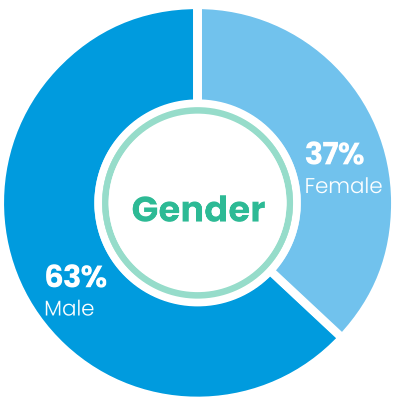
At 31 December 2022, the Group's workforce stood at 23,719[34], up 3,393 on the previous year. The increase in the headcount is mainly due to the contribution of Yunex Traffic, a company acquired in 2022, which resulted in 3,105 employees joining the Group.

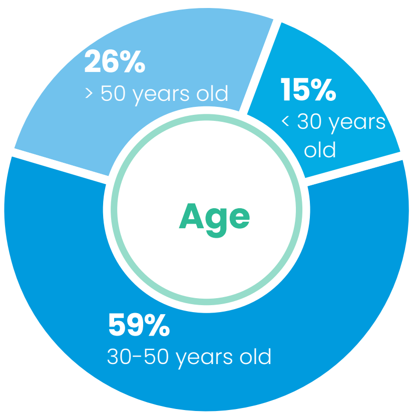
DISTRIBUTION OF TOTAL WORKFORCE BY COUNTRY

Over **23,700 employees** in **29 Countries**

95% permanent contracts

89% full-time contracts





34 The headcount on a like-for-like basis as of 31 December 2022 numbered 20,614.

Health, safety and wellbeing

Protecting the health and safety of the workforce

In accordance with the principles and values set out in the Code of Ethics, Mundys undertakes to:

- **adopt appropriate prevention and protection measures to combat any intentional or negligent behaviour**, including by third parties, that might cause direct and/or indirect harm to employees and/or business partners and/or assets of our Group. Moreover, we periodically update our working methods in terms of prevention, using the best available technologies and protection practices;
- **create and maintain inclusive and motivating workplaces** that promote people's physical and mental wellbeing and ensure the health and safety of our employees and business partners, including via continuous monitoring and reporting of hazardous situations;
- **organise specific training for all employees** who, depending on their role, are called upon to assess and manage risks relating to occupational health and safety, and to ensure the safety of their colleagues and collaborators;
- **inform our employees and business partners in a clear and transparent manner about the preventive and protective measures that must be implemented** to eliminate or mitigate risks and critical issues relating to the processes and activities they are involved in;
- **recognise and protect employees' right to rest and free time** by respecting the applicable laws and collective agreements, the relevant Conventions of the International Labour Organisation (ILO) and allow all our employees and collaborators to meet business and personal needs.

Our commitment is aimed at actively engaging and raising the awareness of employees and third parties regarding safety issues, including through monitoring and reporting of hazardous 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, aimed at preventing workplace risks and protecting mental and physical health.

In 2022, with a view to strengthening the culture, tools and processes that support occupational health and safety, Group companies implemented various programmes, including:

- Aeroporti di Roma signed an occupational health and safety protocol with INAIL, the National Institute for Insurance against Injuries at Work, which is partly aimed at testing innovative solutions with high technological value;
- over 146,000 hours of specific training provided to employees;
- strengthening of organisational structures (H&S committees), which are present in around two-thirds of Group companies;
- adoption of the ISO 45001 certified health and safety management systems, which cover 32% of the Group's revenues.

Direct workforce

The number of injuries to direct employees, including injuries that did not result in any medical prognosis, totalled 623 (consolidated basis) and 540 (on a like-for-like basis), down from 646 events in 2021. Of the 540 injuries recorded on a like-for-like basis, 104 (19% of the total) had no prognosis and were therefore minor injuries without any serious consequences. 436 entailed a prognosis of at least 1 day after the event occurred, resulting in a lost time injury frequency rate per million hours worked of 12.9.

An analysis of the types of injury, both on a consolidated basis and on a like-for-like basis, reveals that most injuries were not serious. Of the 436 injuries resulting in absence from work, 9 were serious accidents with a prognosis of more than 6 months (2% of the total number of injuries with a prognosis). The lost time serious injury frequency rate on a like-for-like basis was 0.3 (0.2 on a consolidated basis), up on 2021[35].

The main causes of injuries at work include falls, slipping, sprains, cuts, incorrect lifting of heavy loads, burns, incorrect handling of objects/tools, running over persons and collisions with third-party vehicles.

One fatal injury was recorded in Mexico, caused by reckless driving of, involving encroachment of an area closed to road traffic.

The Company has a specific occupational safety improvement target for its employees, aimed at keeping injuries resulting in at least one day's absence from work below 14 events per 1,000,000 employee-hours worked by 2023. The performance achieved in 2022 is set out below.

Target by 2023	Performance in 2022 [36]
<14 injuries per 1,000,000 employee-hours worked (lost time injury frequency rate - LTIFR)	**12.9** injuries per 1,000,000 employee-hours worked The performance achieved is: • slightly higher than the figure recorded in 2021 of 12 injuries per 1,000,000 employee-hours worked • in line with the target to reduce occupational injuries to a rate of less than 14 events per 1,000,000 employee-hours worked by 2023

Indirect workforce

Regarding indirect workers[37], and in particular for companies in the supply chain operating in environments/sites over which Group companies exercise control or for which they are responsible, a total of 183 occupational injuries occurred during the year, down on the 220 injuries recorded in the previous year.

46 injuries without any prognosis, namely those that did not require even one day's absence, were recorded, so the number of injuries resulting in absence from work amounted to 137, with a lost time injury frequency rate (LTIFR) of 4.3 injuries per 1,000,000 employee-hours worked, marking an improvement on the previous year. 2 serious accidents with a prognosis of more than six months were recorded, with a lost time serious injury frequency rate of 0.06.

The number of fatal injuries recorded in Italy (1), Mexico (2) and Brazil (3) is still high. In all these cases, the fatalities were caused by reckless driving, involving encroachment on demarcated work sites.

The total number of fatal accidents in 2022, including the direct and the indirect workforce, amounted to 7, which shows no appreciable improvement compared with previous years.

35 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.

36 Performance against the target is shown on a like-for-like basis to bring it into line with the scope of consolidation, on the basis of which the improvement target was set for the three-year period 2021-2023

37 Performance in this area includes the following companies: the Abertis group (with the exception of A4 Holding, for which only injuries are taken into account and not the number of hours worked), AB Concessoes, ACA and Los Lagos

Human capital development and staff engagement

How we engage, train and develop our people

In accordance with the principles and values set out in the Code of Ethics, Mundys undertakes to:

a) **create a friendly working environment that is open to dialogue**, with a view to enhancing diversity and talent, promoting excellence, enabling personal and professional growth for each person, encouraging innovation and change, and ensuring decent working conditions for everyone;

b) **promote training programmes**, also taking considering requirements and aspirations within the Group;

c) **require that interpersonal relations be conducted in accordance with principles of integrity and mutual respect**, and condemn any kind of discrimination, harassment or insulting or defamatory behaviour because we believe that respect for the freedom and dignity of everyone is fundamental.

In 2022, training and development of human capital included:

≈ €6.6 million euro invested in staff training, almost twice the investment made in 2021 (up 96%)

≈ 23,000 employees took part in training programmes

≈ 27 hours of training per employee were provided on average, without any gender-based differences

> 637,000 training hours provided overall, of which:

≈ 146,000 related to **health and safety**;

≈ 43,400 on **sustainability** issues delivered to approximately 7,600 employees;

≈ 3,100 regarding **digitalisation and cybersecurity** delivered to approximately 1,600 employees[38];

≈ 1,400 on **anti-corruption, ethics and compliance topics** delivered to approximately 7,200 employees[39].

To raise awareness and knowledge of sustainable development issues at all levels of the organisation, Mundys promotes the growth of a widespread culture of sustainability. To this end, the Company has set specific targets to be achieved in the three-year period 2021-2023, as set out below.

Target by 2023	Performance in 2022[40]
Train at least 70% of management on sustainable development issues Involve at least 30% of employees in projects and activities with a purpose or impact related to the United Nations Sustainable Development Goals	**43,395** hours of sustainability training delivered to employees in 2022, bringing the total number of hours of sustainability training delivered in the two-year period 2021-2022 to over **83,600.** **7,576** employees trained in sustainability during the year, up 28% on the approximately 5,900 employees trained in 2021 **All** of the Mundys holding company's management and the senior management of main subsidiaries took part in the two days of training on key ESG issues for sustainable business development, which was delivered in partnership with SDA Bocconi via the tailor-made Sustainability Learning Hub programme In the two-year period 2021-2022, **62%** of the Group's senior management were trained in sustainability issues Approximately **1,200** employees took part in projects and activities related to the UN Sustainable Development Goals (SDGs) in the two-year period 2021-2022 (the social distancing imposed by the Covid-19 pandemic limited staff engagement opportunities throughout 2021 and partially in 2022)

38 This information does not include the scope of consolidation of the Abertis group.

39 Training in tackling corruption also involved 30 members of the Board of Directors

40 Performance against the target is presented on a like-for-like basis to bring it into line with the 2021 scope of consolidation, on the basis of which the improvement target was set for the three-year period 2021-2023.

Diversity, equality and inclusion

Promote diversity, equality and inclusion

In line with the principles and values set out in the Code of Ethics and in the Guidelines on Diversity, Equality and Inclusion, Mundys undertakes to:

- **foster and promote a culture of diversity**, a cornerstone of the concept of equality and inclusion, which is included in our business model;
- **guarantee equal conditions and opportunities** for all our employees, regardless of race, nationality, language, age, sex/gender and gender identity, sexual orientation, ethnicity/culture, religion, physical condition and disability, economic status, and trade union/political or other opinions, thereby promoting an inclusive working environment that protects people's physical and mental health and safety;
- **combat abuse involving discrimination and harassment**, exploitation of forced, compulsory or child labour, human trafficking, and violations of freedom of association;
- **carry out our activities with respect for human rights**, including taking into account the potential and actual human rights impacts of our business partners' activities.

Our commitments include specific targets to improve gender equality, with particular reference to the gender mix in key roles within the organisation, to be achieved by 2023 as shown below.

Target by 2023	Performance in 2022[41]
Increase the proportion of women in middle and senior management positions to 30%	**29.6%** of middle and senior management positions held by women, up from 29% in 2021 on a like-for-like basis
Increase the presence of women in the management and oversight bodies of our investee companies: 30% of the directors and statutory auditors appointed by Mundys in the three-year period 2021-2023 are women	**32%** of the directors and statutory auditors nominated by Mundys in the two-year period 2021-2022 are women (27% for the nominations made exclusively in 2022)

On a like-for-like basis, the proportion of women in senior management positions rose to 24% in 2022 (23% in 2021), while the proportion for middle management positions is stable at 31%.

Considering Yunex Traffic's contribution, the proportion of women in management positions in 2022 is 27%, as Yunex Traffic has a female workforce of less than 20% at all levels of the organisation. It should be noted that the employees work mainly in Field service and Manufacturing.

Mundys is committed to eliminating any gender pay gaps by 2030, in accordance with a criterion of equal pay for equal or equivalent role responsibilities. In 2022, the overall gender pay gap recorded within the scope of consolidation is 13% (women vs. men) and breaks down as follow.

Gender pay gap	Senior Management	Middle Management	Other employees
Fixed remuneration (women vs. men)	19%	7%	13%
Total remuneration (women vs. men)	29%	8%	13%

41 Performance against the target is presented on a like-for-like basis to bring it into line with the 2021 scope of consolidation, on the basis of which the improvement target was set for the three-year period 2021-2023.

No improvement was registered in the gender pay gap compared to 2021.

With regard to respect for human rights, Mundys' objective in the three-year period 2021-2023 is to verify respect for human rights across over-two-thirds of the Group's companies.

Target by 2023	Performance in 2022[42]
Fundamental rights - extension of human rights verification and auditing procedures to a greater portion of our subsidiaries (representing at least 70% of consolidated revenue)	**27%** of subsidiaries (by revenue) were covered by a human rights due diligence process during the year Group guidelines that define methods for conducting a due diligence process on respect for human rights have been developed; they have already been implemented by subsidiaries, representing **19%** of Group revenue. **75%** of employees are covered by collective bargaining regarding to employment terms and conditions

In 2022, 40% of Group employees adopted flexible working patterns/hours; welfare expenditure on employees amounted to approximately €9.2 million; and approximately 900 employees took parental leave during the year, while the rate of return to work stood at 89%, with no substantial gender differences.

42 Performance against the target is presented on a like-for-like basis to bring it into line with the 2021 scope of consolidation, on the basis of which the improvement target was set for the three-year period 2021-2023.

Image of Mundys' institutional communications campaign - Milano Centrale train station

Ethics, transparency and good governance

Mundys has adopted a corporate governance model designed to create value for shareholders, considering the impacts generated for other stakeholders. Constant monitoring of business risks, complete transparency in relations with stakeholders, integrity, and fair decision-making processes are the principles that underpin our corporate governance (as set out in section 5 of this report).

The objective of promoting good governance practices among our subsidiaries is also embodied in specific targets to be achieved by 2023, as set out below.

Target by 2023	Performance in 2022[43]
The subsidiaries: • publish a sustainability report that is made available to their stakeholders • have adopted senior management incentive schemes linked to ESG performance, as well as to financial and operational performance • check core suppliers via ESG audits (at least every three years) • have adopted an IT security and cybersecurity policy and safeguards	The subsidiaries: • have published a sustainability report (companies representing **>86%** of revenue) • have adopted a long-term sustainability plan (companies representing **>90%** of revenue) • have incorporated short- and/or long term ESG objectives into their management incentive schemes together with financial and operational metrics (companies representing **>90%** of revenue) • have audited and assessed **7%** of active core suppliers in accordance with ESG criteria, and screened **74%** of active core suppliers in accordance with ESG criteria, at least once in the last three years • have adopted an IT security and cybersecurity policy (companies representing **>92%** of consolidated revenue)

Other impact indicators

Mundys' commitment to responsible resource management: circular economy and biodiversity

As part of our infrastructure development, maintenance and operation activities, we use water, raw materials and semi-finished and finished products. Therefore, our commitment to the environment is also focused on the responsible management of natural resources, via a quest for technical, technological, operational and organisational solutions aimed at safeguarding natural capital and circularity. Safeguarding the environment is one of the principles of our Code of Ethics (https://www.mundys.com/documents/37344/116906/Mundys-CodiceEtico-EN.pdf).

Our commitments include specific targets for the improvement of responsible use of natural resources, to be achieved by 2023 as set out below.

Target by 2023	Performance in 2022[44]
Waste sent for reuse, recycling or recovery:	**73%** of waste reused, recycled or recovered:
90% for the airports segment	**90%** for the airports segment
70% for the motorways segment	**72%** for the motorways segment
>75% of assets (revenue) covered by certified environmental management systems (ISO 14001)	**28%** of assets (revenue) covered by certified environmental management systems
Biodiversity - offset the use of additional land for the development of existing infrastructure by renaturalising equivalent land to ensure zero impact on biodiversity	Biodiversity – a methodological approach for reporting is being developed in line with international frameworks and standards

43 Performance against the target is presented on a like-for-like basis to bring it into line with the 2021 scope of consolidation, on the basis of which the improvement target was set for the three-year period 2021-2023.

44 Performance against the target is presented on a like-for-like basis to bring it into line with the 2021 scope of consolidation, on the basis of which the improvement target was set for the three-year period 2021-2023.

Contributing to economic and social development

Through its activities, the Group helps to generate benefits for stakeholders and the local communities in which we operate in terms of economic value and employment. In 2022, the Group generated **economic value**[45] amounting to approximately €8.7 billion, up 19% on 2021, due to increased motorway toll revenue, the sharp recovery in airport traffic and the acquisition of Yunex Traffic during the year.

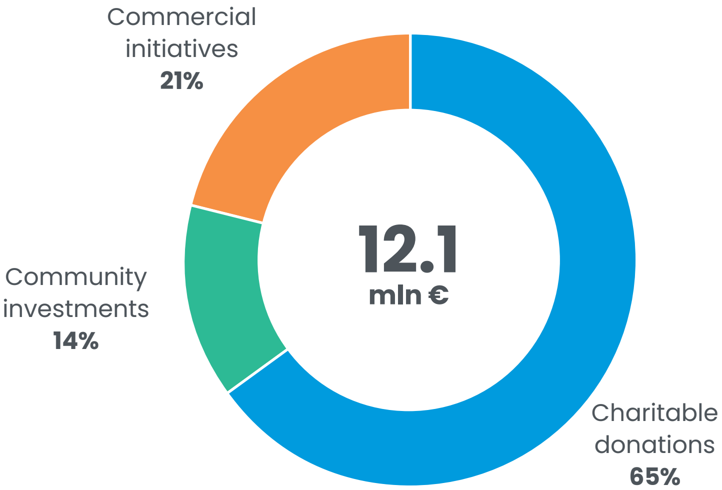
Breakdown of economic value created	2021	2022	% change
Economic value created	**€ 7,277**	**€ 8,657**	**19%**
Motorway toll revenues	€ 4,959	€ 5,366	8%
Airport service revenues	€ 296	€ 598	102%
Other operating revenues	€ 1,135	€ 1,463	29%
Other operating income (including financial income)	€ 887	€ 1,230	39%

The economic value is distributed as follows:

- **29%** (approximately €2,475 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;
- **31%** (approximately €2,681 million) to providers of risk capital and to finance the distribution of dividends and to service debt;
- **12%** (approximately €1,037 million) to employees in the form of wages, salaries, benefits and incentives;
- **16%** (approximately €1,379 million) to the state and local authorities, in the form of direct and indirect taxes and concession fees;
- **12%** (approximately €1,084 million) of economic value was retained[46].

We also contribute to the wellbeing of the communities we operate in through donations and investments in the community.

Value distributed towards social and community projects



45 Obtained from the sum of operating income and other income (e.g., financial income).

46 In line with GRI indicator 201.1, the figure is before amortisation and depreciation, capitalised costs and charges, deferred taxes and provisions. Any income/expenses from discontinued or discontinuing operations were excluded from the economic value created.

During 2022 we disbursed:

- **€7.8 million in philanthropic donations**, contributions to foundations, costs associated with employees volunteering during working hours, and products and services, mainly for humanitarian initiatives to support the war-affected population of Ukraine.
- **€1.7 million in community investment**, including information and awareness-raising campaigns, grants to associations and organisations, offsetting initiatives for local areas, and contributions to trade associations.
- **€2.6 million in commercial initiatives**, including the sponsorship of sporting events, and scientific and social initiatives.

88% of these contributions were made in the form of cash grants.

Open and transparent dialogue with stakeholders, which serves to enhance confidence and our reputation, is of great importance to the Company, and we constantly seek to improve our engagement with stakeholders.

Target by 2023	Performance in 2022[47]
Strengthen stakeholder trust and the reputation Mundys enjoys with our stakeholders, which is measured by an independent third party.	Mundys' corporate reputation **up 4.4 points** in 2022 (**up 9.3** points since the beginning of the opinion poll in 2021). The increase in the rating is particularly positive, given the various exogenous factors that marked 2022 (e.g., war, inflation and the energy crisis), which tended to have a negative impact on the reputation of the companies monitored by RepTrak.

Sustainable supply chain management

In line with our ESG Sustainability Plan 2021-2023 commitments, as well as with the Sustainable Development Goals and the principles of the Global Compact, we establish collaborative relationships with our suppliers based on the principles of loyalty, fairness, transparency and efficiency, in compliance with the laws of the countries in which we operate.

All our business partners are informed about the sustainability policies adopted by Mundys and are required to comply with **the ethical and behavioural principles of the Group's Code of Ethics** and/or **codes of conduct** or specific policies adopted by Group companies, undertaking to abide by its provisions regarding the protection of human rights, the environment and occupational health, safety and staff welfare. This commitment extends to any authorised subcontractors.

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. Suppliers are identified via the suppliers' registers of individual companies or through public tenders and are assessed in the qualification phase in terms of **technical, economic and ESG criteria**. More than **82%** of the Group's companies in terms of revenue have adopted **technology platforms to support the supplier assessment process**, in accordance with social, environmental and good governance criteria. From the partner selection stage and on a regular basis thereafter, these platforms enable collection of data on suppliers' sustainability performance, in-depth audits of communication on the real-time visibility of risks throughout the supply chain, and activation of direct communication mechanisms, which is advantageous for both parties in terms of transparency and process efficiency.

Responsible supply chain management is an important issue for which the Company has constant improvement targets, as shown below.

47 Performance against the target is presented on a like-for-like basis to bring it into line with the 2021 scope of consolidation, on the basis of which the improvement target was set for the three-year period 2021-2023.

Target by 2023	Performance in 2022[48]
100% of core suppliers undergoing ESG audits, at least every three years	**74%** of active core suppliers screened in accordance with ESG criteria at least once in the last three years **7%** of active core suppliers audited in accordance with ESG criteria at least once in the last three years

In 2022, Mundys developed a specific project to map the extent to which ESG factors have been embedded in the supplier management and control process, with particular reference to core suppliers[49].

The project involved a joint activity with Group companies to map supplier management and audit procedures, aimed at analysing best practices implemented by other peers and discussing the use of the main ESG criteria monitoring frameworks. Operational guidelines including content on leading international standards and principles, instructions on requirements and methods for conducting audits, monitoring objectives, and principles for defining corrective measures and improvement plans were then drawn up and distributed to companies, as a support tool for ESG assessment of suppliers.

In 2022, the Group maintained around 16,400 active suppliers worldwide, excluding the new company entering the scope of consolidation. Total expenditure amounted to more than €2.5 billion, of which 93% was spent on local suppliers, giving priority, when possible, to development of the local areas where the Group is present, and to short-haul logistics so to reduce the environmental impact of transport. Approximately 32% of annual expenditure was spent on 281 core suppliers (1.7% of total suppliers). Of these, 74% were screened in accordance with ESG criteria, and in 20 cases on-site inspections and/or audits were carried out (7% of total core suppliers). Shortcomings regarding three core suppliers were identified, and corrective measures were put in place.

Considering the entire scope of consolidation, it should be noted that Yunex Traffic, which was acquired in 2022, has a diversified supply chain spread across more than 40 countries worldwide, ranging from electronic components to software and IT services, and from logistics to civil engineering and construction services. With a total of 2,976 active suppliers in 2022, the company accounts for 15% of the Group total supplier base (5.8% in terms of total value of expenditure). During the year, the company launched a project to implement an ESG risk management platform in the supply chain, which will enable ongoing dialogue with key suppliers, and monitor their sustainability performance and compliance with applicable international regulations and standards.

48 Performance against the target is presented on a like-for-like basis to bring it into line with the 2021 scope of consolidation, on the basis of which the improvement target was set for the three-year period 2021-2023.

49 Suppliers that have 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 economic and/or organisational impacts.

6.5 Tax transparency

Tax strategy

Since 2018, the Mundys Group has defined the principles and values contained in its Tax Strategy, with which guides the decision-making process on tax matters, investments and the Group's core business as a whole.

Therefore:

- the Group does not apply aggressive tax planning schemes in domestic or international transactions, nor resort to the use of tax havens or other artificial arrangements that do not reflect economic reality and may offer undue tax advantages;
- Group entities are incorporated in the jurisdictions in which they conduct their actual business, and their tax residence is always the same as their location guaranteeing economic substance to taxation, with neither the former nor the latter being guided by considerations regarding tax;
- intercompany transactions are regulated in full compliance with the arm's length principle and are accurately recorded in the documentation prepared annually in accordance with OECD transfer pricing requirements (Master file, Local file, Country-by-Country report);
- tax management is not remunerated on the basis of undue tax burden reduction targets and is committed for promoting a culture of tax compliance and the related values.

The Group operates in accordance with the values of honesty and integrity and pursues a behaviour conducive to compliance with tax legislation and transparency towards tax authorities.

Mundys is also committed to promoting adherence to cooperative compliance schemes, in all the countries in which it operates, where forms of cooperative compliance for taxpayers have been introduced.

The main Group entities operating overseas and in Italy (namely, Abertis group, Yunex Traffic GmbH, Aeroporti di Roma SpA, Telepass SpA, Autostrade dell'Atlantico Srl and Azzurra Aeroporti SpA) have implemented the Tax Strategy. Mundys and Aeroporti di Roma SpA have been admitted to the Italian co-operative compliance regime and Telepass SpA is going to start the process for the admission, therefore the Mundys entities undertake to cooperate in transparent dialogue with the Italian Revenue Agency, in order to establish prior certainty on particularly complex tax arrangements.

In Spain, Abertis group is part of the *Código de Buenas Prácticas Tributarias* regime, which contains recommendations agreed between the Spanish tax authorities and the Forum of Large Enterprises in the field of tax management.

Tax risk management

In order to control its tax risk, Mundys has implemented a Tax Control Framework ("TCF"), inspired by international best practices, which is integrated into the Company's internal control system and, in particular, the system of controls over accounting and financial reporting.

The TCF ensures the management of two kinds of risks:

- correct compliance, monitored through risk/control maps, in which tax risks are appropriately associated with business processes and activities designed to mitigate such risks, including related quantitative assessments.

  For compliance of risk controls management, Mundys has invested in technology, adopting solutions for the digitalisation of tax processes, regarding the calculation of taxes and the preparation of key requirements, such as application of the CFC rule and the preparation of Country-by-Country report, in order to obtain greater assurance of the accuracy of data relevant for tax compliance purposes;
- well-founded interpretation of tax regulations, involving their timely identification, correct measurement and control by a specific internal procedure that, depending on the magnitude of risk, ensures the identification of cases of tax uncertainty and provides mechanisms for internal decision-making escalation with regard to assumption of the related risks, for prior discussion with the tax authorities and for reporting to the Board of Directors.

In order to identify, measure and manage tax uncertainty, Mundys has implemented a process of tracking and tracing tax decisions, enabling an assessment of the extent to which these decisions may be challenged and measurement of their materiality in terms of tax variables (namely the difference between the tax burden resulting from the interpretation adopted by the Company and the tax burden that could result from an audit by the tax authorities). The interpretative risk management procedure, regarding the relevant tax choices made in the 2022 compliance year (2021 tax period), resulted in the identification of 24 positions without any tax uncertainty, and 1 position where a prior dialogue with the tax authorities was promptly activated in order to reach a shared assessment of these positions, and thereby eliminate situations of uncertainty or tax variability.

In Italy, the TCF has been further enhanced with measures to mitigate the risk of tax fraud by strengthening the interactions with the Organisational, Management and Control Model, for the purposes of entities' liability for tax offences, as enshrined in Legislative Decree 231 of 2001.

The TCF is designed in accordance with a model that has three levels of control: first-level controls, entrusted to risk owners, accompanied by periodic updating and monitoring activities, under the responsibility of a specific second-level control unit. The third-level control is carried out by the Audit department.

An annual report is prepared for the Board of Directors regarding the outcomes of TCF monitoring and tax risk management and the results of the interlocutions with the Tax Authority, in accordance with the requirements of the Tax Strategy. As part of Mundys's cooperative compliance commitments, the annual report is sent to the tax authority.

In order to protect whistleblowers reporting crimes or irregularities, including tax irregularities, that come to their attention in the course of their employment, work or the provision of third-party services, Mundys has adopted a dedicated channel for reporting violations in its Code of Ethics, which guarantees the confidentiality of a whistleblower's identity.

Tax transparency approach

Mundys is continuing its commitment and efforts to enhance tax transparency, within the broader context of ESG issues. Through the process of collecting and analysing data from its Italian and overseas subsidiaries, and through voluntary publication of the results obtained, the Group aims to:

- provide evidence of group companies' adherence to the principles of Mundys' tax strategy;
- emphasise the close link between tax and the concept of sustainability. As it is fully part of the governance element of the ESG aspects, taxation management is one of the key components of the forthcoming EU social taxonomy, in which tax transparency and non-aggressive tax planning are included among the minimum safeguards that a company must vouch to be deemed sustainable;
- meet the growing expectations of all stakeholders;
- provide more details on the taxes accrued and paid and the risks associated with tax management.

This allows for the creation of a database which, based on the individual tax jurisdictions the Group operates in, will provide the opportunity to carry out analyses, including comparative ones, that will be useful for the stakeholders as well as for Mundys.

To this end, Mundys has launched starting from FY 2021 a project to better represent its tax contribution in the countries where the Group operates, which involves the adoption of the Total Tax Contribution (TTC) method.

This reporting model is nowfully implemented (as of the 2022 tax year), and integrates information regarding income taxes, as well as labour, product and service, environmental and property taxes. These information are disclosed in the Tax Transparency Report which highlights the levy that represents a cost for Mundys (taxes borne), as well as the taxes collected on behalf of the tax authorities (taxes collected).

Mundys's firm belief to operate ethically and the attention that is paid to meticulous tax management and risk control, as well as Mundys's commitment to transparent relations with the tax authorities, have enabled the Company to obtain the international Fair Tax certification for fiscal years 2020 and 2021.

Country by Country reporting

As part of the comprehensive ESG approach adopted and particularly in light of the importance placed to transparency in tax matters, Mundys provides hereinafter a disclosure of the income taxes – both accrued and paid – as well as other useful information related to each jurisdiction in which it is operates. Information is presented in the country-by-country reporting framework set forth by the GRI standard 207-4.

The scope of the table below (hereinafter also "CbC table") covers information on the entities consolidated within the "*Mundys S.p.A. Consolidated financial statements of as at and for the year ended 31 December 2022*" (also "consolidated financial statements").

In this respect it is worth mentioning that the Mundys's stake in Autostrade per l'Italia (hereinafter also "ASPI") was sold on May 2022. Thus, in line with the provisions of OECD for such circumstances (i.e., cases where entities leave the group during the year of reporting), ASPI entities' data on revenues, profit before taxes, income taxes paid and income taxes accrued are reported for the period until April 2022 (included), whereas data on number of employees and tangible assets i are not included.

Information on *(i)* the names of the entities in scope, *(ii)* their main activities as well as *(iii)* the jurisdictions in which the entities are resident for tax purposes are reported in Annex 1 to the consolidated financial statements ("*The Mundys Group's scope of consolidation and investments as at 31 December 2022*").

(Eur million, except for the number of employees)

Tax Jurisdiction	Number of Employees	Revenues from third-party sales	Revenues from intra-group transactions with other tax jurisdictions	Profit/ (Loss) before taxes	Tangible Assets other than Cash and Cash Equivalents	Corporate Income Taxes Paid (on cash basis)	Corporate income taxes accrued on profit/loss (current year)
Argentina	1,801	402.2	0.0	22.8	17.5	3.0	(1.2)
Australia	65	9.4	1.9	(0.2)	3.5	0.1	0.0
Austria	138	21.0	5.0	4.8	4.2	0.6	0.3
Brazil	6,070	1,571.8	0.0	(121.1)	50.8	90.9	111.7
Chile	1,575	1,539.8	0.6	910.6	43.4	44.7	141.5
China	31	4.8	0.2	0.8	2.5	0.0	(0.0)
Colombia	106	3.0	0.1	(0.4)	0.3	0.1	0.0
Croatia	55	1.1	2.8	0.2	0.3	0.1	0.0
Czech Republic	104	6.1	0.0	1.6	1.3	0.0	0.0
France	2,708	2,387.6	22.0	798.0	239.9	200.9	217.4
Germany	1,064	106.8	3.7	25.2	24.8	0.0	(0.2)
Hungary	36	4.8	0.2	0.5	1.3	0.1	0.2
India	53	42.0	1.5	16.7	1.1	0.1	2.1
Italy	4,511	6,163.2	8.0	3,181.2	236.8	46.6	137.7
Mexico	1,435	746.1	0.0	208.8	13.5	17.1	15.8
Netherlands	165	25.8	79.0	6.5	7.9	1.2	0.9
Poland	328	102.8	5.4	25.2	12.5	8.8	10.0
Puerto Rico	98	187.5	0.0	46.3	36.3	4.4	8.1
Spain	985	725.6	56.4	(1,601.5)	85.3	132.6	72.6
United Kingdom	1,246	133.9	34.8	3.6	49.0	1.4	1.5
United States	429	154.9	8.7	(19.9)	15.3	0.0	0.0
Others[50]	371	55.6	2.9	(6.0)	8.4	0.4	0.1
Total	**23,374**	**14,396**	**233**	**3,504**	**856**	**553**	**719**

50 For illustrative purposes and due to materiality reasons, data from the following countries have been merged into this line: Albania, Armenia, Belgium, Bulgaria, Canada, Georgia, Greece, Hong Kong, Ireland, Luxembourg, Macao, Madagascar, Moldova, Portugal, Qatar, Serbia, Romania, Russian Federation, Singapore, Slovakia, Sweden, Switzerland, Tunisia and Turkey.

The disclosure on the reasons for the difference between (i) the income tax burden – expressed in terms of both corporate tax income accrued (current year) and the effective income tax accounted for in the consolidated financial statements – and (ii) the theoretical tax (income tax due if the statutory tax rate is applied to Profit/Loss before tax - GRI 207-4-b-x), is included in section 8.12 of the consolidated financial statements ("*Income tax expense*").

Reconciliations with the consolidated financial statements

The reconciliations of amounts included in the table above with the same information presented in the consolidated financial statements are provided below.

This reconciliation exercise is deemed to be necessary in view of the different reporting principles and standards used:

i) the Country-by-country reporting table is presented based on the reporting criteria provided for in Action 13 of the OECD's BEPS project;

ii) the consolidated financial statements is prepared under the IFRS accounting principle.

(€ million)

Item	CbCR	Consolidated financial statements	Difference
Revenues from third-party sales	14,396	8,339	6,057
Profit/(Loss) before taxes	3,504	664	2,839
Tangible assets - other than cash and cash equivalents	856	849	7
Corporate income taxes paid (on a cash basis)	553	552	1
Corporate income taxes accrued on profit/loss (current year)	719	588	131

Revenues from third-party sales (Third-party Revenues)

Item	Amount (€ million)
Revenues from third-party sales (CbCR)	**14,396**
Gain on the sale of Mundys's stake in ASPI	(2,860)
Revenues of ASPI entities	(1,431)
Other financial income from other financial assets	(1,068)
Foreign exchange gains before losses	(333)
Financial income from discounting concession rights	(162)
Use of provisions for construction services required by contract	(136)
Gain on the sale of Abertis's stake in Eurotoll	(37)
Other consolidation adjustments	(30)
Revenues (consolidated financial statements)	8,339

The difference is due to the following items:

i) the gain on the sale of Mundys's stake in ASPI (€2,860 million) and the revenues recorded by ASPI entities (€1,431 million): these amounts are included in the value of Revenues from third-party sales within the CbCR, while they are reclassified in the consolidated financial statements as discontinued operations in accordance with IFRS 5;

ii) other financial income from other financial assets (€1,068 million), foreign exchange gains before losses (€333 million), financial income from discounting concession rights (€162 million), use of provisions for construction services required by contract (€136 million): these amounts are included in the value of Revenues from third-party sales within the CbCR, whereas, within the consolidated financial statements they are accounted for in items other than "Revenue";

iii) the gain on the sale of Abertis's stake in Eurotoll (€37 million) is not included in the consolidated financial statements as an intercompany transaction;

iv) other consolidation adjustments (€30 million) in accordance with the IFRS accounting principles applied for the preparation of the consolidated financial statements.

Profit/(Loss) before taxes

Item	Amount (€ million)
Profit/(Loss) before taxes (CbCR)	**3,504**
Gain on the sale of Mundys's stake in ASPI	(2,860)
Profit/(Loss) before tax of ASPI entities	(441)
Gain on the sale of Abertis's stake in Eurotoll	(37)
Consolidation adjustments	498
Profit/(Loss) before taxes (consolidated financial statements)	**664**

The difference is due to the following items:

i) the gain on the sale of Mundys's stake in ASPI (€2,860 million) and the Profit/Loss before taxes recorded by ASPI entities (€441 million): these amounts are included in the value of Profit/Loss before taxes within the CbCR, while they are reclassified in the consolidated financial statements as discontinued operations in accordance with IFRS 5;

ii) the gain on the sale of Abertis's stake in Eurotoll (€37 million) is not included in the consolidated financial statements as an intercompany transaction;

iii) consolidation adjustments (€498 million) made in accordance with the IFRS accounting principle applied for the preparation of the consolidated financial statements. These adjustments primarily refer to the effects of changes in value resulting from impairment tests and subsequent adjustments of the depreciation/amortization and purchase price allocation adjustments.

Tangible assets - other than cash and cash equivalents

The slight difference between "Tangible assets" in the CbCR (€856 million) and "Property, plant and equipment" and "Inventories" in the consolidated financial statements (€849 million) is due to adjustments applied in accordance with the relevant IFRS.

Corporate income taxes paid (on a cash basis)

The slight difference between "Corporate income taxes paid (on a cash basis)" in the CbCR (€553 million) and "Income taxes paid/(refunded)" in the consolidated financial statements (consolidated statement of cash flows - €552 million) is mainly due to the different methods of recognizing the amount: the former is computed on the basis of the CbCR reporting criteria provided for in Action 13 of the OECD's BEPS project, whilst the latter is determined by applying the indirect method.

Corporate income taxes accrued on profit/loss - current year

Item	Amount (€ million)
Corporate income taxes accrued on profit/(loss) - current year (CbCR)	**719**
Income taxes accrued from the gain on the sale of Mundys's stake in ASPI	(95)
Income taxes accrued of ASPI entities	(75)
Income taxes accrued from dividends	39
Current tax expenses (consolidated financial statements)	**588**

The difference is due to the following items:

i) Income taxes accrued from the gain on the sale of Mundys's stake in ASPI (€95 million) and Income taxes accrued of ASPI entities (€75 million): these amounts are included in the value of Corporate income taxes accrued on profit/(loss) within the CbCR, while they are reclassified in the consolidated financial statements as discontinued operations in accordance with IFRS 5;

ii) Income taxes accrued from dividends (€ 39 million): in line with the CbCr reporting criteria provided for in Action 13 of the OECD's BEPS project, these taxes are excluded from corporate income taxes accrued.

Image taken from Mundys' institutional communications campaign

Image of Mundys' institutional communications campaign - Center of Milan

7. MUNDYS SPA'S CONSOLIDATED NON-FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022 AND OTHER ESG INFORMATION

7.1 Methodologies and links to other information

Methodology

As a public interest entity ("PIE"), Mundys SpA 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. The NFS provides information on environmental and social aspects and those relating to people, respect for human rights and efforts to combat active and passive corruption, considered significant based on the entity's activities and its characteristics. From the 2020 financial year, the NFS is included in the Group's Integrated Annual Report, as shown in the table showing the links between the Report, the NFS and Legislative Decree 254/2016.

In order to guarantee the comparability of data and information over time and the correct assessment of the Group's performance, the data is being presented as of 31st December 2022 compared with previous periods.

The NFS, included in the Integrated Annual report, has been prepared in conformity with the "Consolidated set of GRI Standards" Sustainability Reporting Standards published by the GRI in 2021, and contains data and information for the period between 1 January and 31 December 2022. The reporting Standard complies with the disclosure obligations pursuant to Italian Legislative Decree 254/2016 art. 1 letter "f" and art. 3, c. 3, and the Directors have decided to adopt it to fully represent the social, environmental and governance topics, in compliance with the aforementioned Decree, relevant for Mundys taking into account the structure of the Group, the sectors of activity, and the geographical areas of reference. Detailed information on the general and specific disclosures reported in this document is provided in the GRI content index shown in the following section. This section also includes a table linking the identified material aspects related to GRI disclosures to reporting topics as per Legislative Decree 254/2016.

In terms of the reporting scope, to make it easier for readers to compare and understand the Mundys Group's performances following the entry of Yunex Traffic, the data for 2022 is reported both on a consolidated basis and on a like-for-like basis without considering the contribution from Yunex where relevant. In particular, the performances related to ESG scorecard targets are always reported on a like-for-like basis.

It should also be noted that, compared with the 2021 report, Spea Engineering, previously only included in relation to total and average workforce data, has been excluded from the report in accordance with the materiality principle, together with the holding company, Autostrade Indian Infrastructure Development Private Limited. In addition, in accordance with the methodology described in the "Sustainability Strategy Monitoring Appendix" published on Abertis's website, the following Abertis group companies have been excluded from the reporting scope: Abertis Infraestructuras Finance BV, Abertis Mobilty Services SL (except for Emovis SAS, Emovis Operations Leeds and Emovis Operations Mersey Ltd.). Abertis Internacional SA and Abertis Telecom Satélites SA (all directly held); Acesa, Leonord Exploitation SAS, Sanef 107.7 SAS, Serenissima Partecipazioni SpA, Mulhacen, Globalcar Services SpA, Autovias SA, Centrovias Sistemas Rodoviários SA and Vianorte. SA (all indirectly held). These Companies represent 0.7% of the Abertis group's consolidated revenue. Further limits on the scope, related to specific indicators and due to data being impossible to obtain or not reliable, are clearly indicated in the text and do not affect the statement's ability to provide a complete picture of the entity's activities, as required by art 3.c.1 of Legislative Decree 254/2016. When estimates are used, they are appropriately indicated and details of the method of calculation are provided. Notes are included within the text to explain the changes in the calculation and estimation methods used compared with previous reporting cycles.

The Integrated Annual Report, together with the content constituting the NFS for the year ended 31

December 2022, was approved by Mundys SpA's Board of Directors on 4 April 2023. Except for the information in the specific EU Taxonomy section, the NFS was covered by a limited assurance engagement, conducted in accordance with the criteria indicated in ISAE 3000 Revised, by the audit firm, KPMG SpA and it is published in Italian and English on Mundys' website (www.mundys.it).

When calculating greenhouse emissions, reference was made to the "GHG Protocol Corporate Accounting and Reporting" standard and the GHG protocol standard "Corporate Value Chain Accounting and Reporting Standard" for indirect scope 3 emissions, and the criteria for the ISO 14064 standard, based on which the emissions inventories will be assessed. In terms of scope 3 inventory, upstream activities include emissions from purchased goods and services, waste from operations, business travel and employee commuting, emissions linked to the purchase and distribution of energy and fuel (not included in scope 1 or scope 2). Downstream activities include emissions from the downstream transport of goods and people - which in the airports segment covers access to infrastructure - capital expenditure and leased assets. Downstream emissions related to the use of transport infrastructure, meaning emissions from motorway traffic and from aircraft (the latter represented by aircraft consumption) are not accounted as they are indirectly linked to the use of transport infrastructure. This approach is in line with the GHG protocol for category 11 regarding scope 3 emissions from the use of products and services, as confirmed also in the process of certifying the GHG inventory. Scope 3 emissions relating to the "other purchased goods and services" category for upstream emissions, introduced for the first time in this Report, are determined applying an input-output economic model. This uses specific software and is based on the total value of expenditure linked to the different product categories.

In addition to carbon dioxide (CO_2), the greenhouse gases included when calculating the carbon footprint include methane (CH_4), nitrous oxide (N_2O), sulphur hexafluoride (SF_6) and others, all shown in tonnes of CO_2 equivalent (CO_2e). Detailed information on the sources and methods used to calculate the Group's carbon footprint is provided in the Carbon Disclosure Project questionnaire, published each year by Mundys.

The figures for 2022 have been estimated based on the information available at the date of preparation of the NFS.

The non-financial disclosure's inclusion in this Report was conducted through a transversal process coordinated by the Sustainability & Innovation department, working closely with the CFO's office and involving all the relevant Mundys' departments. The Sustainability & Innovation department was responsible for collecting and analysing the data, including through the IT system to monitor ESG performance and for planning and is in line with the internal procedure for non-financial disclosures.

GRI content index

Statement of use	Mundys SpA has prepared a report in compliance with the GRI Standards for the period from 1st January 2022 to 31 December 2022
GRI 1 used	GRI 1 – Fundamental Principles - 2021
Relevant GRI sector standards	Not applicable for the 2022 reporting period.

GRI disclosure	Description	Page	Notes/Omissions
GRI 2: General Disclosures – 2021			
1. The organization and its reporting practices			
GRI 2-1	Organizational details	9-13, 15-17	
GRI 2-2	Entities included in the organization's sustainability reporting	144-145	
GRI 2-3	Reporting period, frequency and contact point	144-145	Further information on ESG aspects and performances can be requested at the following email address: sustainability@Mundys.com
GRI 2-4	Restatements of information	Any restatements of reported information are explicitly indicated in the text accompanying the data.	
GRI 2-5	External assurance	364-378	
2. Activities and workers			
GRI 2-6	Activities, value chain and other business relationships	15-17, 55-56, 132-134	
GRI 2-7	Employees	161-165	
GRI 2-8	Workers who are not employees	Mundys Group does not hold complete information on workers who are not employees in its systems. The main activities carried out by workers who are not employees regard maintenance and construction work, together with handling services.	
3. Governance			
GRI 2-9	Governance structure and composition	12-13, 72-78	
GRI 2-10	Nomination and selection of the highest governance body.	12-13, 72-78	
GRI 2-11	Chair of the highest governance body.	12-13, 72-78	
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	12-13, 72-78	

GRI disclosure	Description	Page	Notes/Omissions
GRI 2-13	Delegation of responsibility for managing impacts.	72-78	
GRI 2-14	Role of the highest governance body in sustainability reporting.	144-145	
GRI 2-15	Conflicts of interest	72-78	
GRI 2-16	Communication of critical concerns	80-85	
GRI 2-17	Collective knowledge of the highest governance body	74-78	
GRI 2-18	Evaluation of the performance of the highest governance body	In 2022 the Board of Directors did not perform any performance self-assessment activity.	
GRI 2-19	Remuneration policies	Mundys SpA's remuneration policy for 2022 is available on the website at the following link https://www.mundys.com/documents/37344/143535/Parare+orientamento+ENG.pdf	
GRI 2-20	Process to determine remuneration	Mundys SpA's remuneration policy for 2022 is available on the website at the following link https://www.mundys.com/documents/37344/0/Relazione_Remunerazione2022_ENG.pdf	
GRI 2-21	Annual total compensation ratio	The ratio of the annual total compensation of the highest paid individual to the average annual total compensation of Group employees is 88.7.	
4. Strategy. policies and practices			
GRI 2-22	Statement on sustainable development strategy	6-8	
GRI 2-23	Policy commitments	81-85	Information available in the Group Code of Ethics published on the website (https://www.mundys.com/documents/37344/116906/MUNDYS+_+Code+of+Ethics+_+ENG.pdf).
GRI 2-24	Embedding policy commitments	81-85	Information available in the Responsible Investment Policy published on the website (https://www.mundys.com/documents/37344/395879/MUNDYS+_+Responsible+investment++policy+_+EN.pdf).
GRI 2-25	Processes to remediate negative impacts	Information available in the Stakeholder Engagement Policy published on the website (https://www.mundys.com/documents/37344/778423/Atlantia-Dialogo+Azionisti-ENG.pdf) and effective until delisting. The various companies of Mundys Group have adopted specific communication channels in order to engage their stakeholders.	
GRI 2-26	Mechanism for seeking advice and raising concerns	Mundys promotes the dialogue with all the stakeholders, as indicated in its Stakeholder Engagement Policy (https://www.mundys.com/documents/37344/778423/Atlantia-Dialogo+Azionisti-ENG.pdf) effective until delisting, and has a specific whistleblowing channel available for anonymous reports.	
GRI 2-27	Compliance with laws and regulations	For information on compliance with law and regulations please make reference to section 10.6 of the Report.	
GRI 2-28	Membership associations	Mundys is a member of the following associations: UN Global Compact; Business Integrity Forum di Trasparency International; Nuovi Mecenati; ISPI; Ambrosetti-Corporate Governance forum..	

GRI disclosure	Description	Page	Notes/Omissions
5. Stakeholder engagement			
GRI 2-29	Approach to stakeholder engagement	Information available in the Stakeholder Engagement Policy published on the website (https://www.mundys.com/documents/37344/778423/Atlantia-Dialogo+Azionisti-ENG.pdf) and effective until delisting. The various companies of Mundys Group have adopted specific communication channels in order to engage their stakeholders.	
GRI 2-30	Collective bargaining agreements	75% of Group employees are covered by a collective agreement.	
GRI 3: Material topics – 2021			
GRI 3-1	Process to determine material topics	37-39	
GRI 3-2	List of material topics	38-39	
EMPLOYEE ENGAGEMENT AND DEVELOPMENT			
GRI 3-3	Management of material topics	128	
GRI 404: Training and education (2016)			
404-1	Average hours of training per year per employee	169	
404-2	Programs for upgrading employee skills and transition assistance programs	128	
COMBATING CLIMATE CHANGE			
GRI 3-3	Management of material topics	116-118	
GRI 305: Emissions (2016)			
305-1	Direct (Scope 1) GHG emissions	119, 159-160	
305-2	Indirect (Scope 2) GHG emissions	119, 159-160	
305-3	Other indirect (Scope 3) GHG emissions	119, 159-160	
305-4	GHG emissions intensity	159-160	
305-5	Reduction of GHG emissions	159-160	
DIVERSITY, EQUALITY AND INCLUSION			
GRI 3-3	Management of material topics	129-130	
GRI 401: Occupazione (2016)			
401-1	New employee hires and employee turnover	166-167	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	169	
401-3	Parental leave	169	
GRI 405: Diversity and equal opportunities (2016)			
405-1	Diversity of governance bodies and employees	161-162	43% of the members of Mundys SpA's Board of Directors in office as of December 31, 2022 belong to the female gender. 86% of the members are included in the over-50 age group, while 14% are in the 30-50 age group. 2.1% of employees belong to protected categories.
405-2	Ratio of basic salary and remuneration of women to men	129	

GRI disclosure	Description	Page	Notes/Omissions
GRI 406: Non-discrimination (2016)			
406-1	Incidents of discrimination and corrective actions taken	Please make reference to the section "Whistleblowing – Gestione delle segnalazioni" of paragraph 5.2 of the Report.	
ETHICS, TRANSPARENCY AND GOOD GOVERNANCE			
GRI 3-3	Management of material topics	79-85, 131	
GRI 205: Anticorruption (2016)			
205-2	Communication and training about anti-corruption policies and procedures	128	
205-3	Confirmed incidents of corruption and actions taken	Please make reference to the section "Whistleblowing – Gestione delle segnalazioni" of paragraph 5.2 of the Report.	
GRI 207: Taxation (2019)			
207-1	Approach to tax	135-138	
207-2	Tax governance, control and risk management	135-138	
207-3	Stakeholder engagement and management concerns related to tax	135-138	
207-4	Country-by-country reporting	138	
GRI 415: Public policy (2016)			
415-1	Political donations	No political donations have been made.	
EMPLOYEES' HEALTH, SAFETY AND WELLBEING			
GRI 3-3	Management of material topics	126-127, 168	
GRI 403: Salute e sicurezza sul lavoro (2018)			
403-1	Occupational health and safety management system	126-127, 168	
403-2	Hazard identification, risk assessment, and incident investigation	67-69, 126-127, 168	
403-3	Occupational health services	126-127, 168	
403-4	Worker participation, consultation, and communication on occupational health and safety	126-127, 168	
403-5	Worker training on occupational health and safety	128	
403-6	Promotion of worker health	126-127, 168	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	126-127, 168	
403-8	Workers covered by an occupational health and safety management system	126-127, 168	
403-9	Work-related injuries	126-127, 168	
SAFETY OF PRODUCTS AND SERVICESS'			
GRI 3-3	Management of material topics	171	
Non-GRI indicator			
KPI 1	Road accident rate	171	

GRI disclosure	Description	Page	Notes/Omissions
ENERGY TRANSITION			
GRI 3-3	Management of material topics	116-118	
GRI 302: Energy (2016)			
302-1	Energy consumption within the organization	156-157	
302-3	Energy intensity	156	
302-4	Reduction of energy consumption	156-157	
SUSTAINABLE MOBILITY SOLUTIONS			
GRI 3-3	Management of material topics	122-124	
Other material topics			
CIRCULAR ECONOMY			
GRI 3-3	Management of material topics	131	
GRI 301: Materials (2016)			
301-1	Materials used by weight or volume	154	
GRI 306: Waste (2020)			
306-1	Waste generation and significant waste-related impacts	131, 155	
306-2	Management of significant waste-related impacts	131	
306-3	Waste generated	155	
306-4	Waste diverted from disposal	No waste produced was diverted from external disposal.	
306-5	Waste directed to disposal	155	
HUMAN RIGHTS AND WORKERS' RIGHTS			
GRI 3-3	Management of material topics	83-84	
Non-GRI indicator			
KPI 2	Percentage of activities (revenue) covered by the due diligence process for the respect for human rights	130	
EFFICIENT USE OF WATER RESOURCES			
GRI 3-3	Management of material topics	159	
GRI 303: Water and waste water (2016)			
303-1	Interactions with water as a shared resource	158-159	
303-3	Water withdrawals	158-159	
CORPORATE RESILIENCE			
GRI 3-3	Management of material topics	40-44	
GRI 203: Indirect economic impacts (2016)			
203-1	Infrastructure investments and services supported	40-44	
203-2	Significant indirect economic impacts	40-44, 55-56	

GRI disclosure	Description	Page	Notes/Omissions
SUSTAINABLE FINANCE			
GRI 3-3	Management of material topics	7-8, 77-78, 114-115	
GRI 201: Economic Performance (2016)			
201-1	Direct economic value generated and distributed	132-133	
201-2	Financial implications and other risks and opportunities due to climate change	65	
FAIR BUSINESS PRACTICES			
GRI 3-3	Management of material topics	131	
GRI 206: Anti-competitive behaviour (2016)			
206-1	Total legal actions for anti-competitive behaviours, antitrust and monopoly practices and related judgments	There were no new episodes or legal actions brought against the Group's Companies during 2022. For more information, refer to section 10.6 Relevant Events.	
DATA PRIVACY, IT SECURITY AND PROTECTION			
GRI 3-3	Management of material topics	131	
GRI 204: Procurement practices (2016)			
418-1	Denunce comprovate riguardanti le violazioni della privacy dei clienti e perdita di dati dei clienti	Nel corso dell'anno è stato segnalato 1 episodio di data breach tra le Società del Gruppo. Il numero di terze parti interessate è stato pari a 40, per un totale di 46 persone coinvolte.	
CATENA DI APPROVVIGIONAMENTO RESPONSABILE			
GRI 3-3	Management of material topics	133-134	
GRI 204: Procurement practices (2016)			
204-1	Proportion of spending on local suppliers	170	
COMMUNITY ENGAGEMENT AND SUPPORT			
GRI 3-3	Management of material topics	40-42	

Table linking Legislative Decree 254/2016 – Material topics – GRI standard

Legislative Decree 254/2016 topic areas	Material topics	GRI content index			Internal scope of materiality	External scope of materiality	Type of impact
Environ-mental	Energy transition	Energy (2016)	302-1	Energy consumption within the organization	Mundys, subsidiaries	National and internatio-nal institutions Local communities Civil society	Direct – caused by Mundys
			302-3	Energy intensity			
			302-4	Reduction of energy consumption			
Environ-mental	Tackling climate change	Emis-sions (2016)	305-1	Direct (Scope 1) GHG emissions	Mundys, subsidiaries	National and internatio-nal institutions Local communities Civil society	Direct – caused by Mundys and indirect – linked to Mundys' activities
			305-2	Indirect (Scope 2) GHG emissions			
			305-3	Other indirect (Scope 3) GHG emissions			
			305-4	GHG emissions intensity			
			305-5	Reduction of GHG emissions			
Employe-e-related aspects	Employee health & safety and wellbeing	Occu-pational health and safety (2018)	403-1	Occupational health and safety manage-ment system	Mundys, subsidiaries	Suppliers, Business part-ners, Contractors	Direct – caused by Mundys
			403-2	Hazard identification, risk assessment, and incident investigation			
			403-3	Occupational health services			
			403-4	Worker participation, consultation, and communication on occupational health and safety			
			403-5	Worker training on occupational health and safety			
			403-6	Promotion of worker health			
			403-7	Prevention and mitigation of occu-pational health and safety impacts direct-ly linked by business relationships			
			403-8	Workers covered by an occupational heal-th and safety mana-gement system			
			403-9	Work-related injuries			

Legislative Decree 254/2016 topic areas	Material topics	GRI content index			Internal scope of materiality	External scope of materiality	Type of impact
Employee-related aspects Respect for human rights	Diversity, equality and inclusion	General disclosures (2016)	102-8	Information on employees and other workers	Mundys	Employees and labour unions	Direct – caused by Mundys
		Employment (2016)	401-1	New employee hires and employee turnover			
			401-3	Benefits provided to full-time employees that are not provided to temporary or part-time employees			
			405-1	Parental leave			
		Diversity and equal opportunities (2016)	405-1	Diversity of governance bodies and employees			
			405-2	Ratio of basic salary and remuneration of women to men			
		Non-discrimination (2016)	406-1	Incidents of discrimination and corrective actions taken			
Employee-related aspects	Employee engagement and development	Training and education (2016)	404-1	Average hours of training per year per employee	Mundys	Employees and labour unions	Direct – caused by Mundys
				Programs for upgrading employee skills and transition assistance programs			
Social aspects	Product and service safety	Customer health and safety (2016)	KPI 1	Rate of injury	Subsidiaries	Customers and consumer associations Local communities Civil society	Indirect – linked to Mundys' activities
Social aspects	Innovation and digital transformation	Management approach (2016)	103	Management approach	Mundys	Customers and consumer associations Local communities Civil society	Direct – caused by Mundys

<table>
<tr><th>Legislative Decree 254/2016 topic areas</th><th>Material topics</th><th colspan="3">GRI content index</th><th>Internal scope of materiality</th><th>External scope of materiality</th><th>Type of impact</th></tr>
<tr><td rowspan="8">Combatting active and passive corruption</td><td rowspan="8">Ethics, transparency and good governance</td><td rowspan="2">Anticorruption (2016)</td><td>205-2</td><td>Communication and training about anti-corruption policies and procedures</td><td rowspan="8">Mundys</td><td rowspan="8">Employees and labour unions
National and international institutions
Local communities
Civil society
Shareholders, banks and bondholders
Suppliers, Business partners, contractors
Customers and consumer associations</td><td rowspan="8">Direct – caused by Mundys</td></tr>
<tr><td>205-3</td><td>Confirmed incidents of corruption and actions taken</td></tr>
<tr><td>Anti-competitive behaviour (2016)</td><td>206-1</td><td>Total legal actions for anti-competitive behaviours, anti-trust and monopoly practices and related judgments</td></tr>
<tr><td rowspan="4">Taxation (2019)</td><td>207-1</td><td>Approach to tax</td></tr>
<tr><td>207-2</td><td>Tax governance, control and risk management</td></tr>
<tr><td>207-3</td><td>Stakeholder engagement and management concerns related to tax</td></tr>
<tr><td>207-4</td><td>Country-by-country reporting</td></tr>
<tr><td>Public policy (2016)</td><td>415-1</td><td>Political donations</td></tr>
</table>

7.2 Quantitative tables

Environmental aspects

Materials and waste

Materials used

Main materials consumed	UM	2021	2022
Quarry materials	t	1,302,328	3,007,099
Asphalt and bitumen	t	1,652,908	2,185,673
Cement/concrete	t	322,007	344,646
Salt, chlorides and de/anti-icing products	t	63,050	17,492
Iron, steel and other metals	t	24,729	9,999
Other materials	t	10,265	294,587
Total materials used	**t**	**3,375,287**	**5,859,496**

The Group purchased over 5.8 million tonnes of material for use in operations in 2022, marking a significant increase compared with 2021. This was primarily due to extra ordinary construction and maintenance works, above all in Chile, Brazil, Mexico, Italy and Argentina, and the related increase in the quantity of materials purchased.

Waste production

Main categories of waste produced	UM	2021 TOTAL	2022			
			TOTAL	Recycle and recover[51]	Disposal	Other destination
Hazardous waste						
Waste containing oils	t	67	235	80	77	77
Contaminated packaging or containing residues of hazardous substances	t	89	107	12	7	88
Other hazardous waste	t	669	18,441	159	17,368	914
Total hazardous waste	**t**	**825**	**18,783**	**251**	**17,453**	**1,079**
Non-hazardous waste						
Paper and cardboard packaging	t	13,800	1,057	1,044	6	7
Mixtures of concrete, bricks, tiles and ceramics	t	34,267	60,172	55,992	4,180	-
Mixed construction and demolition waste	t	390,961	388,377	285,263	96,805	6,309
Mixed urban waste	t	26,888	24,643	7,072	17,464	107
Sludge from septic tanks	t	7,756	11,736	1,888	2,525	7,323
Other non-hazardous waste	t	59,953	90,680	81,366	6,403	2,910
Total non-hazardous waste	**t**	**533,624**	**576,665**	**432,625**	**127,383**	**16,656**
Totale waste produced	**t**	**534,449**	**595,448**	**432,876**	**144,836**	**17,735**

Recycle and recover of waste produced

	2021	2022-ISO	2022
Recycled/recovered quota %	65.3%	72.7%	72.7%

Waste produced in 2022 is up 11% compared with 2021 (534,000 tonnes), reflecting extra ordinary construction and maintenance work, above all in Chile and Spain, with the percentage of waste recycled/reused/recovered amounting to 72.7% (up from 65.3% in 2021). The significant increase recorded for hazardous waste primarily regards SANEF SA, which began to decontaminate and dispose of contaminated waste during the year.

51 The data includes energy recovery.

Energy

Energy consumption

Type of consumption	UM	2021	2022 – ISO	2022	YoY %
Electricity					
Electricity purchased	TJ	1,102	1,069	1,090	-1%
of which from renewable sources	TJ	357	714	721	102%
Renewable electricity self-produced from re-newable sources	TJ	6	8	8	23%
Of which self-consumed	TJ	0.1	2.8	2.8	NS
Total electricity consumption	**TJ**	**1,102**	**1,072**	**1,093**	**-1%**
Of which from renewables	*%*	*32%*	*67%*	*66%*	*105%*
Fuels					
Natural gas / methane	TJ	1,137	1,383	1,385	22%
Diesel	TJ	529	554	629	19%
LPG	TJ	3	2	2	-44%
Gasoline	TJ	123	165	173	41%
Fuel oil	TJ	37	43	43	16%
Ethanol	TJ	22	21	21	-3%
Biodiesel	TJ	4	0	0	NS
Total energy consumption from fuels	**TJ**	**1,855**	**2,168**	**2,253**	**21%**
Of which from renewables	%	0.2%	0%	0%	NS
Thermal energy					
Thermal energy consumption	TJ	7	0	0	NS
Of which from renewable energy	TJ	0	0	0	NS
Total energy	**TJ**	**2,964**	**3,240**	**3,345**	**13%**
Of which from renewable energy	TJ	362	716	724	100%
% of renewable energy	%	12%	22%	22%	77%
Energy intensity (on revenues)	**TJ/mln€**	**0.46**	**0.46**	**0.45**	**-3%**

Energy consumption by country

Country	UM	2021	2022 - ISO	2022	% 22vs21
France	TJ	503	507	507	1%
Spain	TJ	155	114	114	-26%
Argentina	TJ	159	152	152	-4%
Brazil	TJ	420	497	497	18%
Chile	TJ	254	237	237	-7%
Italy	TJ	1,289	1,562	1,562	21%
Mexico	TJ	30	73	73	NS
Other	TJ	154	99	204	32%
Total	**TJ**	**2,964**	**3,240**	**3,345**	**13%**

The Group's main energy sources are represented by fuels directly used for heating and air conditioning of buildings, operation of plant, maintenance machinery, service vehicles and generator units - and electricity for lighting and operation of various systems and equipment. In 2022, 3,345 TJoules were consumed (of which about 100TJ came from the consumption of Yunex Traffic) mainly for electricity, natural gas, and diesel fuel. About 40% of the group's energy consumption depends on the use of methane, which is the source that feeds the Fiumicino airport's trigeneration plant (electricity, heat, refrigeration) that allows the airport's energy needs to be met almost completely.

The objective of reducing and optimizing consumption is always pursued, in particular through:

- the implementation of consumption reduction projects, working on the efficiency of plants, means and processes;
- the implementation of efficient energy monitoring and management systems;
- the conversion of fleets with lower-consumption and electric- or hybrid-powered vehicles;
- the development of renewable sources.

In 2022, more than 8TJ of electricity was produced from renewable sources (solar, wind, hydro), 37% of which was self-consumed on site.

Water withdrawals

Water withdrawals

Sources	UM	2021	2022	% 22vs21
Surface water	Ml	1,064	1,224	15%
Fresh water *	Ml	1,025	1,201	
Other water **	Ml	39	23	
Groundwater	Ml	1,436	1,974	37%
Fresh water	Ml	691	331	
Other water	Ml	745	1,643	
Process water	Ml	37	392	NS
Fresh water	Ml	37	387	
Other water	Ml	0	5	
Third-party water	Ml	2,996	2,883	-4%
Fresh water	Ml	2,398	2,808	
Other water	Ml	598	75	
Total water withdrawn	**Ml**	**5,534**	**6,473**	**17%**
Of which fresh water	Ml	4,151	4,728	
of which from areas subject to water stress[52]	Ml	5,403	6,215	

** ≤ 1,000 mg/L total dissolved solids*
***> 1,000 mg/L total dissolved solids*

Water withdrawals in areas subject to water stress by country (atlas – wri) - 2022[53]

Country	Withdrawals (Ml)	Level of water stress
Italy	2,090	High
Spain	35	High
France	2,088	Medium-high
Mexico	434	High
Brazil	188	Low
Chile	1,568	High
USA	4	Low - Medium
Puerto Rico	16	No data
Argentina	19	Low - Medium
Poland	9	Low - Medium
Germany	8	Low - Medium
Austria	1	Low
United Kingdom	7	Low
Netherlands	1	Low

52 High or medium-high level of water stress
53 It should be noted that the table only shows countries where withdrawals are over 1 megalitre per year. Data source: *World Resource Institute - Aqueduct Country and River Basin Rankings*

Operating in several countries with high levels of water stress, such as Spain, Italy, Chile and Mexico, Mundys' subsidiaries closely monitor the control and management of water resources, aiming at optimising water consumption, maximising the recycling and reuse of water. To this end, Mundys' subsidiaries have adopted policies designed to protect the most vulnerable water resources and take steps to improve efficiency and to contain and reduce any losses. In addition, further initiatives have been introduced with a view to saving drinking and industrial water. These actions, which have involved the upgrade of the systems used to monitor water networks, enable us to control and manage water networks and plants and to carry out targeted interventions should any critical issues arise.

There was a 17% increase in aggregate water withdrawals in 2022, primarily reflecting the recovery in airport traffic and the increased need of Aeroporti di Roma and Aéroports de la Côte d'Azur to withdraw water. Around 19% of water withdrawn was reused in 2022.

Scope 1, 2 and 3 emissions

Scope 1, 2, 3 emissions by country and business segment - 2022

Country	UM	Scope 1	Scope 2 [MB]	Scope 2 [LB]	Scope 3
Italy	tCO_2	85,624	425	11,311	719.184
France	tCO_2	11,661	-	3,998	63,586
Spain	tCO_2	2,111	4,043	6,128	32,876
Brazil	tCO_2	22,412	694	4,574	359,108
Chile	tCO_2	6,079	8,782	14,183	64,407
Mexico	tCO_2	3,718	695	2,798	150,361
Argentina	tCO_2	2,703	16,752	11,600	79,096
Other countries	tCO_2	8,302	8,507	11,496	170,431
Total emissions	**tCO_2**	**142,610**	**39,898**	**66,088**	**1,639,049**
Motorways	tCO_2	52,096	37,985	57,267	888,541
Airports	tCO_2	84,046	-	6,369	586,374
Mobility services	tCO_2	6,468	1,913	2,452	164,134
Total emissions	**tCO_2**	**142,610**	**39,898**	**66,088**	**1,639,049**

CO_2 emission intensity

Country	UM	2021	2022 – ISO	2022
Scope 1 + 2 MB / revenues	tCO_2/mln€	28.8	24.8	24.6
Scope 1 + 2 MB + 3 / revenues	tCO_2/mln€	194.5	242.0	245.3

Scope 3 emissions by category

Emission categories	UM	2021[54]	2022 – ISO	2022	% 22vs21
Purchase of materials for maintenance	tCO_2	536,085	715,267	715,267	33.4%
Purchase of goods and services	tCO_2	114,785	121,795	214,017	86.5%
Fuel & Energy related activities (not included in scopes 1&2)	tCO_2	50,953	46,475	48,327	-5.2%
Waste management	tCO_2	27,595	24,208	24,214	-12.3%
Business travel	tCO_2	14,877	10,049	11,012	-26.0%
Airport surface access	tCO_2	221,101	520,392	520,392	135.4%
Leased assets and fixed and mobile sources of third-party airport operators	tCO_2	37,411	29,345	29,345	-21.6%
Other (capex, commuting, upstream transport & distribution)	tCO_2	56,294	69,662	76,475	35.8%
Total emissions (scope 3)	**tCO_2**	**1,059,101**	**1,537,193**	**1,639,049**	**54.8%**

CO_2 biogenic emissions[55]

	UM	2021	2022 ISO	2022
Biogenic emissions	tCO_2	1,831	1,891	2,141

Direct emissions of other greenhouse gases and air pollutants are not considered significant given the nature of the business.

The data collection process and the Greenhouse Gas inventory of Mundys's Group are in accordance with the international GHG protocol guidelines and the ISO 14064-1 standard. The process is managed through a central software and the carbon footprint processing is carried out with the support of an external advisory firm.

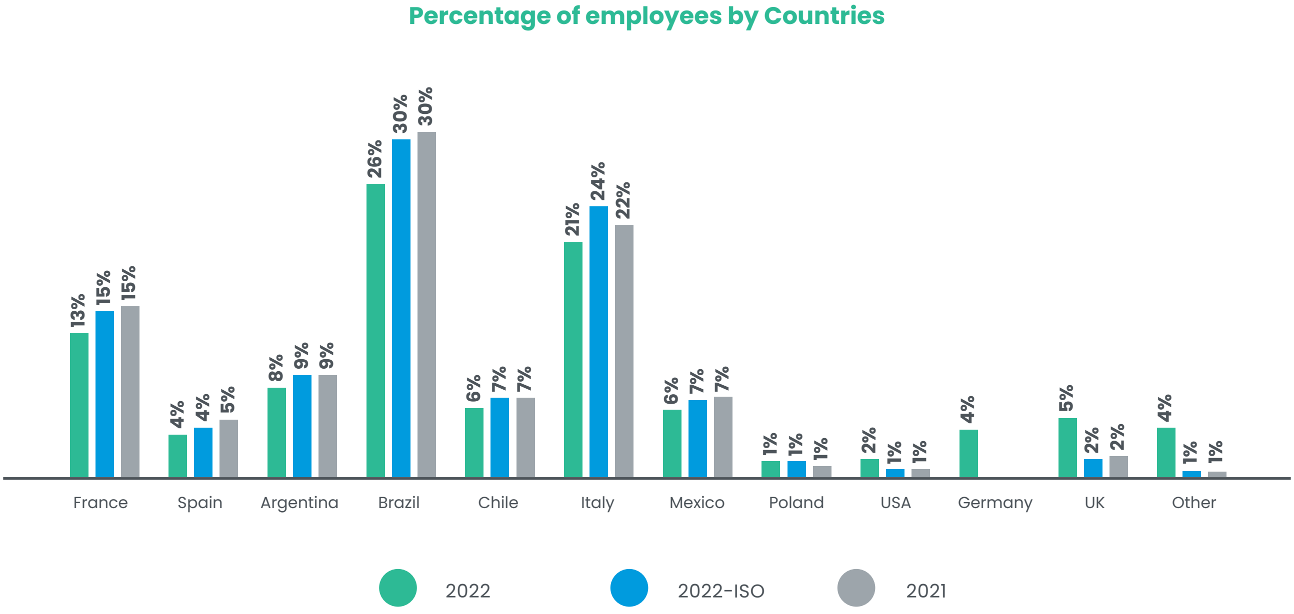
The consolidated GHG inventory is subject to limited assurance as part of the Annual Integrated Report audit process and to independent third-party certification in accordance with ISO 14064.

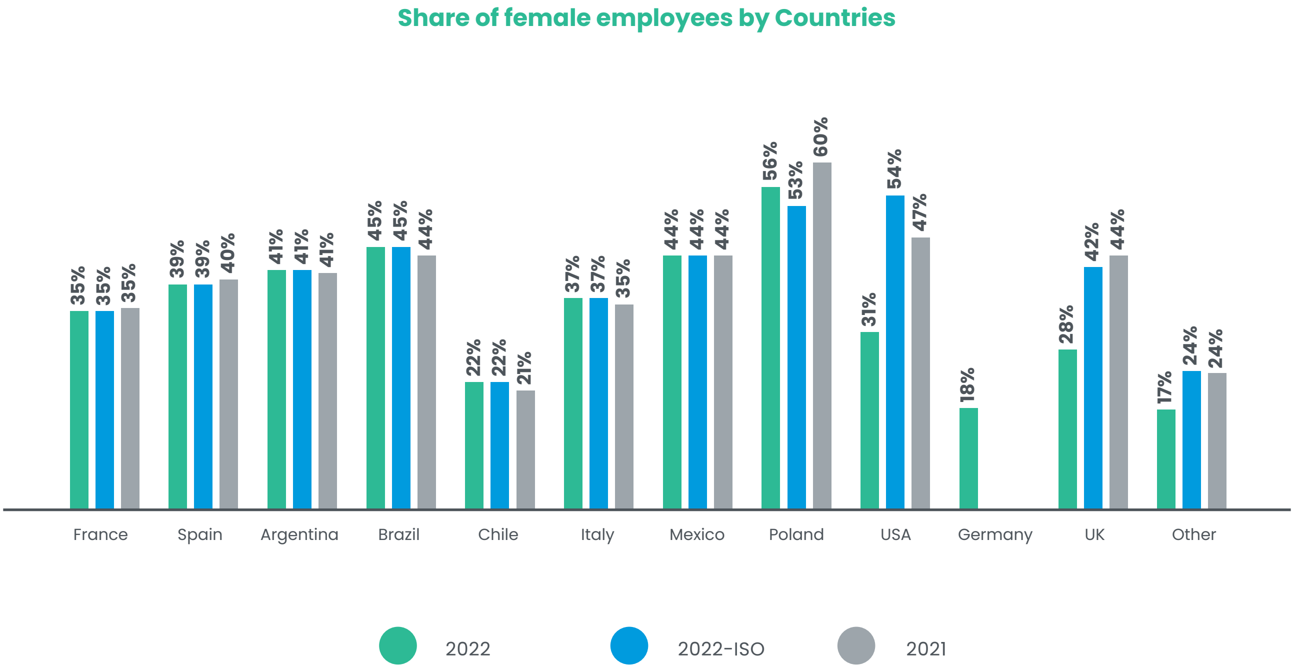
54 2021 data differ from those published in the 2021 Integrated Annual Report, due to restatement after the ISO14064 certification process, and receipt of data after the publication date of the 2021 Integrated Annual Report.

55 Scope 1 biogenic emissions: the GHG protocol requires that biogenic emissions (CO_2 emissions from biomass combustion) are reported separately from Scope 1, 2 and 3.

Social aspects

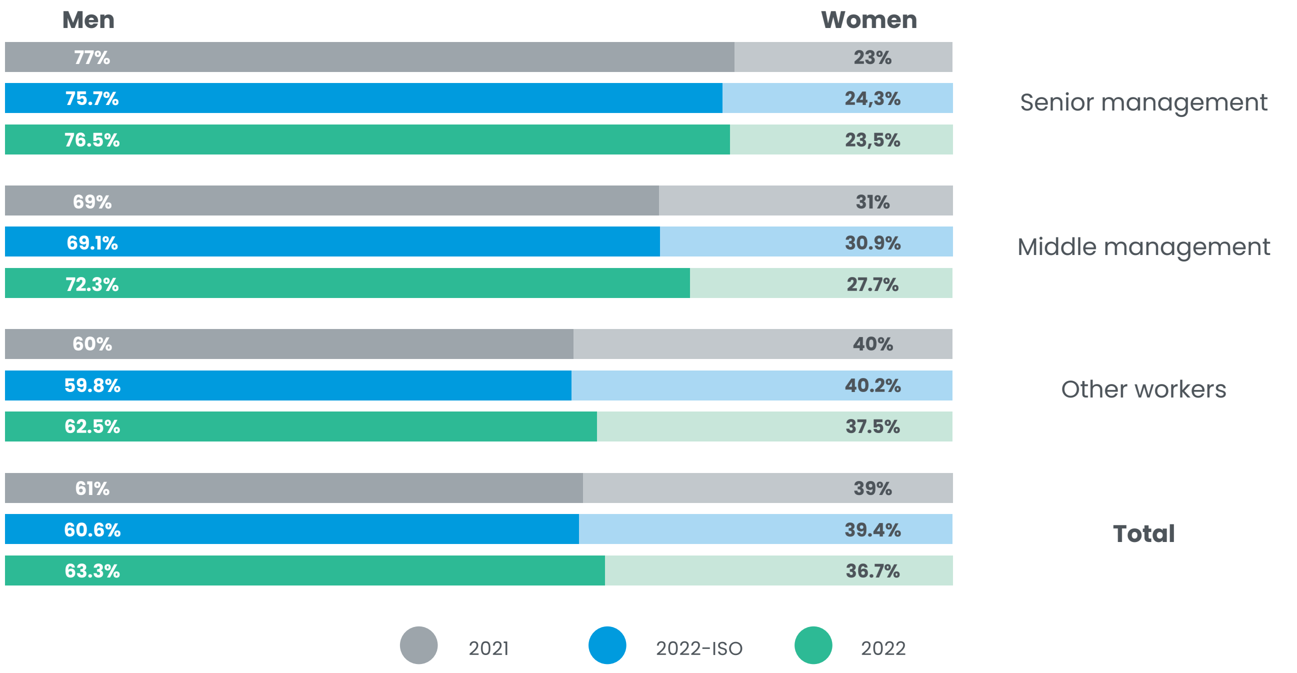
Information on employees





Mundys

Percentage of emplyees by category and gender



In terms of age distribution, 15% of employees (16% ISO) are under the age of below 30, 59% of employees (60% ISO) are between 30 and 50 years old. The remaining 26% (25% ISO) belong to the over-50 age group.

Employees by gender, age and job category - 2022

	Total	Senior management			Middle management			Other employees		
		<30	30-50	>50	<30	30-50	>50	<30	30-50	>50
Men	**15,008**	-	113	124	25	655	401	2,002	7,802	3,886
Women	**8,711**	-	42	31	7	293	115	1,631	5,069	1,523
Total	**23,719**		**310**			**1,496**			**21,913**	

Employees by gender, age and job category - 2022 iso

	Total	Senior management			Middle management			Other employees		
		<30	30-50	>50	<30	30-50	>50	<30	30-50	>50
Men	**12,487**	-	100	118	14	504	313	1,640	6,636	3,162
Women	**8,127**	-	39	31	4	264	104	1,547	4,766	1,372
Total	**20,614**		**288**			**1,203**			**19,123**	

Employees by gender, age and job category - 2021

	Total	Senior management			Middle management			Other employees		
		<30	30-50	>50	<30	30-50	>50	<30	30-50	>50
Men	**12,446**	-	109	118	24	606	338	1,626	6,582	3,043
Women	**7,880**	-	36	31	9	316	104	1,606	4,562	1,216
Total	**20,326**		**294**			**1,397**			**18,635**	

Information on employees – 2022

Direct employees	UM	Men	Women	Total
Information on employees by gender				
Number of employees	no.	15,008	8,711	**23,719**
Of which permanent	no.	14,231	8,198	**22,429**
Of which fixed term	no.	777	513	**1,290**
Of which full-time	no.	14,012	7,213	**21,225**
Of which part-time	no.	996	1,498	**2,494**

Information on employees – 2022 iso

Direct employees	UM	Men	Women	Total
Information on employees by gender				
Number of employees	no.	12,487	8,127	**20,614**
Of which permanent	no.	11,791	7,635	**19,426**
Of which fixed term	no.	696	492	**1,188**
Of which full-time	no.	11,607	6,751	**18,358**
Of which part-time	no.	880	1,376	**2,256**

Information on employees – 2021

Direct employees	UM	Men	Women	Total
Information on employees by gender				
Number of employees	no.	12,446	7,880	**20,326**
Of which permanent	no.	12,088	7,437	**19,525**
Of which fixed term	no.	358	443	**801**
Of which full-time	no.	11,692	6,560	**18,252**
Of which part-time	no.	754	1,320	**2,074**

Information on employees by contract term

Geographical area	Contractual category	UM	2021	2022 – ISO	2022
			Total	**Total**	**Total**
ITALY	Permanent	no.	4,294	4,386	4,386
	Fixed term	no.	176	511	511
MEXICO	Permanent	no.	1,238	1,320	1,320
	Fixed term	no.	214	103	103
SPAIN	Permanent	no.	869	846	846
	Fixed term	no.	54	65	65
FRANCE	Permanent	no.	2,974	2,906	2,906
	Fixed term	no.	117	111	111
BRAZIL	Permanent	no.	6,116	6,099	6,099
	Fixed term	no.	-	-	-
CHILE	Permanent	no.	1,370	1,221	1,221
	Fixed term	no.	45	248	248
ARGENTINA	Permanent	no.	1,812	1,842	1,842
	Fixed term	no.	109	34	34
POLAND	Permanent	no.	255	258	308
	Fixed term	no.	46	46	46
GERMANY	Permanent	no.	-	-	1,009
	Fixed term	no.	-	-	4
UNITED KINGDOM	Permanent	no.	-	261	1,167
	Fixed term	no.	-	69	75
OTHER COUNTRIES[56]	Permanent	no.	597	287	1,325
	Fixed term	no.	40	1	93
Total		**no.**	**20,326**	**20,614**	**23,719**

56 In 2021, "Other Countries" included the total of employees active in the United Kingdom. In 2022, due to the significant increase in the number of employees in the United Kingdom following the entry of Yunex, the figure has been presented separately.

Information on employees by contract type - 2022

Geographical area	Contract category	UM	Total
ITALY	Full time	no.	3,437
	Part time	no.	1,460
MEXICO	Full time	no.	1,423
	Part time	no.	-
SPAIN	Full time	no.	660
	Part time	no.	251
FRANCE	Full time	no.	2,854
	Part time	no.	163
BRAZIL	Full time	no.	6,047
	Part time	no.	52
CHILE	Full time	no.	1,464
	Part time	no.	5
ARGENTINA	Full time	no.	1,640
	Part time	no.	236
POLAND	Full time	no.	316
	Part time	no.	38
GERMANY	Full time	no.	915
	Part time	no.	98
UNITED KINGDOM	Full time	no.	1,109
	Part time	no.	133
OTHER COUNTRIES[57]	Full time	no.	1,360
	Part time	no.	58
Total		**no.**	**23,719**

57 In 2021, "Other Countries" included the total of employees active in the United Kingdom. In 2022, due to the significant increase in the number of employees in the United Kingdom following the entry of Yunex, the figure has been presented separately.

With reference to professionals in STEM positions, in 2022, the percentage of employees stands at 12%[58]. Of these, 20% are women.

Details of the composition and diversity of Mundys SpA's governance bodies are provided in the GRI Content Index.

Employee turnover

New hires turnover by gender, age and country[59]

	2021				2022			
	HIRES	%	LEAVERS	%	HIRES	%	LEAVERS	%
Men	1,474	60%	2,23	63%	2,783	56%	2,288	59%
Women	973	40%	1,316	37%	2,189	44%	1,605	41%
Total	**2,447**		**3,546**		**4,972**		**3,893**	
<30 years	944	39%	1,165	33%	2,105	42%	1,264	32%
30-50 years	1,323	54%	1,702	48%	2,442	49%	2,02	52%
>50 years	180	7%	679	19%	425	9%	609	16%
Total	**2,447**		**3,546**		**4,972**		**3,893**	
ITALY	190	8%	269	8%	385	8%	249	6%
MEXICO	185	8%	598	17%	682	14%	579	15%
SPAIN	26	1%	51	1%	247	5%	27	1%
FRANCE	192	8%	195	5%	489	10%	224	6%
BRAZIL	1,596	65%	1,485	42%	1,629	33%	1,592	41%
CHILE	145	6%	649	18%	646	13%	715	18%
ARGENTINA	14	1%	100	3%	83	2%	73	2%
POLAND	1	0%	13	0%	24	0%	17	0%
OTHER COUNTRIES	98	4%	186	5%	376	8%	180	5%
Yunex Traffic	-	-	-	-	411	8%	237	6%
Total	**2,447**		**3,546**		**4,972**		**3,893**	

58 It should be noted that the scope of the figure does not take into account Abertis Group, Stalexport, Grupo Costanera and Yunex Traffic.

59 The figure for Yunex Traffic has been aggregated, without a breakdown by country of operation. It should be noted that the turnover figures only included the changes in permanent contracts.

Turnover rate by gender, age and country[60] - 2022

	Rate of hires	Rate of leavers
Men	19.6%	14.8%
Women	26.7%	19.0%
Total	**22.2%**	**16.3%**
<30 years	57.4%	32.6%
30-50 years	17.5%	13.6%
>50 years	7.0%	9.2%
Total	**22.2%**	**16.3%**
ITALY	8.8%	5.7%
MEXICO	51.7%	43.9%
SPAIN	29.2%	3.2%
FRANCE	16.8%	7.7%
BRAZIL	26.7%	26.1%
CHILE	52.9%	58.6%
ARGENTINA	4.5%	4.0%
POLAND	9.3%	6.6%
OTHER COUNTRIES	68.6%	32.8%
Yunex Traffic	13.2%	7.6%
Total	**22.2%**	**16.3%**

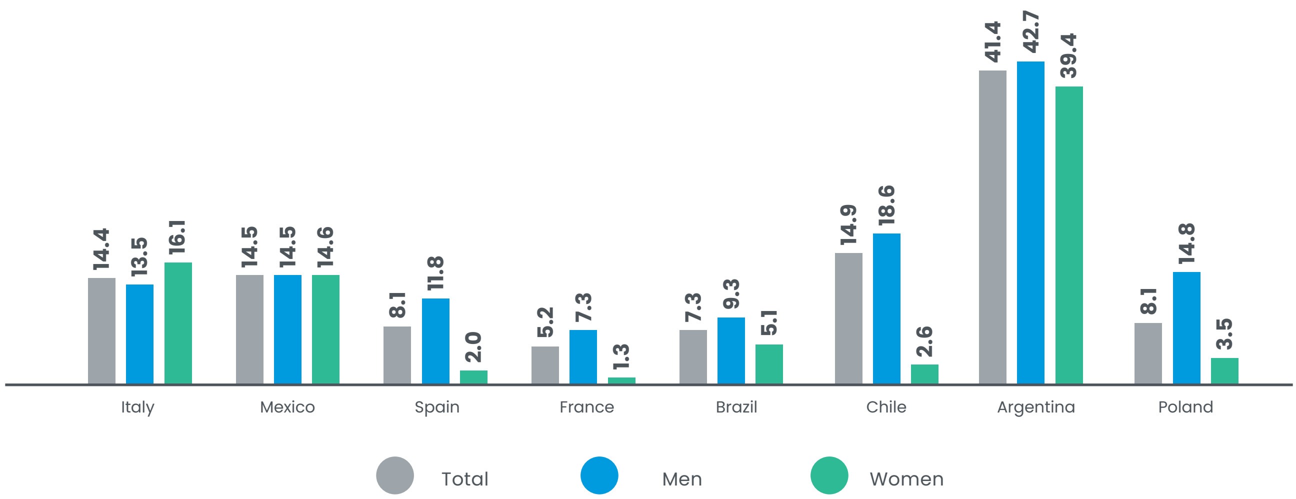
Health and safety

Direct employees' injuries		UM	2021	2022 - ISO			2022[61]
			Total	Men	Women	Total	Total
Of which:	Recordable injuries	no.	646	369	171	**540**	**623**
	Injuries with at least 1 day absence from work	no.	457	296	140	**436**	**459**
	Injuries with at least 6-month absence from work	no.	7	9	-	**9**	**9**
	Work-related deaths	no.	2	1	-	**1**	**1**
Hours worked by employees		**mln**	**38.0**	**20.6**	**13.1**	**33.8**	**38.9**
Indici	Rate of recordable injuries	no.	17.0	17.9	13.0	**16.0**	**16.0**
	Rate of injuries with absence (LTIFR)	no.	12.0	14.3	10.6	**12.9**	**11.8**
	Rate of injuries with serious consequences	no.	0.2	0.4	-	**0.3**	**0.2**
	Fatality rate	no.	0.1	0.1	-	**0.1**	**0.1**

60 It should be noted that the turnover rates shown in the table are calculated taking into account only the figure of employees who joined and left with fixed-term contracts and the total number of permanent employees as of December 31, 2022, except for the rates by age group, which were calculated using the total number of employees as of December 31, 2022, including fixed-term contracts.

61 It should be noted that Yunex Traffic provided data not detailed by gender for 2022.

LTIFR (absence>= 1 day) by Country - 2022 Iso



Regarding health and safety, the main Group companies have defined a system of processes, procedures and an organizational model to oversee these issues by providing for dedicated functions/structures with specific roles and responsibilities on the subject, also in compliance with applicable regulations for the country/sector of reference.

The responsibilities of the roles involved in the health and safety organization model are assigned in accordance with the applicable regulations in the sector/country of reference (e.g. analysis, assessment and monitoring of risks, definition of plans for the mitigation of impacts, training and information).

Other indirect workers' injuries[62]		UM	2021 Total	2022 Men	2022 Women	2022 Total
Of which:	Recordable injuries	no.	220	144	39	**183**
	Injuries with at least 1 day absence from work	no.	147	101	36	**137**
	Serious injuries with at least 6-month absence from work	no.	9	2	-	**2**
	Work-related deaths	no.	5	6	-	**6**
Hours worked by other workers		mln	28.2	28.7	3.1	**31.8**
Rates	Rate of recordable injuries	no.	7.8	5.0	12.7	**5.8**
	Rate of injuries with absence (LTIFR)	no.	5.2	3.5	11.7	**4.3**
	Rate of injuries with serious consequences	no.	0.3	0.1	-	**0.1**
	Fatality rate	no.	0.2	0.2	-	**0.2**

62 Performance for indirect workers considers the following perimeter: Abertis group, AB Concessoes, Los Lagos, Aeroports de la Cote d'Azur. A4 Holding was considered only for the number of injuries and deaths and does not take into account hours worked.

Employee training

Training provided for employees by category and gender

Hours of training per employee	Senior Management		Middle Management		Other workers		Total		
	Men	Women	Men	Women	Men	Women	**Men**	**Women**	**Total**
2021	4,732	1,929	38,871	15,556	342,940	196,761	**386,543**	**214,245**	**600,788**
2022-ISO	4,281	1,539	25,136	10,391	319,632	212,241	**349,049**	**224,171**	**573,220**
2022	4,573	1,575	29,756	11,624	368,851	221,116	**403,179**	**234,315**	**637,493**

Average hours of training per employee	Senior Management		Middle Management		Other workers		Total		
	Men	Women	Men	Women	Men	Women	**Men**	**Women**	**Total**
2021	21	29	40	36	31	27	**31**	**27**	**30**
2022-ISO	20	22	30	28	28	28	**28.0**	**27.6**	**27.8**
2022	19	22	28	28	27	27	**26.9**	**26.9**	**26.9**

Welfare and work-life balance

Parental leave[63]

	UM	2021	2022		
			Men	Women	**Total**
Employees taking parental leave during the year	**no.**	419	367	545	**912**
Employees returning to work during the year after taking parental leave	**no.**	373	329	481	**810**
Rate of return to work in the year	**%**	**89%**	**90%**	**88%**	**89%**

The Group companies provide employees with welfare programs designed to meet individual and their family's needs, such as: supplementary health insurance, life/disability insurance and accidental death&disability insurance, medical check-ups, supplementary pension fund, welfare spending account with customizable services, subsidized public transport, remote working, parental leave, income support programs, engagement initiatives and active participation in the promotion of social, volunteering and wellbeing initiatives. In 2022, almost 40% of employees benefitted from flexitime working and over €9 million was invested in welfare initiatives[64].

63 The 2021 figure is not available by gender.

64 This figure does not take into account Abertis group companies.

Supply Chain

Suppliers and expenditure

	2021		2022	
	Number of active suppliers	Total annual expenditure (€)	Number of active suppliers	Total annual expenditure (€)
Italy	1,653	391,077,127	1,704	612,113,637
Spain	3,116	167,644,108	1,784	133,536,712
France	3,991	914,479,941	4,064	440,974,707
Brazil	4,509	315,797,553	3,369	720,788,279
Chile	2,344	127,226,236	2,517	222,475,321
Argentina	724	56,252,712	544	55,325,930
Poland	815	26,645,120	820	36,296,591
Puerto Rico	239	36,650,138	273	43,840,109
Mexico	2,048	443,343,427	602	226,207,105
Other countries	748	28,094,945	682	53,624,791
Yunex Traffic	-	-	2,976	158,047,504
Total	**20,187**	**2,507,211,306**	**19,335**	**2,703,230,686**
Total – ISO	**-**	**-**	**16,359**	**2,545,183,182**
Core suppliers	704	465,201,282	591	934,479,112
% of total expenditure		**19%**		**35%**
Local suppliers	-	-	14,697	2,322,164,741
% of total expenditure		**88%**		**91%**

Governance aspects

During the year, Mundys continued to inform and disclose to its employees and suppliers on transparent and ethic governance policies and procedures (the 231 Model, the Anticorruption Policy and the Code of Ethics).

Safety of products and services

With reference to the products and services safety topic, the Group's main companies have defined a system of processes, procedures and an organizational model to oversee this topic by providing for dedicated functions/structures with specific roles and responsibilities, also in accordance with applicable regulations for the country/sector of reference. By way of example:

- in the airport segment, key roles in the maintenance of airport safety requirements have been identified;
- in the motorway segment, organizational structures are in place with roles tasked of coordinating and monitoring infrastructure, road, vehicle and user safety;
- in the mobility services segment, control structures operate in relation to product Safety.

The main tasks covered by products and services safety dedicated functions include:

- the continuous monitoring of the regulatory environment;
- the definition of policies, guidelines, and procedures/manuals/operational instructions to govern activities in this area;
- the promotion and implementation of certified management systems, as the ISO 9001 and ISO 39001;
- the risk analysis, assessment, and monitoring;
- the definition of plans for impact mitigation (e.g., airport emergency plans - AEP).

Furthermore, external audits are carried out periodically in Group's companies, with several goals, as ascertaining the existence of adequate management systems and their proper application and consistency with regulations and standards adopted, certifying management systems, verifying compliance with relevant related regulations and the safeguards in place (e.g., 14 audit activities were carried out in 2022 on both Aeroporti di Roma's airports by the external regulator).

Customer safety

	UM	2021	2022
Accidents on the motorway network with injured persons	no.	18,595	18,218
Road accident fatalities	no.	1,106	1,240
Road traffic accident rate	no. per 100m km	27.8	23.2
Road traffic fatality rate	no. per 100m km	1.4	1.6

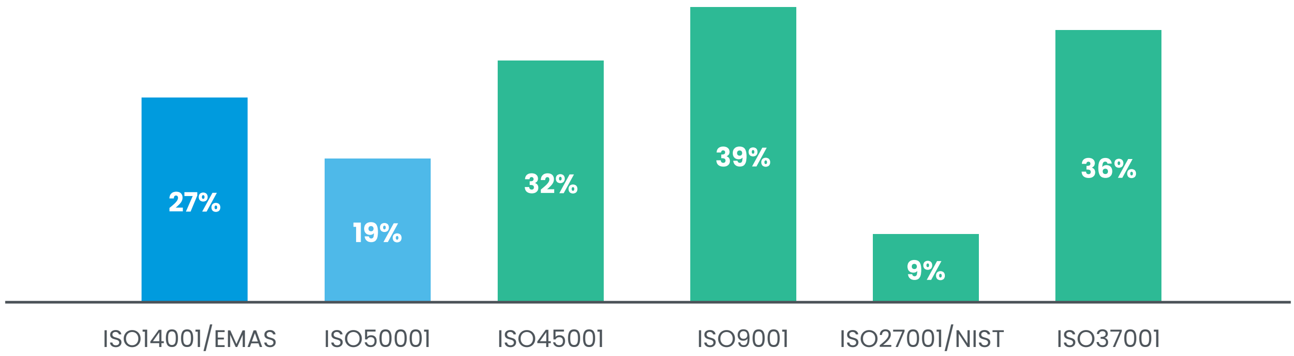
Certifications

The chart below shows the Group's activities are covered by certified management systems, expressed as a percentage of turnover. The main certifications obtained by Group companies are:

- ISO14001:2015 for environmental management systems;
- ISO 50001:2018 for energy management systems;
- ISO 45001:2018 for occupational health and safety management systems;
- ISO 9001:2015 for quality management systems;
- ISO 27001:2013 for information security management systems;
- ISO 37001:2016 for anti-bribery management systems.

In addition to the certifications in the chart above, the motorways segment holds ISO 39001 road traffic safety certification for Abertis autopistas españa SA. Castellana De Autopistas SACE, Iberpistas SA, Infraestructures Viàries De Catalunya SA, Grupo Concesionario Del Oeste SA, Operavias SA, Sociedad Concesionaria Autopista De Los Andes SA, Sociedad Concesionaria Autopista Del Sol SA, Sociedad Concesionaria Autopista Los Libertadores SA, Sociedad Concesionaria Del Elqui SA (Elqui), Sociedad Concesionaria Rutas Del Pacífico SA and Gestora De Autopistas SPA (Gesa).

Certifications 2022
(percentage of revenues covered by certification)



7.3 Sustainability Linked Financing Framework – Progress Report

The Sustainability Linked Financing Framework (SLFF) adopted by Mundys S.p.A. in November 2022 (https://www.mundys.com/documents/37344/669685/SLFinancing_Framework_2022.pdf), which has been certified by the independent agency Sustainalytics, is structured around five relevant, material, measurable and strategically relevant key performance indicators (KPIs), with targets (SPTs) at 2027 and 2030.

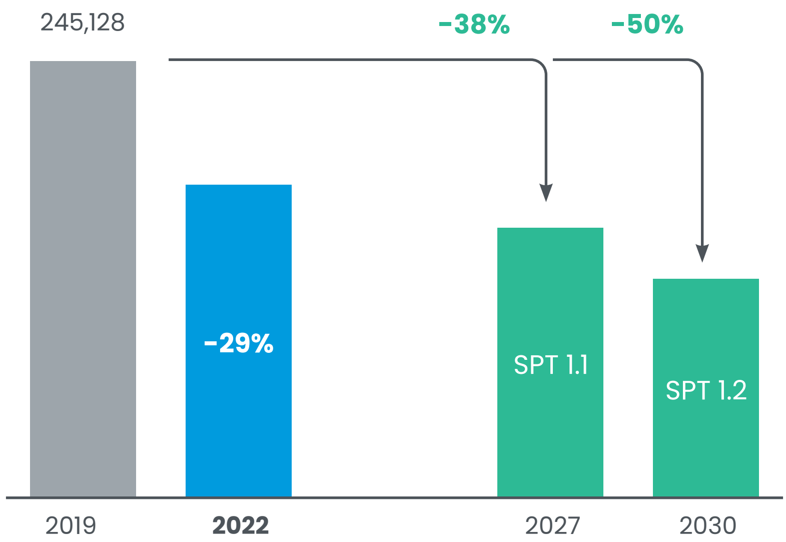
The Framework has been established in accordance the 2020 Sustainability-Linked Bond Principles (SLBP) published by the International Capital Market Association (ICMA), as well as the 2022 Sustainability-Linked Loan Principles (SLLP) as published by the Loan Market Association (LMA).

This section reports an update of progress against the targets (SPTs) as of 31/12/2022, consistent with the SLFF's commitment to provide adequate information to the market on targets' progression at least on an annual basis. The information presented in this section is subject to Limited Assurance by the audit company, KPMG S.p.A.

KPI #1 – Greenhouse gas emissions, absolute scope 1 and 2 market-based, tCO_2e

Definition	Scope 1 and 2 absolute emissions measured in tonnes of carbon dioxide equivalent per year (tCO_2e)
Calculation methodology	GHG emissions are calculated by applying the appropriate Emission Factors (EF) in accordance with the definitions and measurement methodologies set out in the Greenhouse Gas Protocol – Corporate Standard[65] and relevant national regulatory requirements regarding GHG emissions data in countries of operations, as applicable. Carbon offsets do not contribute to the achievement of the SPTs
Perimeter	The perimeter of the business which is relevant for target setting purposes is set out on the basis of the 2019 Integrated Report excluding toll roads concessions ceased in the period 2019-2021, as well as Autostrade per l'Italia due to the sale of the asset finalized in May 2022, and some of Abertis operations linked to mobility services representing 2.2% of Abertis total turnover in 2019
Baseline	In 2019, scope 1 and 2 market-based GHG emissions amounted to 245,128 tCO_2e (scope 1 = 138,713 tCO_2e; scope 2 market-based = 106,415 tCO_2e). Baseline data for the year ended December 31st, 2019 have been subject to limited assurance.
Update as of 31/12/2022	GHG emissions scope 1 e 2 market-based in 2022 (a): 175,235 tCO_2e GHG emissions scope 1 e 2 market-based in 2019 (b): 245,128 tCO_2e Percentage variation with respect to the baseline [(a) / (b) – 1]: -29%

CO_2e Emissions scope 1+2MB (tCO_2e)



65 https://ghgprotocol.org/corporate-standard

KPI #2 – Percentage of kpis having reached their spts as set out in the sustainability linked financing frameworks of Abertis and AdR

Definition

Percentage of Abertis and AdR applicable KPIs having reached their SPTs as set out in their Sustainability Linked Financing Frameworks issued respectively in June 2022 and in April 2022

Subsidiary	KPI	Applicable KPI in 2027	Applicable KPI in 2030
Abertis	KPI #2: Greenhouse Gas Emissions scope 3 – Purchased Goods and Services (tCO_2e per million km travelled)	YES	YES
	KPI #3: Number of Electric Vehicle Changing Points (EVCPs) installed	YES	NO
AdR	KPI #2: Maintenance of Airport Carbon Accreditation Level 4+	YES	YES
	KPI #3: Scope 3 CO_2 emissions per passenger (excluding aircrafts sources – $kgCO_2$/passenger)	YES	YES
Number of Applicable KPIs		**4**	**3**

Calculation methodology

$$\frac{\textit{Number of Applicable KPIs for which the SPT is reached at the Target Observation Date}}{\textit{Number of Applicable KPIs at the Target Observation Date}}$$

Perimeter and Baseline

For detailed information about perimeter and baseline please refer to the following documents::

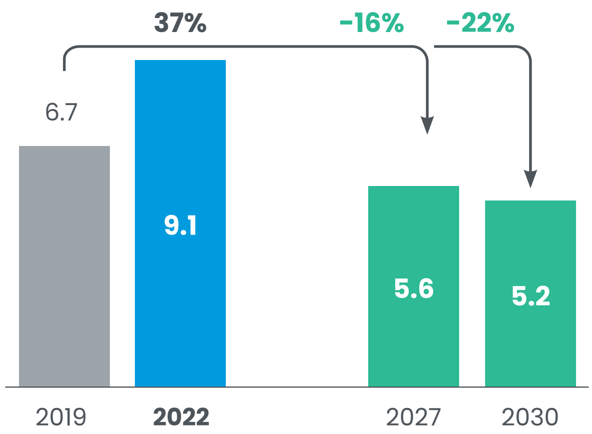
- https://abertis.com/media/web_abertis/Abertis%20Sustainability-Linked%20Financial%20Framework_20230224085440.pdf
- https://www.adr.it/documents/17615/20916850/2022+04+07+Sustainability-Linked+Financing+-Framework+2022.pdf/b8cfc81e-672b-0148-5c81-7ffbc794745d?t=1649331043765

Update as of 31/12/2022

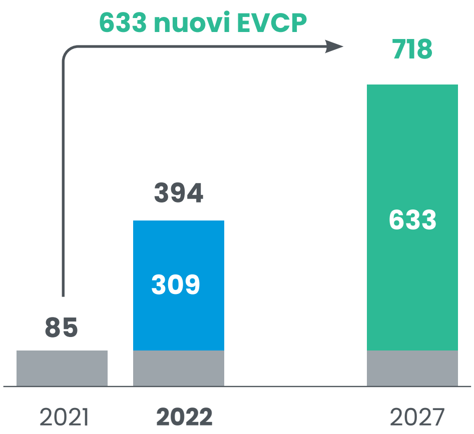
Number of Applicable KPIs having reached their SPTs (a): 1
Number of Applicable KPIs (b): 4
Percentage of KPIs having reached their SPTs (a) / (b): 25%

Abertis KPI

KPI #2: GHG Emissions scope 3 – Purchased Goods and Services (tCO_2e per million Km travelled)



KPI #3: Number of Electric Vehicle Changing Points (EVCPs) installed



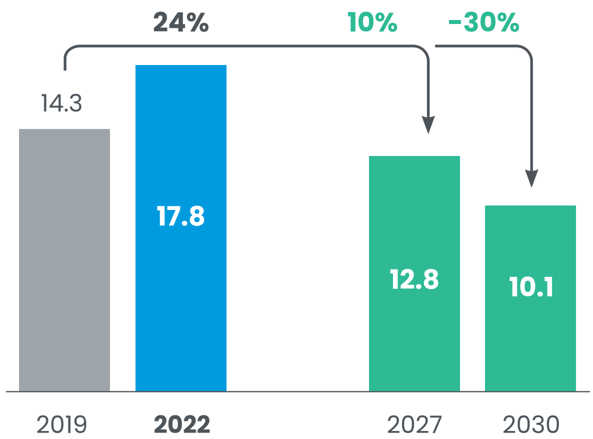
For more information please refer to Abertis' 2022 Management Report: https://abertis.com/media/web_abertis/Management%20Report_20230327073501.pdf

AdR KPI

KPI #2: Maintenance of Airport Carbon Accreditation Level 4

In 2022, the ACA4+ certification has been maintained.

KPI #3: Scope 3 CO_2 emissions per passenger (excluding aircrafts sources – $kgCO_2$/passenger)

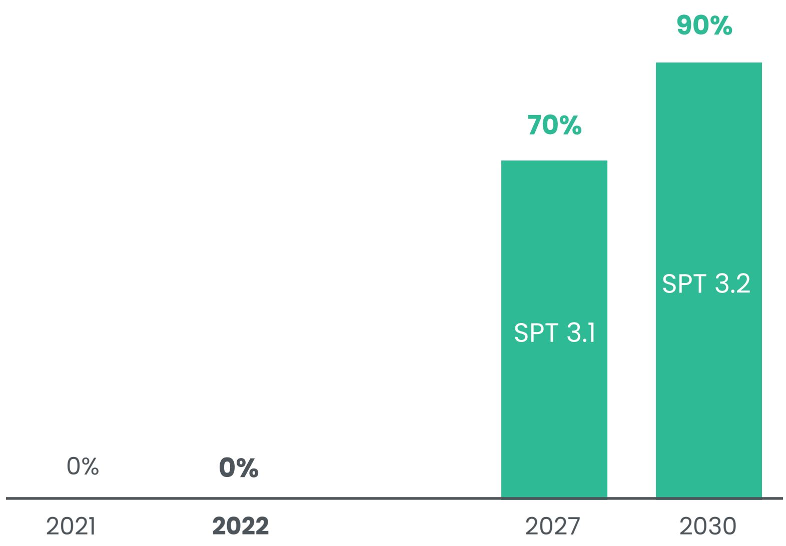


For more information please refer to ADR's 2022 Integrated Annual Report: https://www.adr.it/web/aeroporti-di-roma-en/sustainability1

KPI #3 – Percentage of mundys' total carbon footprint which is covered by targets set in line with science

Definition	Percentage of Mundys' total carbon footprint which is covered by targets set in line with science; targets set in line with science means that the target has been defined in line with a temperature scenario pathway aligned with the Paris Agreement as validated by the SBTi or other organization of equivalent standing
Calculation methodology	$\dfrac{\textit{Amount of scope 1,2 and 3 emissions included in Atlantia's carbon footprint and covered by validated targets set in line with science}}{\textit{Atlantia's carbon footprint (scope 1,2 and 3 emissions)}}$
Perimeter	100% of Mundys Group
Baseline	In 2021, 0% of Mundys' total carbon footprint was covered by targets validated by SBTi or other organization of equivalent standing
Update as of 31/12/2022	Carbon footprint covered by targets set in line with science in 2022 (a): 0 tCO_2e Carbon footprint in 2022 (b): 1,685,426 tCO_2e Percentage of carbon footprint covered by targets set in line with science (a) / (b): 0%

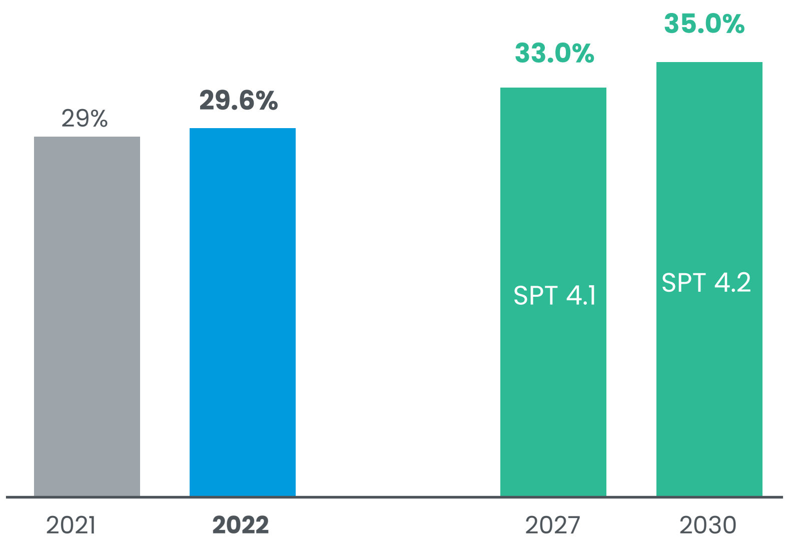
Percentage of carbon footprint covered by targets set in line with science



KPI #4 – Equal gender opportunity in the senior and middle management positions within mundys group

Definition	Percentage of senior and middle management positions held by women across the Group. Senior and middle management positions are defined as following:: • Senior management: workers whose activity is aimed at promoting, coordinating and managing the achievement of company's objectives • Middle management: workers in jobs characterized by a high degree of managerial, organizational, and professional capacity, in positions of significant importance and responsibility
Calculation methodology	*Senior and middle management positions held by women* / *Total senior and middle management positions*
Perimeter	The perimeter is set out on the basis of the Integrated Annual Report for the year ended December 31st, 2021
Baseline	In 2021, 29% of senior and middle management positions were held by women within Mundys Group
Update as of 31/12/2022	Senior and middle management positions held by women within the Group (a): 442 Senior and middle management positions within the Group (b): 1,491 Percentage of senior and middle management positions held by women within the Group (a) / (b): 29.6%

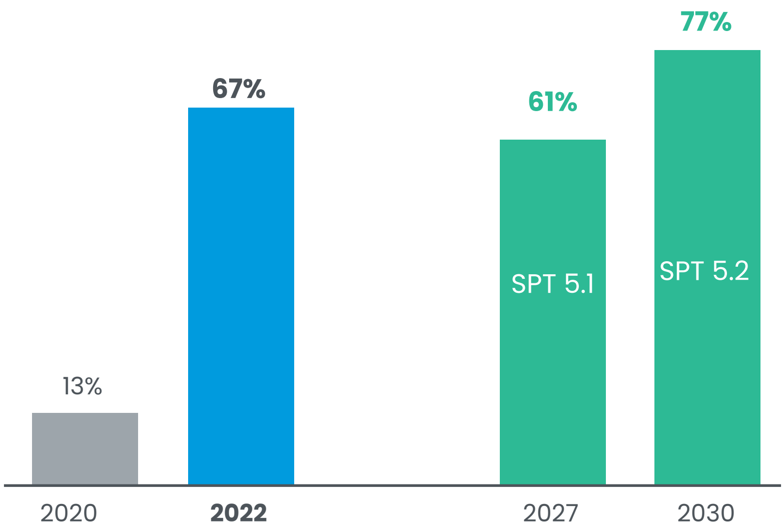
Percentage of senior and middle management positions held by women



KPI #5 - Percentage of electricity consumption from renewable sources

Definition	Total electricity consumption from renewable sources measured in percentage on total consu-mption per year
Calculation methodology	*Electricity consumption from renewable sources* / *Total electricity consumption*
Perimeter	The perimeter of the business which is relevant for target setting purposes is set out on the basis of the 2019 Integrated Report excluding toll roads concessions ceased in the period 2019-2021, as well as Autostrade per l'Italia due to the sale of the asset finalized in May 2022, and some of Abertis operations linked to mobility services representing 2.2% of Abertis total turnover in 2019
Baseline	In 2020, 13% of the Group's electricity consumption derived from renewable sources
Update as of 31/12/2022	Electricity consumption from renewable sources (a): 716 TJ Total electricity consumption (b): 1,072 TJ Percentage of electricity consumption from renewable sources (a) / (b): 67%

Percentage of electricity consumption from renewable sources



7.4 Taxonomy

Mundys welcomes introduction by the EU Commission of the Delegated Regulation (EU) 2020/852, a science-based classification system to identify economic activities based on their contribution to environmentally sustainability objectives. By channelling private investment into the transition to a climate-neutral, climate-resilient, resource-efficient and fair economy, the EU Taxonomy is an integral part of the EU's world-leading sustainable finance agenda. Sustainable finance plays a key role in delivering on the policy objectives under the European Green Deal and the EU Net Zero 2050 commitment. The three pillars of the EU sustainability reporting framework, the Sustainable Finance Disclosure Regulation (SFDR), EU Taxonomy and the Corporate Sustainability Reporting Directive (CSRD), work in harmony and aim to provide clarity on which activities are sustainable and require scaling up, and with this facilitate the financial flows necessary to deliver the Green Deal and an equitable and sustainable transition to Net Zero 2050.

For an economic activity to be classified as "environmentally sustainable", it must contribute substantially to the achievement of at least one of the six stated environmental objectives without doing significant harm to any of the other objectives and carried out in compliance with minimum social guarantees.

The six EU Taxonomy objectives are:

- climate change mitigation (CCM);
- climate change adaptation (CCA);
- sustainable use and protection of water and marine resources;
- transition to a circular economy;
- pollution prevention and control;
- protection and restoration of biodiversity and ecosystems.

From FY 2022 non-financial undertakings are required to report on the taxonomy eligibility and alignment of their economic activities only for the climate change mitigation and climate change adaptation objectives.

The Delegated Regulation (EU) 2021/2139 supplements the EU Taxonomy by establishing the *technical screening criteria* (TSC), Appendixes I and II) for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation, and for determining the *do not significant harm* (DNSH) criteria to the other five environmental objectives and the *social minimum safeguards* (MSS). Taxonomy-eligible activities compliant with their TSC, DNSH and MSS are classified as aligned.

The EU Taxonomy is an evolving body of work, and important Delegated Acts are still being finalised. These include acts which will detail the criteria for the four remaining objectives, as well as those covering other economic activities which can have a positive impact towards climate objectives, for example transitioning activities. There are economic activities which are not yet disciplined as eligible but may do in the future as the Taxonomy regulation develops. As an example, with the Complementary Climate Delegated Act adopted on 9th March 2022, certain natural gas and nuclear energy activities were determined to be taxonomy compliant.

Mundys' position

Mundys is an integrated transport infrastructure and mobility services operator. Decarbonising transport is imperative if the EU is to meet its net zero goals: depending on the mode of transport, the road to net zero presents different degrees of technical difficulty, required level of investment, and opportunities.

With an overarching commitment to decarbonise its direct and indirect emissions in line with the latest scientific frameworks, Mundys is also investing in breakthrough research through (i) direct investments, and (ii) its contribution to partnerships for innovation.

i) **Direct investments** include investing in new forms of low-carbon mobility (e.g., in electric Urban Air Mobility), advanced intermodal mobility solutions to facilitate seamless passenger switch to low carbon transport modes, and intelligent mobility systems and technological solutions (e.g., by deploying payment and traffic systems that enable smoother traffic and lower congestion, GHG emissions and air pollutants). Mundys is also developing and building advanced infrastructure to lower its environmental impact whilst increasing accessibility and safety, for example with on-site renewable energy generation, state-of-the-art recycling methodologies, infrastructure to reduce noise and improve passenger safety, electric vehicle charging stations, innovative and energy storage solutions.

ii) **The creation of partnerships** includes convening and supporting inter- and intra-transport sector research, in partnership with leading international organisations and peers, to develop and accelerate innovative practices and standards for the transport sector's low carbon transition.

Project governance

The EU Taxonomy reporting project was led by Mundys's Sustainability&Innovation Team, working with Mundys's and its operating companies' finance, operations and sustainability teams. Different groups of stakeholders within the Group provided input and support, including the Boards and Sustainability Committees of the operating companies. In addition, Mundys and its operating companies engaged external advisors to improve their understanding of the EU Taxonomy, ensure the quality and accuracy of the process, inform and validate their eligibility and alignment reporting.

Perimeter

The perimeter of the analysis coincides with that of the Consolidated Financial Statements as of 12/31/2022 which is outlined in Section 6.1 Group Financial and Economic Performance of this Integrated Annual Report.

Kpi calculation overview

The financial metrics required by the EU Taxonomy Regulation are Turnover, Capital Expenditure (CapEx) and Operating Expenditure (OpEx). The analysis has been carried out by Mundys's operating companies on their activities and consolidated at a Group level. The financial KPIs have been elaborated based on each companies' 2022 Profit & Loss Statements, as per IAS1, and their CapEx databases. They are defined as follows:

Turnover

The EU Taxonomy-eligible turnover is calculated as the proportion of turnover from taxonomy eligible products or services (numerator) to total turnover (denominator). Taxes charged to infrastructure's users and collected on behalf of the local administrations and national governments, have been excluded.

The EU Taxonomy-aligned turnover is the proportion of EU Taxonomy-eligible turnover which qualifies as environmentally sustainable under the EU Taxonomy Regulation (numerator) to total turnover (denominator).

Capital Expenditure (CapEx)

The taxonomy-eligible capital expenditure (CapEx) is the result of the proportion of Capex from Taxonomy-eligible activities (numerator) to total CapEx (denominator). Total CapEx is defined as increases in property, plant and equipment and intangible assets before depreciation and amortisation, impairment losses and any revaluations, including those resulting from remeasurement or impairments, for the year in question, excluding changes in fair value. The denominator also includes increases in property, plant and equipment and intangible assets resulting from business combinations. In addition, since Mundys applies international financial reporting standards (IFRS), capital expenditure includes the costs accounted for on the basis of the legislation (Delegated Regulation 2021/2178). The taxonomy-aligned CapEx is the proportion of taxonomy-eligible CapEx which qualifies as environmentally sustainable under the EU Taxonomy Regulation (numerator), to total CapEx (denominator).

Operating Expenditure (OpEx)

In the calculation of Taxonomy-eligible operating expenses (OpEx), particular consideration was given to non-capitalized direct costs for research and development, building renovation, short-term rental, maintenance and repair, and any other direct expenses related to the day-to-day maintenance of property, plant, and equipment, as well as training needs and personal development needs. From the consolidated total operating costs, therefore, certain items have been excluded, such as personnel costs that are not exactly attributable to the above activities, indirect taxes and fees, licensing fees, etc.

The taxonomy-aligned OpEx are defined as the proportion of taxonomy-eligible OpEx qualified as environmentally sustainable under the EU Taxonomy Regulation (numerator) to total OpEx related to the above categories (denominator).

The data was computed based on the best understanding and interpretation of the legislation, using the information available to date within a legislative and interpretation framework that is still under development, a process that could result in future changes.

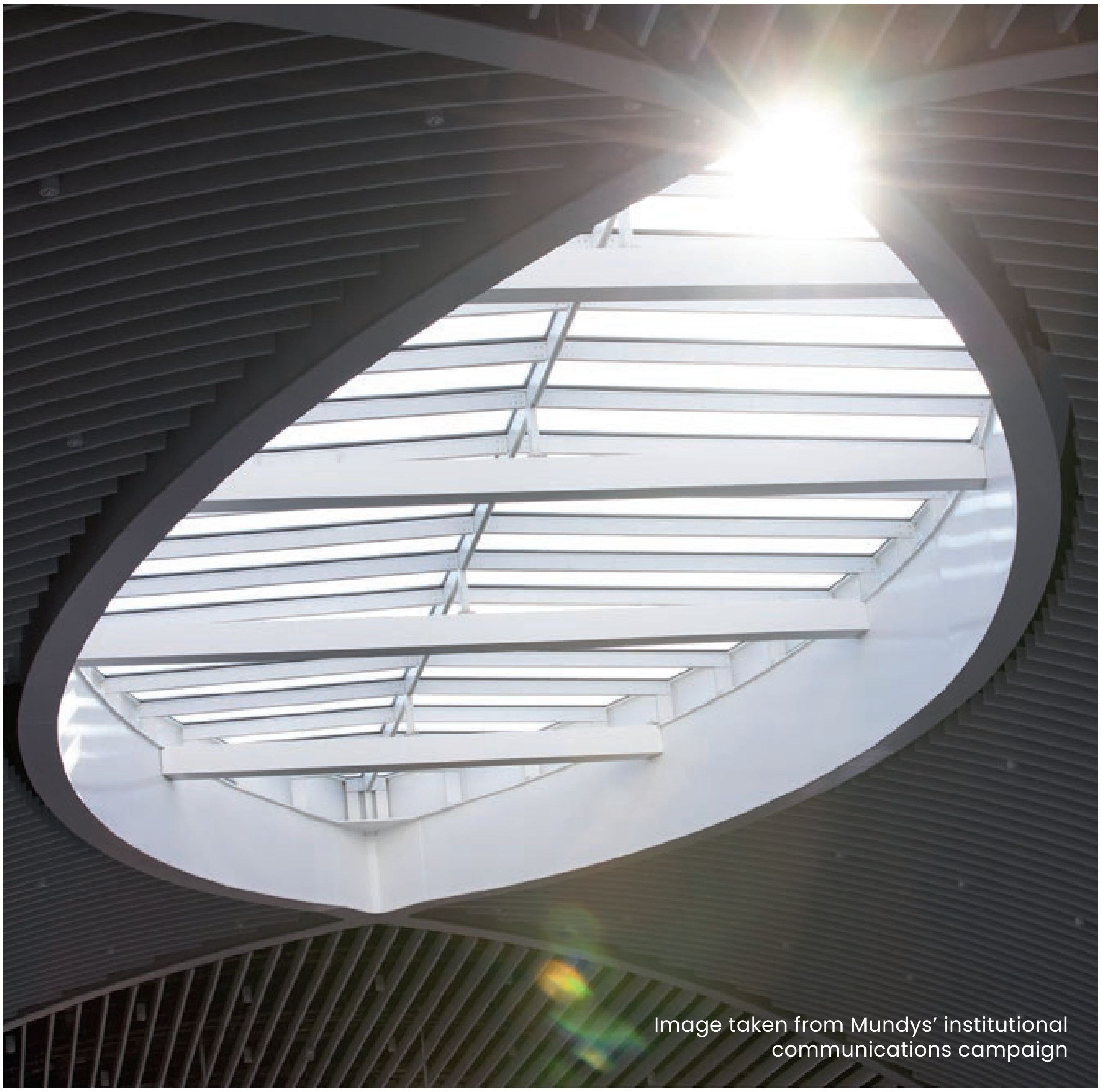


Image taken from Mundys' institutional communications campaign

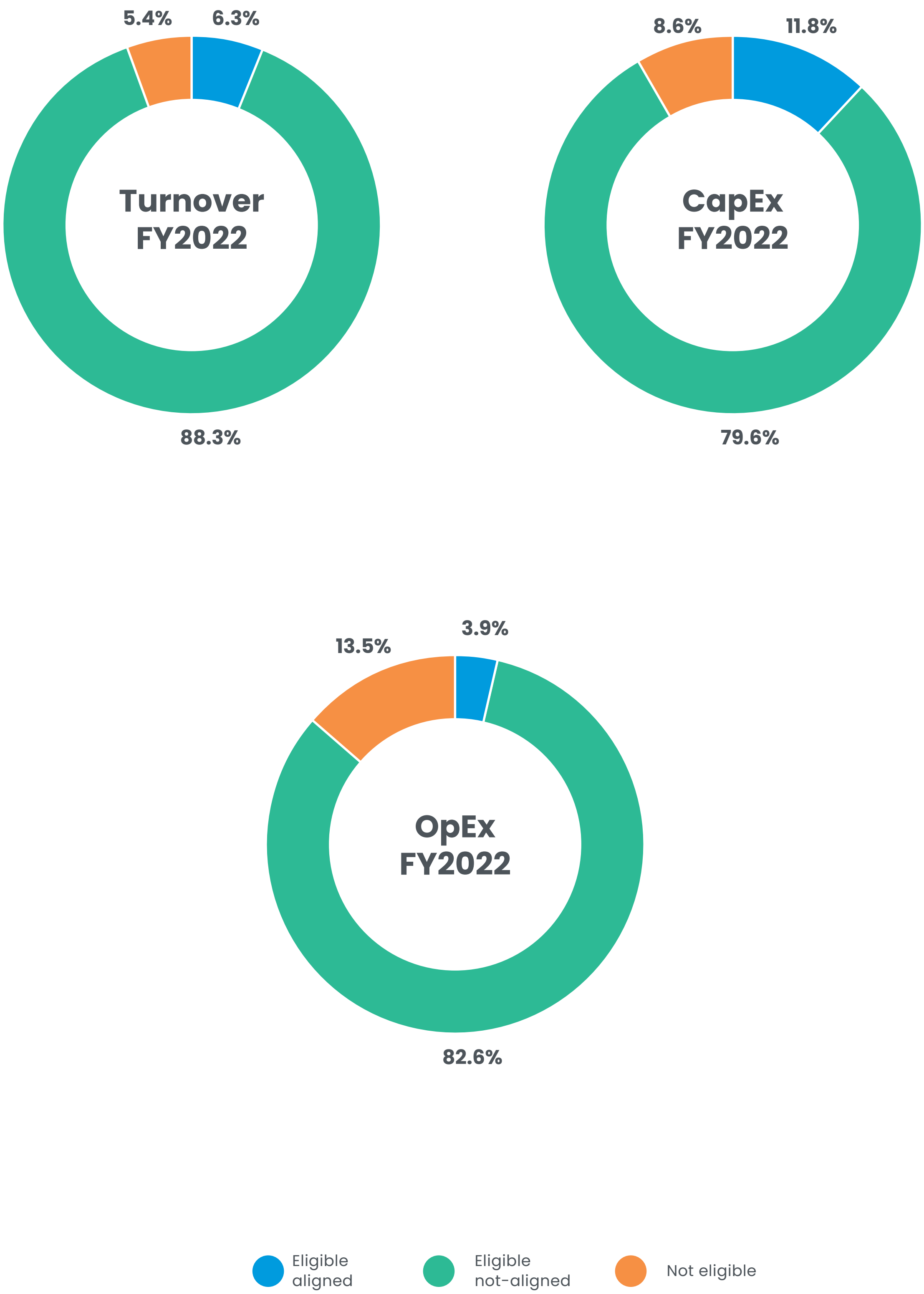
Consolidated taxonomy eligibility and alignment of mundys' activities

Mundys's activities have been classified according to three categories:

Eligible-aligned	**Eligible-aligned refers to an economic activity that meets all the following conditions:** • it is included in the EU Taxonomy Regulation for its substantial contribution to climate change mitigation or adaptation; • it meets the TSC outlined in the Regulation for that specific activity, under the objective of climate change mitigation or adaptation, as relevant; • it meets all the DNSH criteria to the EU Taxonomy's other five environmental objectives, as outlined in the Regulation for that specific activity, and the MSS requirements.
Eligible-not aligned	**Eligible-not aligned refers to an economic activity that:** • it is included in the EU Taxonomy Regulation for its substantial contribution to climate change mitigation or adaptation; but • it doesn't meet the TSC outlined in the Regulation for that specific activity, and/or • it doesn't meet at least one DNSH criteria to the EU Taxonomy's other five environmental objectives, as outlined in the Regulation for that specific activity, and/or the MSS requirements.
Not eligible	**Not eligible refers to economic activities that haven't been recognised by the EU Taxonomy Regulation as a substantial contributor to either climate change mitigation or adaptation. This may be because the activity:** • doesn't have a significant impact on climate change mitigation or adaptation; • has a negative impact on climate change mitigation or adaptation • could have a positive impact on climate change mitigation or adaptation but it hasn't been formally recognised by the legislation.

Consolidated results

Consolidating the results for the Mundys Group, the proportion of eligible economic activities during 2022 is the following:



Eligibility Assessment

The assessment of the eligibility and alignment of Mundys's business activities was based on the EU Taxonomy Regulation, Delegated Acts and Commission Notices on the interpretation and implementation of the EU Taxonomy ('FAQs'). The analysis was carried out by business line (motorways, airports and intelligent mobility services), each including the operating companies in the jurisdictions where Mundys operates. We established that proceeding by NACE codes (Statistical classification codes of economic activities in the European Community) alone wouldn't be appropriate as these cannot be directly and unambiguously associated to each business activity.

Initially, all operating companies undertook a process of critically reviewing the Taxonomy eligibility analysis already carried out in 2021, analysing again all their activities in light of the EU Taxonomy Delegated Acts and interpretative documents (FAQs), confirming and/or refining the analysis. Through this process, Mundys formalized the understanding and classification of the eligibility of each activity for the year 2022. The results were then consolidated at the Group level.

As presented in detail in the table below, 16 assets referring to 5 groups were identified.

Note that the investment holding company Mundys SpA and the other financial holding companies that control the Group's various operating companies were deemed ineligible for analysis.

Mundys - Eligibility Assessment

Energy	Water supply, sewerage, waste management and remediation	Transport	Construction and real estate activities	Information and communication
Airports				
4.9 Transmission and distribution of electricity	5.1 Construction, extension and operation of water collection, treatment and supply systems	6.3. Urban and suburban transport, road passenger transport	7.2 Renovation of existing buildings	8.1 Data processing, hosting and related activities
4.15 District heating/cooling distribution	5.3 Construction, extension and operation of waste water collection and treatment	6.14 Infrastructure for rail transport	7.3 Installation, maintenance and repair of energy efficiency equipment	8.2 Data-driven solutions for GHG emissions reductions
	5.5 Collection and transport of non-hazardous waste in source segregated fashion	6.15 Infrastructure enabling low-carbon road transport and public transport (CCM)	7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	
		6.17 Low carbon airport infrastructure	7.6 Installation, maintenance and repair of renewable energy technologies	
			7.7 Acquisition and ownership of buildings	
Motorways				
		6.15 Infrastructure enabling low-carbon road transport and public transport (CCM)	7.2 Renovation of existing buildings	
		6.15 Infrastructure enabling road transport and public transport (CCA)	7.3 Installation, maintenance and repair of energy efficiency equipment	
			7.7 Acquisition and ownership of buildings	
Intelligent Transport Systems				
		6.15 Infrastructure enabling low-carbon road transport and public transport (CCM)		

The eligibility assessment has included not only those activities characteristic of the Group business, but also those activities eligible for taxonomy for which the group made investments and expenditure during the year in order to achieve climate-related objectives and carbon reduction targets, such as operating and capital expenditures made for data management and hosting solutions (category 8).

Clarifications regarding the eligibility of economic activities 6.15 and 7.7

Concerning the activity **"6.15 Infrastructure enabling low carbon road and public transport"** in Annex I (CCM), the description provided in the delegated acts as well as in the EU Taxonomy compass tool, can be subject to interpretation and may generate doubts as, taken literally, it would establish eligibility criteria only for those infrastructures that would directly make a substantial contribution to climate mitigation, i.e. electric charging stations, hydrogen fuelling stations, terminals and cargo loading, unloading and transhipment facilities for intermodal shift etc.. This contrasts with the CNAE industry classification indicated in the aforementioned documents for category 6.15 CCM that corresponds to the toll roads and motorways management.

Mundys's view is that toll roads and motorways have a central role in enabling the low carbon transition of road transport by providing the adequate coverage of the necessary infrastructure to recharge zero-tailpipe vehicles during medium to long-range travelling. Without such infrastructure, light and heavy-duty transport won't switch to lower carbon alternatives: as of today, operational barriers and 'range anxiety' remain stumbling blocks to a wider adoption of low carbon vehicles by private and corporate drivers. This ambition is reflected in the Group's Sustainability Strategy.

Given the Regulation's lack of clarity regarding motorways operations, Mundys and its operating companies applied their best judgement to interpret the regulation and report accordingly. Given the taxonomy's evolving and complex nature, we expect that the European Commission and the Sustainable Finance Platform will continue to publish documents to clarify the interpretative aspects of the Regulation.

Instead, there is no doubt that motorways management activities are included among the eligible activities according to the climate adaptation criterion (CCA).

The EU Taxonomy is an evolving regulation, and the current Delegated Acts don't include mobility services and Intelligent Transport Systems (ITS) as stand-alone activities. However, with the Draft Commission Notice ('Frequently Asked Questions', or FAQ) published on 19th December 2022 the EU Commission has clarified that *'Intelligent transport system activities could be eligible engineering and technical consultancy services under Section 6.15 of Annex I, when they consist in systems enabling connected and automated multimodal mobility of passengers, traffic flow optimisation, congestion reduction, facilitation of energy efficiency in road transport, and/or electronic tolling systems.'*

Mundys welcomes the EU Commission's recognition of ITS' enabling role to cleaner, safer, multimodal, low carbon transport systems and as such its contribution to climate change mitigation. However, for the alignment assessment, the TSC of Activity 6.15 are not of straightforward application to ITS. Adopting a conservative approach, all Mundys's 2022 activities in ITS have been determined to be not aligned. We hope that further clarity and specifications will be provided by the EU Commission during 2023 to facilitate the alignment assessment for the next reporting season.

Concerning the activity **"7.7 Acquisition and ownerships of buildings"** Mundys welcomed the clarification in the Draft Commission Notice ('Frequently Asked Questions', or FAQ) published on 19th December 2022 on airports, stating that (FAQ #158) airport buildings and terminals meeting the TSC under Section 7.7 are eligible: *'only revenues derived from the ownership of the building, e.g. rents, can be considered regardless of the activities that take place in a building'* and *'revenues that are not derived from the ownership of the building, but directly from aeronautical activities carried out by the airport operator cannot be considered and are not covered by this activity.'* On this basis Mundys and its airport companies proceeded to analyse all their activities for taxonomy eligibility and alignment under Annex I - climate change mitigation, taking into account all the activities carried out inside the terminal buildings. This included non-aeronautical activities such as commercial rents, catering operations, check-in desks, baggage handling, security services, onboarding fees and parking services.

Alignment assessment

Eligible activities have the potential to be determined as aligned, or environmentally sustainable, if they satisfy specific requirements set out in the taxonomy regulation. For the purposes of establishing the degree to which it is environmentally sustainable, each activity has been assessed with a process compliant with Article 3 of the Regulation 852. Namely, each activity must:

a) contribute substantially to one or more of the environmental objectives set out in Article 9 in accordance with Articles 10 to 16;

b) complies with Technical Screening Criteria (TSC) that have been established by the Commission in accordance with Article 10 (3), 11(3), 12(2), 13(2), 14(2) or 15(2) (TSC criteria).

c) does not significantly harm any of the environmental objectives set out in Article 9 in accordance with Article 17 (DNSH criteria);

d) is carried out in compliance with the minimum safeguards laid down in Article 18 (MSS criteria).

Once determined the eligibility perimeter for the objective of climate change mitigation and adaptation, each of Mundys's operating company proceeded in screening the activities against each activity's TSC. For the activities where the TSC were met, the DNSH criteria were then assessed. The MSS criteria were assessed for the entire business, as they are not activity dependent.

Analysis of Technical Screening Criteria (TSC)

For the identified eligible activities, a screening test for compliance with the TSC relevant to the specific activity under analysis was conducted as indicated in (b) above. The analysis was conducted using a dual assessment, qualitative and quantitative, based on the characteristics of each activity. The output of the assessment process is presented in detail under the relevant following sections.

1. *Activity 4*: Energy

   These activities are carried out in particular by our managed airports that operate distribution systems to transport electricity on high and low-voltage and infrastructures for district heating and cooling systems. The activities under 4.9 and 4.15 categories determined as eligible-aligned are those for which the technical screening criteria are met and in particular it has been verified that the electricity distribution system is an interconnected European system (TSC for 4.9), and the district heating/cooling system uses 75% of the cogenerated heat (TSC for 4.15).

2. *Activity 5*: Water supply, sewerage, waste management and remediation

   This category includes the activities that group companies carry out for water and wastewater management as well as for the collection and transportation of non-hazardous waste and their preparation for reuse or recycling. For Activities 5.1 and 5.3, not all the necessary data to determine compliance with the TSC have been collected, so they've been classified as eligible-not aligned. For activities falling under category 5.5, compliance with the technical requirements was verified and in particular the procedures and plans implemented to improve waste management, separate collection and 100% preparation for reuse and recycling.

3. *Activity 6*: Transport

   For the airport operating segment, the shuttle services between car parks, hotels, and terminals, directly managed by the airport operator, fall under category 6.3. For these activities we were not able to complete the TSC compliance analysis due to data availability. As such, it's been classified as eligible-not aligned. The railway transport activities such as the train station hosted within one of the terminals at Aeroporti di Roma, are eligible under category 6.14, and have been determined as eligible-aligned.

   Within category 6.15, for airport companies, all those activities that meet the three substantial contribution criteria were considered as aligned, namely: (a) operation of zero-tailpipe CO_2 vehicles, (b) intermodal freight transport; (c) urban and suburban public transport.

   The following were considered compliant with these criteria:

   - vehicles not dedicated to public transport (taxis, NCC, car rental, car sharing) with zero-tailpipe CO_2 emissions;
   - buses, as they comply with the criterion (c) regardless the type of power;
   - infrastructures set up for the loading, unloading and transhipment of goods (i.e. Cargo City Area).

   For the motorway sector, we analysed the compliance with the TSC (a) considering a level of coverage of the motorway managed with electric and/or hydrogen recharging stations. Where there is a national/local regulation establishing a minimum provision for charging stations on motorways (e.g. Italy, France and Spain) those thresholds were used. For other countries where there is no reference law, we referred to one electric charging station every 60 km and one hydrogen-refuelling station every 150 km. Compliance with the other two TSCs was also verified: whether motorways facilitate intermodality and/or public urban and suburban transport. These criteria are not fully defined in the Taxonomy regulation, leaving doubts on the threshold for alignment. Adopting a conservative approach, we established that criteria have not been met and reported 0% alignment. An overarching criterion is that the infrastructure cannot be dedicated to the transportation or storage of fossil fuels. As previously mentioned, for ITS and electronic toll systems it was not possible to determine alignment due to lack of technical requirements (eligible-not aligned activities).

Motorways are also eligible under Activity 6.15 for the Climate Change Adaptation objective if a climate risk and vulnerability assessment of the most important physical climate risks material to that economic activity has been performed. The TSC requires that companies also need to have a plan outlining how and by when adaptation solutions will be put in place to counter adverse climate phenomena and mitigate risk.

As for the activity 6.17 we took as eligible-aligned all fixed infrastructure for electric charging and the provision of preconditioned air to stationary aircrafts. Where there is no dedicated financial accounting that allows to directly determine KPIs (Revenues, Capex, Opex) for only those parking areas with the provision of fixed electrical ground power and preconditioned air to stationary aircrafts, we used a proxy based on the percentage of the aircraft parking aprons equipped with these recharging infrastructures compared to the overall total airport aprons. This proxy is subsequently applied to revenues, capex and opex.

4. *Activity 7*: Construction and Real Estate Activities

Most of the revenues, capex and opex generated by our airport operations are related to the ownership and operation of buildings. Activities 7.2, 7.3, 7.4 and 7.6 of the EU Taxonomy all relate to CapEx for the refurbishment of the terminal buildings, installation of energy efficiency equipment, EV charging stations and systems for the production of energy from renewable sources. With the exception of Activity 7.2, which is eligible-not aligned, the other three are eligible-aligned. For Activity 7.7, eligible activities consist of various non-aeronautical activities such as commercial rents, check-in desks, security services and onboarding fees. Most of the eligible turnover and CapEx took place in the terminal buildings. The buildings complying with the TSC set for Activity 7.7 have been determined eligible-aligned, which requires that for buildings built before 2021, there is an Energy Performance Certificate (EPC) Class A, or as an alternative, that the building is within the top 15% of the national or regional building stock by operational Primary Energy Demand. ADR was able to establish compliance, but ACA was unable to obtain the EPC and to access such national database.

For Italy, the "Information System on Energy Performance Certificates" (SIAPE) prepared by ENEA has been taken as a reference, identifying a threshold of 400 kWh/m^2 (the threshold refers to the 11% of the best performing buildings in terms energy intensity at national level) respect to which the average consumption of the managed buildings was compared. There are also systems for consumption monitoring and efficient energy management of buildings.

Do No Significant Harm (DNSH)

The Do No Significant Harm (DNSH) criteria assessment also followed a quali-quantitative methodology, depending on each activity's features and listed criteria. For the purpose of the assessment, activities were analysed based on the life cycle of the products and services resulting from each activity, considering the production, use and end of life of those products and services, and their impact on the other taxonomy objectives.

For climate change mitigation, the DNSH criteria have been screened as follows:

a. *Climate change adaptation*:

Mundys and its operating companies have implemented a Climate Change Risk Assessment (CCRA) methodology at Group level, integrated into the Enterprise Risk Model (ERM), to identify and assess the climat-related risks that actually affect the economic activity and the assets vulnerability, in line with the Regulation in *Appendix A - Adaptation to climate change (objective 2)*.

For further details, please refer to the Risk Management section of this Integrated Annual Report.

Physical risks are managed by an integrated top-down and bottom-up process which quantifies their probability and magnitude in terms of physical impairment and performance, their potential negative impact, also financial, on the assets, people, and nature around them. Assessments of adaptation solutions have also been conducted to prevent and manage these risks and in some cases, when necessary, an adaptation plan has been developed. The Group is progressively working on extending this process and adopting adaptation plans where the risk is material. Where a climate adaptation plan was not adopted, the criterion was not met, and the activity was considered non-aligned.

b. *Sustainable use and protection of water and marine resources*

This DNSH criteria requires that the risks connected to water conservation and prevention of water resources depletion are identified. The analysis was carried out by Mundys's operating companies, in compliance with the national and regional water protection regulations, and through consultation mechanisms with the relevant stakeholders. All water resources, surface, underground and marine, have been analysed for their good ecological potential and environmental status against each eligible activity. The analysis considered impacts, procedures, and remediations to ensure that water resources are conserved and reutilized according to the best standards. The compliance with this requirement was tested and ensured with procedures in accordance with specific Environmental Impact Assessment (EIA) or ISO 14001 standard for determining alignment.

c. *Circular economy and waste prevention and recycling*

For many years Mundys has committed to use resources more efficiently, including by making waste prevention and recycling a business priority. Each operating company within the Group has guidelines and operational control procedures to ensure compliance with regulatory requirements. To qualify for alignment Mundys requires that all waste management procedures have been analyzed to ensure that both during construction, maintenance and operation of infrastructure, waste is separated, reutilized or recycled to the largest possible extent, depending on the type of waste. This includes targets to recycle and reuse batteries, electronic components, and their base metals for energy storage, and at least 70% (in terms of weight) of the construction and demolition waste material.

d. *Pollution prevention and control*

Mundys has policies in place for pollution prevention and control procedures, in accordance with national and local regulations. Compliance with this requirement was assessed on the basis of the adoption of preventive and corrective measures. For Activity 4.9 the DNSH criterion makes specific reference to high voltage lines above ground and compliance with electromagnetic and ionizing radiation exposure limits, according to the applicable laws, and requires also that polychlorinated biphenyls are not used. The criterion was considered verified as the managed energy transmission and distribution networks are mainly underground lines and there is no use of polychlorinated biphenyls. For Activity 4.15 it was verified that the equipment used complies, where relevant, with the highest energy performance requirements and It represents the best available technology.

e. *Protection and restoration of biodiversity and ecosystems*

Mundys is committed to ensuring that its activities are compliant with the local regulations on the protection and restoration of biodiversity and ecosystems. As relevant for each activity and projects, the criterion is considered met if an Environmental Impact Assessment (EIA) or a similar environmental screening analysis has been conducted, and whether adequate land and biodiversity conservation standards have been applied.

Minimum Social Safeguards (MSS)

Mundys acts in accordance with social, ethical and good governance principles that comply with the best international standards and the laws and regulations in the countries in which it operates. Since 2004 we have adhered to the 10 principles of the Global Compact and are actively committed to the protection of Human Rights, Labour Rights, the Environment and Anti-corruption practices. Mundys's Code of Ethics is an integral part of the Internal Control and Risk Management System, and we ask all our operating companies to adopt codes of ethics and conduct their business in line with its general principles. With the purpose of assessing compliance with the Minimum Social Safeguards, the Group's policies have been assessed as compliant with the standards referred in Article 18 of the EU Taxonomy Regulation: United Nations Guiding Principles on Business and Human Rights, the ILO conventions on fundamental principles and rights at work, and the international bill of human rights. These standards cover four core topics:

a. *Human rights, including workers' rights.*

b. *Bribery/corruption*

c. *Taxation*

d. *Fair competition*

For more information on these social aspects, see the specific sections of this Integrated Annual Report.

Our policies and procedures were assessed against the requirements referred to in the EU Taxonomy. The analysis is to be understood as applicable to all economic activities conducted by the operating companies and their value chains. Wherever Mundys's policies haven't been implemented in full by individual operating companies, the activities of that operating company have been determined not aligned, regardless of their compliance with the TSC or DNSH criteria.

Reporting tables

Table 1: Proportion of Taxonomy-aligned turnover

Economic activities	Codes	Atlantia - Absolute turnover eur/000	Atlantia Proportion of turnover %
A. Taxonomy-eligible activities			
A.1. Environmentally sustainable activities (Taxonomy-aligned)			
Transmission and distribution of electricity	4.9	725	0.01%
District heating/cooling distribution	4.15	2,535	0.03%
Collection and transport of non-hazardous waste in source segregated fashion	5.5	1,564	0.02%
Urban and suburban transport, road passenger transport	6.3	110	0.001%
Infrastructure enabling low-carbon road transport and public transport (CCM)	6.15	2,459	0.03%
Low carbon airport infrastructure	6.17	2,920	0.04%
Acquisition and ownership of buildings	7.7	460,466	6.17%
Total turnover A.1		**470,779**	**6.31%**
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)			
Transmission and distribution of electricity	4.9	3,480	0.05%
District heating/cooling distribution	4.15	2,057	0.03%
Construction, extension and operation of water collection, treatment and supply systems	5.1	356	0.005%
Construction, extension and operation of waste water collection and treatment	5.3	366	0.005%
Collection and transport of non-hazardous waste in source segregated fashion	5.5	836	0.01%
Infrastructure enabling low-carbon road transport and public transport (CCM)	6.15	6,399,185	85.80%
Low carbon airport infrastructure	6.17	2,921	0.04%
Urban and suburban transport, road passenger transport	6.3	1,482	0.02%
Acquisition and ownership of buildings	7.7	177,622	2.38%
Total turnover A.2		**6,588,305**	**88.34%**
Total (A.1.+A.2.)		**7,059,084**	**94.65%**
B. Taxonomy-non-eligible activities			
Turnover of Taxonomy-non-eligible activities (B)		**399,074**	**5.35%**
Total (A+B)		**7,458,158**	**100%**

Substantial contribution criteria						***"DNSH criteria ((""Does Not Significantly Harm""))"***										
Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of turnover, year N	Taxonomy-aligned proportion of turnover, year N-1	Category (enabling activity or)	Category (transitional activity)
%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
100%	0%	n.a.	n.a.	n.a.	n.a.		Y		Y	Y	Y	Y	0.01%	n.a.	A	
100%	0%	n.a.	n.a.	n.a.	n.a.		Y	Y		Y	Y	Y	0.03%	n.a.		
100%	0%	n.a.	n.a.	n.a.	n.a.		Y		Y			Y	0.02%	n.a.		
100%	0%	n.a.	n.a.	n.a.	n.a.		Y		Y	Y		Y	0.00%	n.a.		
100%	0%	n.a.	n.a.	n.a.	n.a.		Y	Y	Y	Y	Y	Y	0.03%	n.a.	A	
100%	0%	n.a.	n.a.	n.a.	n.a.		Y	Y	Y	Y	Y	Y	0.04%	n.a.	A	
100%	0%	n.a.	n.a.	n.a.	n.a.		Y						6.17%	n.a.		
100%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**								**6.31%**	**n.a.**		
													6.31%			

Table 2: Proportion of Taxonomy-aligned capital expenditures (CapEx)

Economic activities	Codes	Atlantia - Absolute CapEx eur/000	Atlantia Proportion of CapEx %
A. Taxonomy-eligible activities			
A.1. Environmentally sustainable activities (Taxonomy-aligned)			
Transmission and distribution of electricity	4.9	3,048	0.2%
District heating/cooling distribution	4.15	3,225	0.2%
Operation of personal mobility devices, cycle logistics.	6.4	6	0.0%
Infrastructure for rail transport	6.14	1,416	0.1%
Infrastructure enabling low-carbon road transport and public transport (CCM)	6.15	3,036	0.2%
Low carbon airport infrastructure	6.17	502	0.04%
Installation, maintenance and repair of energy efficiency equipment	7.3	285	0.02%
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	7.4	67	0.01%
Installation, maintenance and repair of renewable energy technologies	7.6	2,084	0.2%
Acquisition and ownership of buildings	7.7	141,523	10.8%
Total Capex A.1		**155,192**	**11.84%**
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)			
Construction, extension and operation of waste water collection and treatment	5.3	2,831	0.2%
Transmission and distribution of electricity	4.9	2,991	0.2%
District heating / cooling distribution	4.15	1,148	0.1%
Construction, extension and operation of water collection, treatment and supply systems	5.1	2,218	0.2%
Collection and transport of non-hazardous waste in source segregated fashion	5.5	32	0.0%
Infrastructure enabling low-carbon road transport and public transport (CCM)	6.15	1,011,230	77.2%
Low carbon airport infrastructure	6.17	2,516	0.2%
Renovation of existing buildings	7.2	402	0.03%
"Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings"	7.5	1	0.0%
Acquisition and ownership of buildings	7.7	17,881	1.4%
Data processing, hosting and related activities	8.1	1,557	0.1%
Data-driven solutions for GHG emissions reductions	8.2	64	0.005%
Total Capex A.2		**1,042,871**	**79.56%**
Total (A.1.+A.2.)		**1,198,063**	**91.40%**
B. Taxonomy-non-eligible activities			
CapEx of Taxonomy-non-eligible activities (B)		**112,667**	**8.60%**
Total (A+B)		**1,310,730**	**100%**

Substantial contribution criteria						***"DNSH criteria (""Does Not Significantly Harm"")"***										
Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of turnover, year N	Taxonomy-aligned proportion of turnover, year N-1	Category (enabling activity or)	Category (transitional activity)
%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
100%	0%	n.a.	n.a.	n.a.	n.a.		Y		Y	Y	Y	Y	0.23%	n.a.	A	
100%	0%	n.a.	n.a.	n.a.	n.a.		Y	Y		Y	Y	Y	0.25%	n.a.		
100%	0%	n.a.	n.a.	n.a.	n.a.		Y		Y			Y	0.00%	n.a.		
100%	0%	n.a.	n.a.	n.a.	n.a.		Y	Y	Y	Y	Y	Y	0.11%	n.a.	A	
100%	0%	n.a.	n.a.	n.a.	n.a.		Y	Y	Y	Y	Y	Y	0.23%	n.a.	A	
100%	0%	n.a.	n.a.	n.a.	n.a.		Y	Y	Y	Y	Y	Y	0.04%	n.a.	A	
100%	0%	n.a.	n.a.	n.a.	n.a.		Y			Y		Y	0.02%	n.a.		
100%	0%	n.a.	n.a.	n.a.	n.a.		Y					Y	0.01%	n.a.		
100%	0%	n.a.	n.a.	n.a.	n.a.		Y					Y	0.16%	n.a.		
100%	0%	n.a.	n.a.	n.a.	n.a.		Y					Y	10.80%	n.a.		
100%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**								**11.84%**	**n.a.**		
													11.84%			

Table 3: Proportion of Taxonomy-aligned operational expenditures (OpEx)

Economic activities	Codes	Atlantia - Absolute OpEx eur/000	Atlantia Proportion of OpEx %
A. Taxonomy-eligible activities			
A.1. Environmentally sustainable activities (Taxonomy-aligned)			
Transmission and distribution of electricity	4.9	8,212	0.7%
District heating/cooling distribution	4.15	8,973	0.8%
Infrastructure enabling low-carbon road transport and public transport (CCM)	6.15	1,424	0.1%
Low carbon airport infrastructure	6.17	1,065	0.1%
Acquisition and ownership of buildings	7.7	24,068	2.1%
Total Opex A.1		**43,742**	**3.84%**
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities))			
Transmission and distribution of electricity	4.9	4,656	0.4%
District heating/cooling distribution	4.15	1,383	0.1%
Afforestation	1.1	100	0.01%
Construction, extension and operation of water collection, treatment and supply systems	5.1	2,803	0.2%
Collection and transport of non-hazardous waste in source segregated fashion	5.5	995	0.1%
Infrastructure enabling low-carbon road transport and public transport (CCM)	6.15	853,971	75.0%
Low carbon airport infrastructure	6.17	306	0.03%
Urban and suburban transport, road passenger transport	6.3	1,594	0.1%
Renovation of existing buildings	7.2	68	0.01%
Acquisition and ownership of buildings	7.7	74,451	6.5%
Total Opex A.2		**940,326**	**82.62%**
Total (A.1.+A.2.)		**984,068**	**86.46%**
B. Taxonomy-non-eligible activities			
OpEx of Taxonomy-non-eligible activities (B)		**154,132**	**13.54%**
Total (A+B)		**1,138,201**	**100%**

Substantial contribution criteria						***"DNSH criteria ((""Does Not Significantly Harm""))"***										
Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of turnover, year N	Taxonomy-aligned proportion of turnover, year N-1	Category (enabling activity or)	Category (transitional activity)
%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
100%	0%	n.a.	n.a.	n.a.	n.a.		S		S	S	S	S	0.7%	n.a.	A	
100%	0%	n.a.	n.a.	n.a.	n.a.		S	S		S	S	S	0.8%	n.a.		
100%	0%	n.a.	n.a.	n.a.	n.a.		S	S	S	S	S	S	0.1%	n.a.	A	
100%	0%	n.a.	n.a.	n.a.	n.a.		S	S	S	S	S	S	0.1%	n.a.	A	
100%	0%	n.a.	n.a.	n.a.	n.a.		S					S	2.1%	n.a.		
0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**								**3.84%**	**n.a.**		
													3.84%			

mundys

Image of Mundys' institutional communications campaign - Center of Milan

8. EXPLANATORY NOTES AND OTHER INFORMATION

8.1 Alternative performance measures

The "Group financial performance" and the "Mundys Financial performance" 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 international financial reporting standards ("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 alternative performance measures ("APMs").

In accordance with the guidelines issued by the European Securities and Markets Authority (ESMA), the criteria used in computing the key APMs published by the Mundys Group and Mundys SpA is described below.

The APMs shown in this Integrated Annual Report are deemed relevant to an assessment of the performance of the Mundys Group and the Company, of the operating segments and of individual consolidated companies.

Specifically, the APMs provide a further important measure used by management in assessing the performance of the Group and the Company. They also 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 IFRS used by the Group and the Company and described in "Mundys' consolidated financial statements as of and for the year ended 31 December 2022" and in "Mundys SpA's financial statements as of and for the year ended 31 December 2022" (the "statutory financial statements").

The APMs shown in this Integrated Annual Report are unchanged with respect to those use in the Annual Report for the year ended 31 December 2021. A list of the APMs used, together with a brief description and their reconciliation with the corresponding reported amounts in the statutory financial statements, is provided below:

- **"Revenues"** includes motorway toll revenues, aviation revenues and other revenues, and differs from operating revenue in the statutory consolidated income statement in that revenue from construction services, recognised in accordance with IFRIC 12, is presented in the reclassified income statement as a reduction in the respective items under operating costs and financial expenses;
- **"EBITDA"** is the synthetic indicator of gross profit from operations, calculated by deducting costs, with the exception of depreciation, amortisation, impairment losses and reversals of impairment losses and provisions for the renewal of assets held under concession, from revenues;
- **"EBIT"**, calculated by deducting depreciation, amortisation, impairment losses and reversals of impairment losses, provisions for the renewal of assets held under concession and other adjustments from EBITDA;
- **"Net invested capital"**, showing the net value of non-financial assets and liabilities;
- **"Net debt"** refers to "Current and non-current financial liabilities" after deducting "Current and non-current financial assets" and "Cash and cash equivalents";
- **"Net financial debt"** has been defined excluding the value of financial assets (concession rights) from net debt. Mundys SpA's net financial debt coincides with net debt as the Company does not hold financial assets (concession rights);
- **"Capex"**, being the indicator of the total amount invested in development of the Mundys Group's and the Company's businesses, excluding investments in investees and right-of-use assets as defined by IFRS 16;
- **"FFO"**, being the indicator of cash generated by or used in operating activities. Operating cash flow is calculated as profit for the period + depreciation/amortisation +/- 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.

The comparative APMs as of 31 December 2021, representing the contribution of each operating segment to the Group totals, have been restated to improve comparability with the amounts for 2022.

8.2 Mundys Group

Reconciliatron of key measures included in the reclassified consolidated income statement

€M

Revenues		2022	2021
Operating revenues		**8,339**	**7,116**
Revenue from construction services		-912	-725
Revenues		**7,427**	**6,391**

Costs	Ref	2022	2021
Operating costs		**-6,803**	**-7,327**
Revenue from construction services - government grants and cost of materials and external services	(a)	818	671
Capitalised personnel costs - construction services for which additio-nal economic benefits are received	(a)	28	25
Provisions for renewal of assets held under concession	(b)	69	88
Depreciation, amortisation and impairment losses/(reversals of impairment losses)on property, plant and equipment and intangible assets		2,959	4,181
Costs		**-2,929**	**-2,362**

EBITDA/EBIT	Rif	2022	2021
Profit for the year (A)		**6,067**	**382**
Profit from discontinued operations, net		5,824	926
Income tax benefits/(expenses)		-421	474
Profit/ (loss) from on equity method investments		29	-42
Financial expenses, net	(c)	-835	-736
Total differences (B)		**4,597**	**622**
EBIT (A-B)		**1,470**	**-240**
Amortisation, depreciation and impairment losses/(Reversals of im-pairment losses)		-2,959	-4,181
Provisions for renewal of assets held under concession	(b)	-69	-88
Total differences (C)		**-3,028**	**-4,269**
EBITDA (A-B-C)		**4,498**	**4,029**

(a) The reconciliation of the items, "Revenue from construction services - government grants and cost of materials and external services" and "Capitalised personnel costs - construction services for which additional economic benefits are received" is provided in note 8.4 in the notes to the consolidated financial statements.

(b) The reconciliation of "Provisions for renewal of assets held under concession" is provided in note 7.17 in the notes to the consolidated financial statements.

(c) Net financial expenses for 2022 include €66 million in capitalised financial expenses connected with "Revenue from construction services" (€29 million in 2021)

Reconciliation of the consolidated statement of financial position

€M	Note		2022		2021 (reformu-lated) *
Intangible assets deriving from concession rights			34,723		35,127
Goodwill and trademarks			8,978		8,441
Property, plant and equipment and other intangible assets			1,476		1,094
Property, plant and equipment		*753*		*648*	
Other intangible assets		*723*		*446*	
Investments			1,264		1,929
Investments accounted for at fair value		*65*		*842*	
Investments accounted for using the equity method		*1,199*		*1,087*	
Working capital (net current provisions)			263		888
Trading assets		*2,479*		*1,768*	
Current tax assets		*223*		*213*	
Other current assets		*508*		*790*	
Trading liabilities		*-1,816*		*-875*	
Current tax liabilities		*-185*		*-170*	
Other current liabilities		*-946*		*-838*	
Provisions and commitments	*7.17*		-2,394		-2,372
Non-current provisions		*-1,827*		*-1,896*	
Current provisions		*-567*		*-476*	
Deferred tax assets/(liabilities), net			-5,179		-4,842
Deferred tax assets		*631*		*838*	
Deferred tax liabilities		*-5,810*		*-5,680*	
Other non-current assets and liabilities			-206		-225
Other non-current assets		*35*		*10*	
Other non-current liabilities		*-241*		*-235*	
Non-financial assets and liabilities held for sale	*7.13*		12		11,308
NET INVESTED CAPITAL			**38,937**		**51,348**
Total equity			**21,446**		**16,070**
Bond	*7.18*		25,940		24,318
Bond– non-current portion		*24,031*		*23,957*	
Bond– current portion		*1,909*		*361*	
Medium/long-term borrowings	*7.19*		9,037		11,019
Medium/long-term borrowings		*8,403*		*10,048*	
Medium/long-term borrowings – current portion		*634*		*971*	
Other financial liabilities			1,205		1,761
Non-current derivative liabilities		*223*		*433*	
Other non-current financial liabilities		*278*		*831*	
Current derivative liabilities		*99*		*44*	
Other current financial liabilities		*605*		*453*	
Cash and cash equivalents			-14,475		-6,053
Other financial assets			-2,014		-1,653
Non-current derivative assets		*-569*		*-48*	
Other non-current financial assets		*-932*		*-1,133*	
Non-current derivative assets – current portion		*-112*		*-41*	
Other current financial assets		*-401*		*-431*	
Net debt related to assets held for sale	*7.13*		-		9,154
Net financial debt			**19,693**		**38,546**
Financial assets (concession rights)	*7.7*		-2,202		-3,268
Non-current financial assets (concession rights)		*-2,048*		*-1,606*	
*Current financial assets (concession rights)***		*-154*		*-1,662*	
Net debt			**17,491**		**35,278**
NET DEBT AND EQUITY			**38,937**		**51,348**

* See note 2.1 to the consolidated financial statements.

** Includes the ASPI group's takeover rights, amounting to €419 million, included in assets held for sale in 2021.

Reconciliation of Mundys SpA's equity and profit with the corresponding consolidated amounts

€M	Equity as at 31 December 2022	Equity as at 31 December 2022	Profit/(loss) for 2022	Profit/(loss) for 2021
Amounts in financial statements of Mundys SpA	**13,612**	**11,562**	**2,862**	**1,169**
Equity and profit/(loss) of consolidated investments	10,852	16,289	1,193	418
Recognition of goodwill and the related impairment losses	8,901	12,806	-175	-
Elimination of after-tax intercompany gains	-	-4,362	-37	-
Elimination of carrying amount of consolidated investments	-16,784	-22,171	-	-
Elimination of impairment losses (less reversals of impairment losses) on consolidated investments	1,872	1,674	212	267
ASPI group's deconsolidation	2,669	-	2,669	-
Elimination of net gain on Telepass	-	-	-	-1,022
Elimination of intercompany dividends	-	-	-823	-600
Measurement of investments using the equity method	-69	-96	27	-48
Other consolidation adjustments	394	367	139	198
Elimination of equity and profit/(loss) for the year attributable to noncontrolling interests	-7,603	-7,929	-276	244
Consolidated carrying amounts (attributable to owners of the parent)	**13,844**	**8,140**	**5,791**	**626**

8.3 Mundys SpA

Reconciliation of the reclassified income statement

€M	2022	2021
Operating profit/(loss)	**-76.7**	**-150.0**
Depreciation and amortisation	3.2	1.1
Transaction costs on the sale of 49% of Telepass	-	11.8
Reclassified operating profit/(loss)	**-73.5**	**-137.2**
Profit/(Loss) from investments	**140.9**	**1,358.7**
Other costs from discontinued operations	-5.9	-
Net gain on the sale of ASPI	2,809.4	-
Transaction costs on the sale of 49% of Telepass	-	-11.8
Reclassified Profit/(Loss) from investments	**2.944.4**	**1.346.9**
Income tax (expense)/benefits	**0.8**	**59.8**
Income tax from discontinued operations	-87.3	-
Reclassified Income tax (expense)/benefits	**-86.5**	**59.8**

Reconciliation of the reclassified statement of financial position

	2022	2021
Property, plant and equipment	26.9	24.7
Intangible assets	4.0	3.8
Property, plant and equipment and other intangible assets	**30.9**	**28.5**
Trading assets	5.2	4.7
Current tax assets	46.4	216.4
Other current assets	19.8	12.8
Discontinued operations	-	5,341.3
Trading liabilities	-8.7	-17.3
Current tax liabilities	-41.0	-115.2
Other current liabilities	-34.1	-32.5
Working capital	**-12.4**	**5,410.2**
Non-current provisions	-81.2	-75.3
Current provisions	-23.3	-3.6
Provisions	**-104.5**	**-78.9**

Please refer to Notes 5.3 and 5.10 to Mundys's separate financial statements for the reconciliation of financial assets and financial liabilities.

8.4 Other information

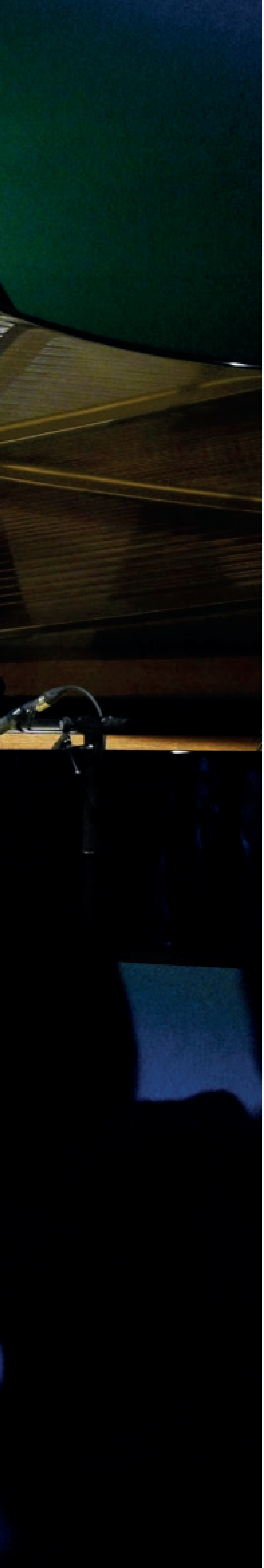
Related party transactions

Related party transactions were governed by the procedure adopted by the Company in compliance with CONSOB Regulation 17221/2010, as amended, until the delisting. The procedure is available on the website at the following link: (https://www.mundys.com/it/governance/documenti-e-procedure). Related party disclosures are provided in the notes on "Related party transactions" in note 10.4 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 5.3, "Financial assets", note 5.10, "Financial liabilities", and note 7.2, "Financial risk management" in the financial statements.

Vanessa Benelli Mosell, testimonial of
the campaign of Mundys - March 15th 2023, Milan



FINANCIAL STATEMENTS

9. MUNDYS' CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31 DECEMBER 2022

Consolidated financial statements

Consolidated statement of financial position

€M	Note	31 December 2022	31 December 2021 (reformulated)*
ASSETS			
Property, plant and equipment	7.1	753	648
Intangible assets deriving from concession rights	7.2	34,723	35,127
Goodwill and trademarks	7.3	8,978	8,441
Other intangible assets	7.4	723	446
Financial assets deriving from concession rights	7.7	2,048	1,606
Investments accounted for at fair value	7.5	65	842
Investments accounted for using the equity method	7.6	1,199	1,087
Derivative assets	7.8	569	48
Other financial assets	7.9	932	1,133
Deferred tax assets	7.10	631	838
Other non-current assets		35	10
NON-CURRENT ASSETS		**50,656**	**50,226**
Financial assets deriving from concession rights	7.7	154	1,243
Trading assets	7.11	2,479	1,768
Cash and cash equivalents	7.12	14,475	6,053
Derivative assets	7.8	112	41
Other financial assets	7.9	401	431
Income tax assets	7.13	223	213
Other assets	7.14	508	790
		18,352	**10,539**
Assets held for sale and discontinued operations	7.15	13	19,009
CURRENT ASSETS		**18,365**	**29,548**
ASSETS		**69,021**	**79,774**

Consolidated statement of financial position

€M	Note	31 December 2022	31 December 2021 (reformulated)*
EQUITY AND LIABILITIES			
Issued capital		826	826
Reserves and retained earnings		7,370	6,838
Treasury shares		-143	-150
Profit		5,791	626
Equity attributable to owners of the parent		**13,844**	**8,140**
Equity attributable to non-controlling interest		**7,602**	**7,930**
EQUITY	**7.16**	**21,446**	**16,070**
Bond Issues	7.18	24,031	23,957
Medium/long-term borrowings	7.19	8,403	10,048
Derivative liabilities	7.20	223	433
Other financial liabilities	7.21	278	831
Provisions	7.17	1,827	1,896
Deferred tax liabilities	7.10	5,810	5,680
Other non-current liabilities	7.22	241	235
NON-CURRENT LIABILITIES		**40,813**	**43,080**
Bond issues	7.18	1,909	361
Medium/long-term borrowings	7.19	634	971
Derivative liabilities	7.20	99	44
Other financial liabilities	7.21	605	453
Trading liabilities	7.23	1,816	875
Provisions	7.17	567	476
Income tax liabilities	7.13	185	170
Other liabilities	7.24	946	838
		6,761	**4,188**
Liabilities related to assets held for sale and discontinued operations	7.15	1	16,436
CURRENT LIABILITIES		**6,762**	**20,624**
LIABILITIES		**47,575**	**63,704**
EQUITY AND LIABILITIES		**69,021**	**79,774**

* The reasons for and the impact of the reformulation are described in note 2.1

Consolidated income statement

€M	Note	2022	2021 (reformulated)*
Motorway toll revenues	8.1	5,366	4,970
Aviation revenues	8.2	598	294
Other revenues	8.3	1,463	1,127
Revenues from construction services	8.4	912	725
OPERATING REVENUES		**8,339**	**7,116**
Cost of services and materials	8.5	-2,339	-1,776
Other costs	8.6	-542	-501
Staff costs	8.7	-1,037	-799
Operating change in provisions	7.17	74	-70
Amortisation, depreciation and impairment losses/ (Reversals of impairment losses)	7.1, 7.2, 7.4	-2,959	-4,181
OPERATING COSTS		**-6,803**	**-7,327**
OPERATING PROFIT/(LOSS)		**1,536**	**-211**
Financial income		971	887
Financial expenses		-1,907	-1,604
Foreign exchange gains/(losses)		35	-48
NET FINANCIAL EXPENSES	**8.8**	**-901**	**-765**
Share of(profit)/loss of investments accounted for using the equity method		29	-42
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		**664**	**-1,018**
Income tax (expense)/benefits	8.9	-421	474
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		**243**	**-544**
Profit from discontinued operations	8.10	5,824	926
PROFIT		**6,067**	**382**
of which:			
Profit/(Loss) attributable to owners of the parent		5,791	626
Profit/(Loss) attributable to non-controlling interests		276	-244

* The reasons for and the impact of the reformulation are described in note 2.1

Consolidated statement of comprehensive income

€M		2022	2021
Profit of the year	**(A)**	**6,067**	**382**
Cash flow hedge - fair value change		919	173
Net investment hedge - fair value change		-8	2
Foreign currency translation differences		681	-26
Equity accounted investees - share of other comprehensive income		116	13
Tax effects		-224	-36
Other comprehensive income/(loss) reclassifiable to income statement	**(B)**	**1,484**	**126**
Employee defined benefits liability – actuarial gain/(loss)		26	-5
Equity investments at Fair Value through OCI - change in fair value		-215	-148
Fair value hedge - change in fair value		-	6
Tax effects		-3	-4
Other comprehensive income/(loss) not reclassifiable to income statement	**(C)**	**-192**	**-151**
Reclassification to income statement	**(D)**	**-66**	**126**
Tax effect on reclassification to income statement	**(E)**	**18**	**-39**
Total other comprehensive income/(loss)	**(F=B+C+D+E)**	**1,244**	**62**
of which related to discontinued operations		*118*	*63*
Comprehensive income/(loss) for the year	**(A+F)**	**7,311**	**444**
Of which attributable to owners of the parent		*6,372*	*631*
Of which attributable to non-controlling interests		*939*	*-187*

Statement of changes in consolidated equity

€M	Equity attributable to owners of the parent										
			Reserves and retained earnings								
	Issued capital	Treasury shares	Cash flow hedge reserve	Net investment hedge reserve	Translation of financial statements denominated in currencies other than the euro	Reserve for fair value measure-ment of equity instruments	Other reserves and retained earnings	Profit (loss)	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
Balance as of 31/12/2020	**826**	**-150**	**-417**	**-10**	**-814**	**-1,055**	**8,988**	**-1,177**	**6,191**	**8,065**	**14,256**
Comprehensive income/ (loss) for the year	-	-	162	-	-58	-140	41	626	**631**	-187	**444**
Owner transactions and other changes											
Allocation of 2020 loss	-	-	-	-	-	-	-1,177	1,177	**-**	-	**-**
Distributions to non-controlling shareholders	-	-	-	-	-	-	-	-	**-**	-413	**-413**
Changes in perpetual subordinated bonds (hybrid)	-	-	-	-	-	-	342	-	**342**	348	**690**
IAS 29 revaluation	-	-	-	-	-	-	7	-	**7**	32	**39**
Transactions with non-controlling shareholders due to sale of 49% stake in Telepass	-	-	-	-	-	-	964	-	**964**	71	**1,035**
Reclassifications and other changes	-	-	5	-	-1	372	-371	-	**5**	14	**19**
Balance as of 31/12/2021	**826**	**-150**	**-250**	**-10**	**-873**	**-823**	**8,794**	**626**	**8,140**	**7,930**	**16,070**
Comprehensive income/ (loss) for the year	-	-	384	29	238	-217	147	5,791	**6,372**	939	**7,311**
Owner transactions and other changes											
Dividends paid by Mundys	-	-	-	-	-	-	-	-606	**-606**	-	**-606**
Allocation of 2021 remaining profit	-	-	-	-	-	-	20	-20	**-**	-	**-**
Distributions to non-controlling shareholders	-	-	-	-	-	-	-	-	**-**	-558	**-558**
Changes in perpetual subordinated bonds (hybrid)	-	-	-	-	-	-	-20	-	**-20**	-20	**-40**
IAS 29 revaluation	-	-	-	-	-	-	12	-	**12**	30	**42**
Change in the scope of consolidation	-	-	-	-	-	-	-57	-	**-57**	-705	**-762**
Remuneration plans based on shares	-	7	-	-	-	-	-	-	**7**	-	**7**
Reclassifications and other changes	-	-	-1	-	-3	1,038	-1,038	-	**-4**	-14	**-18**
Balance as of 31/12/2022	**826**	**-143**	**133**	**19**	**-638**	**-2**	**7,858**	**5,791**	**13,844**	**7,602**	**21,446**

Consolidated statement of cash flows

€M	Note	2022	2021 (reformulated)*
Profit/(Loss) for the year		**6,067**	**382**
Adjusted by:			
Amortisation and depreciation		2,747	3,202
Operating change in provisions		-85	-314
Dividends received and share of (profit)/loss of investees accounted for using the equity method		-8	60
Impairment losses/(Reversals of impairment losses) and adjustments of assets		537	1,409
(Gains)/Losses on sale of assets		-5,447	-35
Net change in deferred tax assets/(liabilities)		-53	-499
Other non-cash costs (income)		-490	-292
Change in trading assets and liabilities and other non-financial assets and liabilities		68	-230
Dividends from other investees		-23	-45
Interest income		-247	-219
Interest expense		1,303	1,365
Current income tax expense		751	573
Dividends collected from other investees		38	45
Interest income collected		207	63
Interest expense paid		-1,268	-1,317
Income taxes paid		-552	-174
Net cash generated from operating activities [a]	**9.1**	**3,545**	**3,974**
of which discontinued operations		*286*	*1,410*
Investment in assets held under concession		-1,309	-1,754
Purchase of property, plant and equipment and intangible assets		-340	-338
Purchase of investments		-13	-16
Disposal of/(Investment in) consolidated companies, including net cash		4,976	56
Proceeds from sale of property, plant and equipment, intangible assets and unconsolidated investments		654	650
Net change in other assets		1,650	405
Net cash generated from/(used in) investing activities [b]	**9.1**	**5,618**	**-997**
of which discontinued operations		*-407*	*-1,074*
Dividends paid, distribution of reserves and returns of capital to non-controlling shareholders		-550	-438
Dividends paid to Mundys's shareholders		-603	-
Contributions from non-controlling shareholders		-	24
Transactions with non-controlling shareholders		2	1,038
Changes in perpetual subordinated bonds		-60	719
Issuance of bonds and increase in borrowings		3,920	4,462
Redemption of bonds and repayment of borrowings		-4,302	-9,693
Repayment of lease liabilities		-38	-38
Net change in other current financial liabilities		-534	2
Net cash generated from / (used in) financing activities [c]	**9.1**	**-2,165**	**-3,924**
of which discontinued operations		*571*	*-457*
Net effect of foreign exchange rate movements on net cash and cash equivalents [d]		120	-14
Increase/(Decrease) in cash and cash equivalents during the year [a+b+c+d]		**7,118**	**-961**
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		**7,357**	**8,318**
NET CASH AND CASH EQUIVALENTS AT END OF THE YEAR		**14,475**	**7,357**

* The reasons for and the impact of the reformulation are described in note 2.1

Reconciliation of net cash and cash equivalents

€M	2022	2021
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**7,357**	**8,318**
Cash and cash equivalents	6,053	8,385
Bank overdrafts repayable on demand	-	-67
Cash and cash equivalents related to assets held for sale and discontinued operations	1,304	-
NET CASH AND CASH EQUIVALENTS AT END OF YEAR	**14,475**	**7,357**
Cash and cash equivalents	14,475	6,053
Bank overdrafts repayable on demand	-	-
Cash and cash equivalents related to assets held for sale and discontinued operations	-	1,304

NOTES

1. Introduction

The core business of the Mundys Group (the "Group") is the management and operation of motorways, airports, mobility services and electronic payments.

The Parent Company is Mundys SpA ("Mundys" or the "Company" or the "Parent Company"), a strategic investment holding company. Despite the delisting of the Company's shares from the Euronext Milan stock exchange from 9 December 2022, described in detail in note 6.1, Mundys continues to be a Public Interest Entity pursuant to existing legislation (Legislative Decree 39/2010), based on the fact that it has issued bonds with a nominal value of €100,000 (under its Euro Medium Term Notes – EMTN programme) that are traded on the Euronext Dublin, a regulated market managed by the Irish Stock Exchange.

The Company then confirmed Italy as the member state of origin for the intents and purposes of art. 1, paragraph 1, lett. w-quarter, n. 4 of Legislative Decree 58/1998 and art. 65-decies of the CONSOB Regulations for Issuers. Based on the unit value of the above bonds, Mundys is exempted from the obligation to prepare consolidated financial statements in the European Single Electronic Format (ESEF) pursuant to Delegated Regulation (EU) 2019/815, which has supplemented Directive 2004/109/CE.

The Company's registered office is in Rome, at Piazza di San Silvestro 8. The Company does not have branch offices. The duration of the Company was increased to 31 December 2070 (from the previous 31 December 2050) by the General Meeting of Mundys' shareholders held on 16 January 2023.

At the reporting date, Mundys is controlled by and is subject to management and coordination by Schemaquarantadue SpA. Edizione SpA hold, through Sintonia SpA, 57% of shares of Schemaquarantadue SpA.

These consolidated financial statements as of and for the year ended 31 December 2022:

- were approved by Mundys's Board of Directors at their meeting held on 4 April 2023, which also authorised their publication, and have been audited by KPMG SpA;
- will be published within 30 days of the approval of the Mundys SpA's Financial Statements by the Annual General Meeting of the Shareholders, pursuant to Article 2435 of the Italian Civil Code.

2. Basis of preparation for the consolidated financial statements

The consolidated financial statements as of and for the year ended 31 December 2022, have been prepared on a going concern basis and they have been prepared in accordance with article 4, comma 1 of Legislative Decree of 28 February 2005, 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". In compliance with IAS 1 – Presentation of Financial Statements, the consolidated financial statements consist of the following consolidated accounts:

- the statement of financial position based on the format that separately disclose current and non-current assets and liabilities;
- the income statement, in which costs are classified by nature of expense;
- the statement of comprehensive income;
- the statement of changes in equity;
- 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.

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 financial statements.

Each component of the consolidated financial statements is compared with the corresponding amount for the comparative reporting period. In this regard, it should be noted that comparative amounts have been subject to certain adjustments. The reconciliation of the comparative amounts presented in these consolidated financial statements and the previously published amounts (the consolidated financial statements as of and for the year ended 31 December 2021), is provided in the next note.

2.1 Restatement of the consolidated financial statements

Since preparation of the first Integrated Annual Report for the year ended 31 December 2020, Mundys aims to provide increasingly integrated and effective financial and non-financial reporting. The process of implementing a new integrated reporting system began in 2021 and was completed with effect from the Interim Report for the six months ended 30 June 2022. In this regard, bearing in mind the improvements introduced by the IASB relating to effective communication, the consolidated accounts have been reformulated with the objective of making it easier to understand and compare the Group's financial performance. Reconciliations of the amended statements are provided below.

Reformulated consolidated income statement

	2021 (published)	Reclassifications	2021 (reformulated)	
Motorway toll revenue	4,959	11	4,970	Motorway toll revenue
Aviation revenue	294	-	294	Aviation revenue
Other revenue	1,138	-11	1,127	Other revenue
Revenue from construction services	725	-	725	Revenue from construction services
REVENUE	**7,116**	**-**	**7,116**	**OPERATING REVENUE**
Raw and consumable materials	-108	77	-1,776	Cost of services and materials
Service costs	-1,745	-		
Staff costs	-799	-	-799	Staff costs
Other costs	-391	-110	-501	Other costs
Operating change in provisions	-103	33	-70	Operating change in provisions
Amortisation and depreciation	-2,950	-	-4,181	Amortisation, depreciation and impairment losses/ (reversals of impairment losses)
(Impairment losses)/Reversals of impairment losses	-1,231	-		
COSTS	**-7,327**	**-**	**-7,327**	**OPERATING COSTS**
OPERATING PROFIT/(LOSS)	**-211**	**-**	**-211**	**OPERATING PROFIT/(LOSS)**
Financial income	1,024	-137	887	Financial income
Financial expenses	-1,741	137	-1,604	Financial expenses
Foreign exchange gains/(losses)	-48	-	-48	Foreign exchange gains/(losses)
FINANCIAL INCOME/(EXPENSES)	**-765**	**-**	**-765**	**FINANCIAL INCOME/(EXPENSES)**
Share of profit/(loss) of investees accounted for using the equity method	-42	-	-42	Share of profit/(loss) of investments accounted for using the equity method
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**-1,018**	**-**	**-1,018**	**PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS**
Income tax benefits	474	-	474	Income tax benefits
PROFIT/(LOSS) FROM CONTINUING OPERATIONS	**-544**	**-**	**-544**	**PROFIT/(LOSS) FROM CONTINUING OPERATIONS**
Profit/(Loss) from discontinued operations	926	-	926	Profit from discontinued operations
PROFIT/(LOSS) FOR THE YEAR	**382**	**-**	**382**	**PROFIT/(LOSS) FOR THE YEAR**
of which:				*of which:*
Profit/(Loss) for the year attributable to owners of the parent	626	-	626	Profit for the year attributable to owners of the parent
Profit/(Loss) for the year attributable to non-controlling interests	-244	-	-244	Profit for the year attributable to non-controlling interests

The main changes to the consolidated income statement are described below:

- reclassification from the item “Other revenue” to “Motorway toll revenue” of compensation for tolls paid to certain Chilean operators belonging to the Abertis group (€11 million);
- presentation of the items “Raw and consumable materials” and “Service costs” in the new item “Cost of services and materials”, with reclassification of €77 million to the item “Other costs” to better represent the nature of these costs;
- reclassification of the use of provisions for the renewal of airport infrastructure from “Other costs” to the “Operating change in provisions” (€33 million);
- presentation of income from interest on unpaid tolls recognised by certain of the Group’s Chilean operators from the item “Other financial income”, after the matching impairment loss from the item “Other financial expenses” (€137 million).

Reformulated consolidated statement of financial position

	31 December 2021 (published)	Reclassifications	31 December 2021 (reformulated)
ASSETS			
Property, plant and equipment	648		648
Intangible assets deriving from concession rights	35,127		35,127
Goodwill	8,441		8,441
Other intangible assets	446		446
Investments accounted for at fair value	842		842
Investments accounted for using the equity method	1,087		1,087
Financial assets deriving from concession rights	1,697	-91	1,606
Derivative assets	48		48
Other financial assets	1,133		1,133
Deferred tax assets	838		838
Other assets	10		10
NON-CURRENT ASSETS	**50,317**	**-91**	**50,226**
Trading assets	1,768		1,768
Cash and cash equivalents	6,053		6,053
Financial assets deriving from concession rights	1,243		1,243
Derivative assets	62	-21	41
Other financial assets	410	21	431
Tax assets	213		213
Other assets	790		790
	10,539		10,539
Assets held for sale and discontinued operations	19,009		19,009
CURRENT ASSETS	**29,548**		**29,548**
ASSETS	**79,865**	**-91**	**79,774**

Reformulated consolidated statement of financial position

	31 December 2021 (published)	Reclassifications	31 December 2021 (reformulated)
EQUITY AND LIABILITIES			
Issued capital	826		826
Reserves and retained earnings	6.838		6.838
Treasury shares	-150		-150
Profit	626		626
Equity attributable to owners of the parent	**8.140**		**8.140**
Equity attributable to non-controlling interests	**7.930**		**7.930**
EQUITY	**16.070**		**16.070**
Provisions	1.896		1.896
Bond issues	23.957		23.957
Medium/long-term borrowings	10.183	-135	10.048
Derivative liabilities	433		433
Other financial liabilities	787	44	831
Deferred tax liabilities	5.680		5.680
Other liabilities	235		235
NON-CURRENT LIABILITIES	**43.171**	**-91**	**43.080**
Trading liabilities	875		875
Provisions	476		476
Bond issues	361		361
Medium/long-term borrowings	995	-24	971
Derivative liabilities	44		44
Other financial liabilities	429	24	453
Tax liabilities	170		170
Other liabilities	838		838
	4,188		4,188
Liabilities related to assets held for sale and discontinued operations	16,436		16,436
CURRENT LIABILITIES	**20,624**		**20,624**
LIABILITIES	**63,795**	**-91**	**63,704**
EQUITY AND LIABILITIES	**79,865**	**-91**	**79,774**

The main changes to the consolidated statement of financial position are described below:

- the offset of the financial liabilities due by Costanera Norte to the grantor against the related financial assets (concession rights) linked to the motorway capex programme named Santiago Centro Oriente ("CC7"), amounting to €91 million;
- reclassification of positive differentials on derivatives from the item "Derivative assets" to the item "Other current financial assets";
- reclassification of lease liabilities recognised under IFRS 16 from the items "Medium/long-term borrowings" and "Medium/long-term borrowings – current portion" to the items "Other non-current financial liabilities" and "Other current financial liabilities", respectively.

Reformulated consolidated statement of cash flows

	2021 (published)	Reclassifications	2021 (reformulated)
Profit/(Loss) for the year	**382**	**-**	**382**
Adjusted by:			
Amortisation and depreciation	3,202	-	3,202
Operating change in provisions (*)	-314	-	-314
Dividends received and share of profit/(loss) of investments accounted for using the equity method	60	-	60
Dividends from investments	-	-45	-45
Interest income	-	-219	-219
Interest expense	-	1,365	1,365
Current tax expense	-	573	573
Impairment losses/(Reversals of impairment losses) and adjustments of current and non-current assets	1,409	-	1,409
Gains/(Losses) on sale of investments and other non-current assets	-35	-	-35
Net change in deferred tax (assets/liabilities) through profit or loss	-499	-	-499
Other non-cash costs (income)	-292	-	-292
Change in trading assets and liabilities and other non-financial assets and liabilities	169	-399	-230
Dividends collected from investments	-	45	45
Interest income collected	-	63	63
Interest expense paid	-	-1,317	-1,317
Income taxes paid	-	-174	-174
Net cash generated from operating activities [a]	**4,082**	**-108**	**3,974**
Investments in assets held under concession	-1,754	-	-1,754
Purchase of property, plant and equipment and of other intangible assets	-338	-	-338
Purchase in investments	-16	-	-16
Disposal of/(Investment in) consolidated companies, including net cash	56	-	56
Proceeds from sale of property, plant and equipment, intangible assets and unconsolidated investments	650	-	650
Net change in other assets	249	156	405
Net cash generated from/(used in) investing activities [b]	**-1,153**	**156**	**-997**
Dividends paid, distribution of reserves and returns of capital to non-controlling shareholders	-438	-	-438
Contributions from non-controlling shareholders	24	-	24
Transactions with non-controlling shareholders	1,038	-	1,038
Issue of equity instruments net of interest and repayments	719	-	719
Issuance of bonds and increase in borrowings	4,525	-63	4,462
Redemption of bonds and repayment of borrowings	-9,693	-	-9,693
Repayment of lease liabilities	-38		-38
Net change in other financial liabilities	-13	15	2
Net cash generated from/(used in) financing activities [c]	**-3,876**	**-48**	**-3,924**
Net effect of foreign exchange rate movements on net cash and cash equivalents [d]	-14	-	-14
Increase/(Decrease) in cash and cash equivalents during the period [a+b+c+d]	**-961**	**-**	**-961**
NET CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	**8,318**	**-**	**8,318**
NET CASH AND CASH EQUIVALENTS AT END OF YEAR	**7,357**	**-**	**7,357**

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

The main changes to the consolidated statement of cash flows are described below:

- presentation in new items, within "Net cash generated from operating activities", of cash flows relating to dividends from investments and interest income previously classified in "Net change in other assets" included in "Net cash used in investing activities", distinguishing between economic and financial accrual;
- presentation in new items, within "Net cash generated from operating activities", of cash flows relating to interest expense, previously classified in "Net change in other financial liabilities" included in "Net cash generated from/(used in) financing activities", distinguishing between economic and financial accrual;
- presentation of cash flows for and from taxation (previously classified in the "Change in trading assets and liabilities and other non-financial assets and liabilities") in new items, distinguishing between economic and financial accrual;
- presentation of increases in current borrowings from "Issuance of bonds and increase in borrowings" to "Net change in other financial liabilities" (€63 million).

3. Accounting standards and policies applied

The accounting standards and policies used in preparation of consolidated financial statements as of and for the year ended 31 December 2022, are consistent with those applied in preparation of the consolidated financial statements as of and for the year ended 31 December 2021, as no new IFRS or amendments to existing standards became effective in 2022 having an impact on the financial statements.

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 each reporting period 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.

Annual rates of depreciation used in 2022, are shown in the table below by asset class:

	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 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, including goodwill resulting from business combinations. 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 entered at cost which is determined in the same manner as the cost of property, plant and equipment.

Intangible assets include "concession rights", which include one or more of the following:

- 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 revenues guaranteed by the Grantor. In particular, the following give rise to intangible assets (concession rights):
- 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;
- 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), against 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;
- concession rights acquired from the Grantor or from third parties following the acquisition of control of a company that holds a concession.

The cost of concession rights is recovered indirectly through the fees paid by users in return for use of the infrastructure. Concession rights 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 into account, among other things, any significant projected changes in traffic volumes during residual period of the concession.

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.

Annual rates of amortisation used in 2022 are shown in the table below by asset class:

	Rate of amortisation
Concession rights	The concession term (when significant, traffic projections are taken into account)
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%

Gain or losses on the disposal of intangible assets are determined using the same procedure as applied to property, plant and equipment.

Finally, intangible assets also include trademarks with an indefinite useful life. Therefore, trademarks are not amortised and subject to an impairment test as required by IAS 36.

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.

Transaction 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:
   - the acquisition cost;
   - the fair value at the acquisition date of any previous non-controlling interest held in the acquiree;
   - 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 identifiable net assets acquired and liabilities assumed.

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.

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.

Goodwill is not amortised but is carried at cost less any accumulated impairment losses, determined as described in the note on impairment testing.

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, except for 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.

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. Measurement of investments in associates and joint ventures (including any adjustments to unrealised gains at the acquisition date in accordance with IFRS 3) is carried out using the latest financial statements approved and made available by the investees, adjusted, if necessary, to align them with the accounting standards applied by the Group. If annual financial statements are not available, the latest approved accounts are supplemented by estimates, made on the basis of the available information.

Investments in unconsolidated subsidiaries, associates not held for strategic purposes and in other companies, classifiable as equity instruments under IFRS 9, are accounted for:

- at cost at the settlement date, in that represents fair value, plus any directly attributable transaction costs;;
- subsequently at fair value through profit or loss, with the exception of investments not held for trading and for which the Group has exercised the option, at the time of purchase, to designate the investment at fair value through other comprehensive income.

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 or more generally when it has a contractual right or obligation to receive or pay cash.

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.

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 characteristics of the asset.

The financial asset is measured at amortised cost subject to both of the following conditions:

- the asset is held in conjunction with a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on defined 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, applied to the cash flows expected to be collected through to maturity of the receivable.

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:

- “takeover rights”, being the amount that will be unconditionally paid by an incoming operator on termination of the concession;
- 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 infrastructure in concession;
- 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 2022.

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.

Impairment losses are reversed in future periods if the circumstances that resulted in the ECL 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.

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, the changes in the fair value of the derivative instrument 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 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:

- 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;
- 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;
- 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;
- 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;
- 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;
- 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:

- level 1: includes quoted prices in active markets for identical assets or liabilities;
- 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);
- 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 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.

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 accounted 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 of the provisions.

"**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 effects are recognised in the following income statement items:

- the "Operating change in provisions", reflecting the impact of the revision of estimates as a result of technical assessments and the change in the discount rate used compared with the previous year;
- "Financial income/(expenses)", 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 assets held under concession**" 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.

The estimate of the above provisions is by its nature complex and subject to a high degree of uncertainty. This is because it may be influenced by a range of variables and assumptions, including technical assumptions regarding the scheduling and nature of work on the repair, replacement and renewal of individual components of infrastructure. Key assumptions regard the duration of maintenance cycles, the state of repair of assets and the projected costs for each type of intervention.

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:

- Recognised in the vesting period, less any plan assets and advance payments made;
- Determined on the basis of actuarial assumptions; and
- Recognised on an accrual basis in line with the period of service necessary to obtain 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:

- they represent a major line of business or geographical area of operation;
- they are part of a single coordinated plan to dispose of a separate major line of business or geographical area of operation; or
- they are subsidiaries acquired exclusively with a view to resale.

Discontinued operations are represented in profit and loss as a unique amount, net of tax effects, as well as the corresponding comparative figures.

Revenue and income

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:

- toll revenue is accrued with reference to traffic volumes;
- revenue from airport charges is recognised when the facilities are utilised by airport users;
- to the extent, for sales of goods, that significant risks and rewards of ownership are transferred to the buyer;
- 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;
- rental income or royalties, on an accrual 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;
- interest income (and interest expense) is calculated with reference to amount of the financial asset or liability, in accordance with the effective interest method;
- 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 costs and 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 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 advanced payments of taxes. 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:

- 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;
- 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.

For 2022, the Parent Company, Mundys, has a tax consolidation arrangement, 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, 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.

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.

Future cash flows are estimated on the basis of the long-term plans prepared by investees or CGUs, covering a period of time equal to the duration of the respective concession. This method 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.

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.

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.

The method used for discounting expected cash flows is highly complex and requires the use of estimates, by their nature uncertain and subjective, of:

- expected cash flows, determined by taking into account general economic trends, the specific country and the performance of the related sector, actual cash lows in previous years and forecast growth rates;
- the financial parameters used to determine the discount rate.

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 for construction services required by contract, other provisions, employee benefits, the fair value of financial assets and liabilities, the stage of completion of activities involved in the provision of revenue-generating services, current tax 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.

In its judgments, management has considered the material risks connected with climate change, the direct and indirect impact of the conflict between Russia and Ukraine and the macroeconomic environment as required by the ESMA Public Statement "European common enforcement priorities for 2022 annual financial reports" of 28 October 2022 as described below.

Climate change

Ongoing climate change represents a risk factor giving rise to various potential types of risk (e.g., impact on reputation, the value of assets, access to financial markets, operating costs and the transition to a low-carbon economy). Mundys is implementing a multi-pronged strategy, including joining collaborative climate action platforms and projects, monitoring direct and indirect emissions performance in order to meet set targets, and the development of a methodology provided also to the main Group companies with the aim of identifying the long-term risks associated with climate change.

At Group level, Mundys has identified two overall types of medium and long-term risk relating to climate change: (i) physical (rising sea levels, tornadoes, storms and other major weather events) and (ii) transition (regulatory, technological and reputational). These risks have been assessed during preparation of these consolidated financial statements, highlighting, where applicable (in particular refer to the note n. 7.1 and 7.2), any potential material impacts, as required by the Conceptual Framework for international accounting standards.

The conflict between Russia and Ukraine and macroeconomic scenario

The Group continuously monitors the impact of the international crisis caused by the conflict between Russia and Ukraine is having on traffic volumes and the implications for the economy in general, with the aim of assessing the impacts linked to the sanctions imposed on Russia by the European Union.

There has been an increase in the Group's risk profile in terms of the risk to growth (the downward revision of GDP growth in the economies in which the Group operates), financial risk described in the note n. 9.2 (e.g., rising interest rates, inflation and the cost of commodities), third-party risk (e.g., suppliers and partners) and operational risk (e.g., supply chain resilience and business continuity). These risks are continuously monitored by the main Group companies which, based on the results, take appropriate steps to mitigate and/or transfer the risks.

Translation of foreign currency items

The reporting package of each consolidated company is prepared using the functional currency of the economy in which the company 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.

New accounting standards and interpretations, or revisions and amendments of existing standards, effective from 2022

The documents "Amendments to IFRS 3 – Business combinations", "IAS 16 – Property, plant and equipment", "IAS 37 Provisions, Contingent Liabilities and Contingent Assets" and "Annual Improvements 2018-2020", that are already applicable, effective from 2022, have not had an impact on amounts in the financial statements for the year.

New accounting standards and interpretations, or revisions and amendments of existing standards, that have either yet to come into effect or are yet to be endorsed

The Company is assessing the potential impact of the future application of new accounting standards and interpretations that have yet to come into effect as of 31 December 2022, for which no significant effects are foreseen.

Accounting standards endorsed and effective from 1 January 2023	Effective date of IASB document	Date of EU endorsement
Amendments to IAS 1 – Presentation of Financial Statements and IFRS Practice Statement 2: Presentation of Financial Statements	1 January 2023	March 2022
Amendments to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	1 January 2023	March 2022

Amendments to IAS 1 – Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies

The document establishes that the disclosure in financial statements: (a) describe the material accounting policies instead of significant accounting policies; (b) the disclosures of accounting policies are material if users need them to understand other material disclosures; (c) disclosures of immaterial accounting policy information must not obscure material accounting policy information.

Amendments to IAS 8 - Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates

In the document the IASB clarifies the following: (a) accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty"; (b) entities must develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty; (c) a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors; (d) a change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognised as income or expense in the current period. The effect, if any, on future periods is recognised as income or expense in those future periods.

4. Concessions

The Mundys Group's core business is the management and operation of motorways and airports under concession. Essential information for each subsidiary is set out below. Details of key regulatory events during 2022 are provided in note 10.6.

Motorways segment

	Operator	Km	Expiry	Motorway toll revenue 2022	Regulatory framework		Accounting model
					Tariffs	Other	Type of asset
	Triangulo do Sol	442	2023	125	A		Intangible
	Rodovias das Colinas	307	2028	123	A		Intangible
	Rodovia MG050	372	2032	30	A		Intangible
	ViaPaulista	721	2047	98	A		Intangible
	Intervias	380	2028	98	A		Intangible
	Fluminense	320	2024	59	A		Intangible
	Fernão Dias	570	2033	70	A		Intangible
	Régis Bittencourt	390	2033	97	A		Intangible
	Litoral Sul	406	2033	99	A		Intangible
	Planalto Sul	413	2033	38	A		Intangible
Brazil		**4,321**		**837**			
	Sanef	1,396	2031	1,331	A		Intangible
	Sapn	373	2033	432	A		Intangible
France		**1,769**		**1,763**			
	Los Lagos	133	2023	29	A	D	Intangible/ Financial
	Litoral Central	81	2031	4	A	D	Intangible/ Financial
	Vespucio Sur	24	2032	111	A		Intangible/ Financial
	Costanera Norte	44	2033	139	A	D	Intangible/ Financial
	Nororiente	21	2044 [1]	23	A	D	Intangible/ Financial
	AMB	10	2028 [1]	-2	A		Intangible/ Financial
	Vial Ruta 78 - 68	9	2044 [1]	-	A	D	Financial
	Vespucio Oriente II	5	2052 [1]	-	A	D	Financial
	Autopista Central	62	2034 [1]	270	A		Intangible
	Rutas del Pacífico	141	2025 [1]	113	A		Intangible
	Elqui	229	2022	36	A	D	Intangible/ Financial
	Autopista los Libertadores	116	2026	19	A	D	Intangible/ Financial
	Autopista del Sol	133	2022	- [2]	A		Intangible
	Autpista de los Andes	92	2036	36	A		Intangible
Chile		**1,100**		**778**			

Motorways segment							
	Operator	Km	Expiry	Motorway toll revenue 2022	Regulatory framework		Accounting model
					Tariffs	Other	Type of asset
	RCO	800	2048	514	A		Intangible
	COVIQSA	93	2026	43	A	C	Intangible/ Financial
	CONIPSA	74	2025	4	A	C	Intangible/ Financial
	COTESA	31	2046	4	A		Intangible
	AUTOVIM	13	2039	2	A		Intangible
Mexico		**1,011**		**567**			
	Aucat	47	2039	101	A		Intangible
	Castellana	120	2029	125	A		Intangible
	Aulesa	38	2055	7	A		Intangible
	Avasa	294	2026	165	A		Intangible
	Túnels	46	2037	61	A		Intangible
	Trados 45	15	2029	32	A	C	Intangible
Spain		**560**		**491**			
	Brescia - Padova	236	2026	388	B	E	Intangible/ Financial
Italy		**236**		**388**			
	GCO	56	2030	58	A		Financial
	Ausol	119	2030	70	A		Financial
Argentina		**175**		**128**			
	Jadcherla Espressways Private Limited	58	2026	19	A		Intangible
	Trichy Tollway Private Limited	94	2027	21	A		Intangible
India		**152**		**40**			
	Metropistas	88	2061	152	A		Intangible
	Autopistas de Puerto Rico	2	2044	27	A		Intangible
Puerto Rico		**90**		**179**			
Poland	Stalexport	**61**	2027	**87**	A		Intangible
USA	Elizabeth River Crossings	**12**	2070	**108**	A		Intangible

Airports segment							
Country	Operator	Airport	Expiry	Aviation revenue 2022	Regulatory framework		Accounting model
					Tariffs	Other	Type of asset
Italy	Aeroporti di Roma			457			
		Leonardo da Vinci di Fiumicino	2046		B	E, F	Intangible/ Financial
		"G.B. Pastine" di Ciampino			B	E, F	Intangible/ Financial
France	Aéroport de la Côte d'Azur			141			
		Aéroport Nice Côte d'Azur	2044		B	F	Intangible
		Aéroport Cannes Mandelieu	2044		B	F	Intangible
		Aéroport Golfe Saint-Tropez	n/a		B	G	Intangible

(A) Update for inflation and any rebalancing components

(B) Regulatory Asset Base (RAB) Model: revenue determined using regulatory WACC to provide return on RAB and cover allowed costs (operating costs and depreciation)

(C) Shadow Toll - toll received from the grantor based on traffic using the infrastructure

(D) Minimum annual toll revenue guaranteed by the Grantor

(E) Takeover right

(F) Dual-Till Model: certain activities carried out under concession are not subject to regulated tariffs

(G) Subject only to aeronautical regulation, as these activities are not carried out under a concession

(1) Estimated date when the present value of cumulative revenue will reach the set threshold and, in any event, no later than the date provided for under the concession arrangement

(2) Management of maintenance alone whilst awaiting the handover, as agreed with the grantor

5. Scope of consolidation

In addition to the Parent Company, entities are consolidated when Mundys 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 Mundys Group's financial position, results of operations and cash flows, as a result of their operational insignificance. All entities over which control is exercised are consolidated from the date on which the Mundys Group acquires control, as defined above, whilst they are deconsolidated from the date on which the Mundys 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 Mundys Group. Companies are consolidated according to the following criteria and procedures:

- 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 Mundys Group's percentage interest;
- elimination of intercompany assets, liabilities, revenues and costs, resulting from transactions between consolidated companies;
- reversal of intercompany dividends and allocation of the related amounts to the relevant opening equity reserves;

- 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 recognised 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 Mundys Group;
- translation of the reporting packages of consolidated companies in functional currencies other than the euro applying the method previously described in the policy regarding the "Translation of foreign currency items", included in note 3.

The scope of consolidation as at December 2022 differs from the scope used as of 31 December 2021, following the principal transactions described below:

- the sale, on 5 May 2022, of Mundys's investment in Autostrade per l'Italia (88.06% of the issued capital and voting rights) with deconsolidation of the related subsidiaries, previously classified as "Assets held for sale" in 2021;
- completion, on 30 June 2022, of the acquisition of a 100% stake in Yunex GmbH, a German-registered company that is the global leader in the innovative Intelligent Transport Systems and Smart Mobility sector.

Further details of these transactions are provided in note 6 "Corporate actions".

Finally, whilst not having an impact on the scope of consolidation, the following transactions have taken place:

- the merger of Telepass Pay with and into Telepass in May 2022;
- the transfer, on 7 July 2022, of the Eurotoll group from Abertis Mobility Services to Telepass;
- the sale on 15 September 2022 of the stake held in Hochtief by the Company (14.5%);
- Telepass's acquisition, on 23 December 2022, of a further 25% stake in Infoblu (Telepass already held a 75% stake).

The main exchange rates, shown below, used in 2022 for the translation of reporting packages denominated in functional currencies other than the euro, were obtained from the Bank of Italy:

Currency	2022			2021	
	Spot rate as of 31 December	Average rate	Average rate in last six months [2]	Spot rate as of 31 December	Average rate
Euro/Brazilian real	5.639	5.440	n/a	6.310	6.378
Euro/Chilean peso	913.820	917.832	932.648	964.350	898.390
Euro/Mexican peso	20.856	21.187	n/a	23.144	23.985
Euro/Argentinian peso [1]	188.503	188.503	n/a	116.362	116.362
Euro/US dollar	1.067	1.053	1.014	1.133	1.183
Euro/Polish zloty	4.681	4.686	4.736	4.597	4.565

(1) As required by IAS 21 and IAS 29 in relation to hyperinflationary economies, spot rates were used to convert the Argentine peso and Turkish lira for both the statement of financial position and cash flows for the year

(2) Average rates from 30 June 2022 to 31 December 2022 applied to Yunex group companies

6. Corporate events

6.1 Voluntary Public Tender Offer

On 14 April 2022, Edizione SpA and Sintonia SpA, Blackstone Infrastructure Associates (LUX) S.à r.l., BIP-V Hogan (LUX) SCSp and BIP Hogan (LUX) SCSp, and Schemaquarantadue SpA and Schema Alfa SpA, entered into an "Investment and Partnership Agreement". This was followed by another agreement between the above and Fondazione Cassa di Risparmio di Torino, setting out the conditions for the launch of a public tender offer for all of Company's shares, with the sole exception of the shares already owned by Sintonia SpA (the "Offer"). On termination of the Offer (including the period after reopening of the Offer), on 28 November 2022, Schema Alfa SpA, as the offeror, announced that it was in possession of a total of 792,196,557 shares in the Company (including 6,598,210 treasury shares held by Mundys the Company and 273,341,000 shares held by Schemaquarantadue SpA), representing 95.933% of Company's issued capital. This enabled Schema Alfa to both exercise its squeeze-out right, pursuant to art. 111 of Legislative Decree 58/1998, and meet its purchase obligation under art. 108 of Legislative Decree 58/1998 in respect of the remaining 33,587,433 shares representing 4.067% of the issued capital.

Borsa Italiana SpA then issued resolution 8904 on 29 November 2022, providing for the delisting of Company's shares with effect from 9 December 2022. Full information is provided in the section Investor Relations | Public Tender Offer on Mundys's website (www.mundys.com).

Upstream loan to Schemaquarantadue SpA

On 16 January 2023, Company's Board of Directors, supported by the opinions of its legal and financial advisors, proposed that the General Meeting of shareholders approve an upstream credit facility of up to €8,225 million to Schemaquarantadue SpA. The facility, which was approved on the same date, was funded from the Company's available liquidity. The transaction in question was approved on the basis of the following reasons, among others: (i) assessment of the financial benefits for the Company from the transaction resulting in financial expenses savings on the debt undertaken by Schemaquarantadue SpA to execute the Offer net of the financial income on the cash available in Mundys, (ii) assessment of the financial risks to which the Company is exposed with no evidence of critical issues, and (iii) verification and confirmation of arm's length transaction.

Schemaquarantadue SpA then used the funds from use of the facility, in the amount of €8,200 million, combined to the available resources, to fund full repayment of an existing bridge loan from a pool of financial institutions, amounting to €8,225 million.

Merger

In accordance with the terms of the "Investment and Partnership Agreement", between 14 and 15 February 2023, Mundys's Board of Directors and those of Schemaquarantadue SpA and Schema Alfa SpA approved the plan for a trilateral reverse merger, involving the merger of the two parent companies with and into the subsidiary (namely, Mundys). This was approved by extraordinary general meetings of the respective shareholders on 15 February 2023, following prior waiver of the terms of articles 2501-ter, paragraph four, and 2501-septies of the Italian Civil Code.

The merger deed will be executed at the end of the 60-day term required by art. 2503 of the Italian Civil Code (this is, therefore, expected to take place by April 2023), with the merger effective from the date of registration of the merger deed with the competent companies' registers (or from an alternative effective date that may be provided for in the merger deed). Accounting and tax effects will be brought back to January, 1 2023.

Following the merger, Mundys's issued capital will be unchanged, whilst the number of no-par shares will be reduced to 479,479,662 (following the cancellation of 346,304,328 shares). Furthermore, as of the merger becoming effective, the Company will adopt new by-laws, which will be annexed to the merger plan.

6.2 Agreement for the sale of the stake in Autostrade per l'Italia

On 5 May 2022, the sale of the Company's (the "Seller") entire stake in Autostrade per l'Italia ("ASPI") to the Consortium consisting of CDP Equity, Blackstone Infrastructure Partners and Macquarie European Infrastructure Fund 6 SCSp (the "Consortium" or "Purchaser") was implemented for a consideration of €8,199 million. The share purchase agreement ("SPA" or the "Agreement"), among other things and to the extent relevant here, requires the Company to provide a number of "Special Indemnities" indemnifying the Consortium against two specific types of claim:

- pending or future criminal and civil proceedings in connection with the Polcevera event, other proceedings linked to issues relating to maintenance obligations, and civil claims included in a detailed list in the Agreement (indemnity capped at a residual value of €434 million);
- the criminal proceedings pending before the Florence Court of Appeal for alleged violations of environmental laws, with a potential claim for damages from the Ministry of the Environment (indemnity capped at €412 million).

With regard to point a), the Agreement provides that the Company shall be solely liable for up to €150 million, above which sum, without prejudice to the cap on the indemnity payable, the amount payable will be shared by the buyer and seller, with the Company to be liable for 75%.

The Agreement provides for certain further price adjustments in addition to those determined on closing, in relation to which the Purchaser and the Seller have brought solely out-of-court claims against each other. Please refer to note 10.6 for updates on the main litigations (criminal, civil or administrative) that may be relevant and/or impactful under the Agreement.

The Agreement also provides for payment from Purchaser to the Company of any indemnities received under the All-risk insurance policy, capped at the sum of €264 million. With regard to these indemnities, ASPI has brought a civil claim against a pool of insurers, which is still pending at first instance.

Among the potential forms of price adjustment, the Agreement provides for the payment to the Company of up to €203 million if, by 31 December 2022, the relevant authorities confirm the right to aid of €461 million that Autostrade per l'Italia applied for to the Ministry of Sustainable Infrastructure and Mobility (the "MIMS") on 28 April 2022. This was to cover lost revenue due to the reduction in traffic caused by the pandemic in the period between 1 July 2020 and 31 December 2021 ("Additional Covid Support").

Late 2022, the Purchaser informed Mundys that the administrative process involved in obtaining the above aid had yet to be concluded. Mundys thus requested the Purchaser to agree to a suitable extension of the above deadline (i.e. 31 December 2022) to reflect the parties' contractual intent at the date of signature of the SPA. This request has so far been rejected by the Purchaser.

At the date of approval of this integrated financial report, based on the information received from the Purchaser, and without this being construed as a decision by the Company to waive its rights under the SPA regarding the Additional Covid Support, the relevant amount does not meet the related requirements for virtual certainty and has not, therefore, been recognised as price adjustment from the sale of the investment in ASPI.

Consistently with the consolidated financial statements as of and for the year ended 31 December 2021, the contribution of ASPI and its subsidiaries to the consolidated income statement and cash flows has been presented in "Discontinued operations" in accordance with IFRS 5. In contrast, the ASPI group's assets and liabilities, presented in "Assets held for sale and discontinued operations" and in "Liabilities related to assets held for sale and discontinued operations", were deconsolidated with effect from the transaction date. This means that:

a) the item "Profit/(Loss) from discontinued operations" in the income statement for 2022 includes the related profit through to the transaction date (€526 million), other comprehensive income of €90 million and the resulting gain of €5,304 million, after taxes and transaction costs, resulting from the sale price of €8,199 million;

b) for comparative purposes, the ASPI group's revenue, costs, income and expenses for 2021 have been classified in "Profit/(Loss) from discontinued operations" for that period.

The treatment of intragroup transactions between continuing and discontinued operations has been used the following approach:

a) income statement figures relating to continuing operations are presented without elimination of intragroup transactions with the ASPI group, whilst discontinued operations revenue and costs also include the consolidation adjustments of intragroup transactions with the ASPI group;

b) statement of financial position figures relating to continuing operations and discontinued operations are presented after eliminating intragroup transactions with the ASPI group.

The following table shows the ASPI group's contribution to the net result through to 5 May 2022, compared with 2021, following the elimination of intragroup transactions.

€M	1 January 2022 5 May 2022	2021
Revenue	**1,477**	**4,803**
Elimination of transactions with continuing operations	-12	-31
External revenue	**1,465**	**4,772**
Costs	**806**	**-2,957**
Elimination of transactions with continuing operations	-12	31
External costs	**794**	**-2,926**
OPERATING PROFIT/(LOSS)	**671**	**1,846**
Financial income	**220**	**136**
Elimination of transactions with continuing operations	-4	-4
External financial income	**216**	**132**
Financial expenses	**-170**	**-508**
Elimination of transactions with continuing operations	4	4
External financial expenses	**-166**	**-504**
FINANCIAL INCOME/(EXPENSES)	**50**	**-372**
Losses on measurement using the equity method	-	-1
PROFIT/(LOSS) BEFORE TAX	**721**	**1,473**
Tax benefits/(expenses)	**-195**	**-547**
PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS	**526**	**926**

Profit from discontinued operations in 2022 amounts to €526 million. In accordance with the requirements of IFRS 5, this amount benefits from the suspension of amortisation and depreciation of intangible assets and property, plant, and equipment.

The following table shows a summary of cash flows in 2022, compared with 2021.

€M	2022	2021
Net cash generated from/(used in) operating activities (A)	286	1,410
Net cash generated from/(used in) investing activities (B)	-407	-1,074
Net cash generated from/(used in) financing activities (C)	571	-457
NET CASH FLOW FOR THE PERIOD FROM/(FOR) DISCONTINUED OPERATIONS (A+B+C)	**450**	**-121**

6.3 Acquisition of Yunex Traffic

The acquisition from Siemens Mobility of a 100% stake in Yunex Traffic, a German-registered company that is the global leader in the innovative Intelligent Transport Systems and Smart Mobility sector, was completed on 30 June 2022 for an enterprise value of €931 million.

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 in the accounts, limited to the definition, in accordance with the purchase agreement, of the price adjustment, which will in any event not be of a significant amount and remains the subject of talks with Siemens.

The table below shows the carrying amounts of the assets acquired and liabilities assumed, and the matching identified fair values, measured as described below.

€M	Carrying amount	Elimination of pre-existing goodwill and fair value adjustments	Fair value
Property, plant and equipment	48		48
Goodwill	59	(59)	-
Intangible assets with indefinite lives	-	72	72
Other intangible assets	28	247	275
Financial assets	5		5
Current tax assets	16		16
Trading and other assets	300		300
Cash and cash equivalents	54		54
Deferred tax assets, net/(Deferred tax liabilities, net)	13	(67)	(54)
Provisions	(45)		(45)
Financial liabilities	(100)		(100)
Trading and other liabilities	(238)		(238)
Net assets acquired	**140**	**193**	**333**
Goodwill			598
Total consideration			**931**
Cash and cash equivalents acquired			(54)
Net cash outflow for the acquisition			**877**

The measurement process conducted for the purposes of the Purchase Price Allocation, with the support of an independent expert, resulted in net price adjustments with a fair value of €193 million, relating to:

a) the value of the order backlog at the acquisition date, amounting to €113 million;

b) the increased value of software, totalling €89 million;

c) the value of the brand, totalling €72 million;

d) the value of customer relationships, totalling €45 million;

e) the deferred taxation linked to the above points, totalling €67 million;

f) the elimination of goodwill previously recognised by Yunex in previous acquisitions, amounting to €59 million.

The fair value of the net assets acquired by the Group amounts to €333 million, compared with a purchase consideration of €931 million, resulting in the recognition of goodwill amounting to €598 million, attributed to the Yunex group and subject to impairment test as required by IFRS (as described in note 7.3).

As required by IFRS 3, the above amounts have been presented retrospectively to the acquisition date, with the resulting amendments and additions to the assets and liabilities previously included on a provisional basis in the Interim Report for the six months ended 30 June 2022.

Had Yunex Traffic group companies been consolidated on a line-by-line basis from 1 January 2022, the Mundys Group's consolidated revenue for 2022 would have been €0.3 billion higher.

7. Notes to the consolidated statement of financial position

7.1 Property, plant and equipment

€M	31 December 2022	31 December 2021	Change
Cost	2,767	2,519	248
Accumulated depreciation	-2,014	-1,871	-143
Total property, plant and equipment	**753**	**648**	**105**

€M	31 December 2021	Additions	Depreciation	Yunex acquisition	Other changes	31 December 2022
Land	27	1	-	-	-	28
Buildings	148	4	-19	33	2	168
Plant and machinery	54	11	-23	2	24	68
Industrial and business equipment	56	7	-13	9	11	70
Other assets	312	88	-85	4	31	350
Property, plant and equipment under construction and advance payments	51	49	-	-	-31	69
Total property, plant and equipment	**648**	**160**	**-140**	**48**	**37**	**753**

There were no significant changes in the expected useful lives of the Group's property, plant and equipment in 2022.

7.2 Intangible assets (concession rights)

€M	31 December 2022	31 December 2021	Change
Cost	64,641	62,336	2,305
Accumulated amortisation	-29,918	-27,209	-2,709
Intangible assets (concession rights)	**34,723**	**35,127**	**-404**

€M	31/12/2021	Capex	Amortization	Currency translation	Other changes	Impairment	31/12/2022
Acquired concession rights	31,160	-	-2,148	1,142	-26	-38	30,090
Concession rights accruing from construction services for which no additional economic benefits are received	332	-	-23	24	105	-	438
Concession rights accruing from construction services for which additional economic benefits are received	3,635	857	-298	102	-101	-	4.195
Intangible assets (concession rights)	**35,127**	**857**	**-2,469**	**1,268**	**-22**	**-38**	**34,723**

There was a reduction of €404 million in concession rights in 2022, primarily due to:

- amortisation of €2,469 million (of which €2,112 million attributable to Abertis group), primarily related to rights acquired from third parties;
- the positive balance of currency translation differences, amounting to €1,268 million, due to a strengthening of the Brazilian real, the US dollar and the Mexican peso against the euro;
- increase totalling €857 million, primarily due to work carried out by the Abertis group's motorway operators.

As required by IAS 36, the carrying amounts of the net invested capital of the following CGUs as of 31 December 2022 have been tested for impairment:

a) those to which goodwill has been allocated or that include other intangible assets with indefinite lives (e.g. grouping of CGUs belonging to the Abertis group - "Abertis CGU" and Yunex group CGU, as described in note 7.3), or

b) those for which there were indications that an impairment loss may have occurred (e.g. Autostrada A4 CGU and Stalexport CGU).

In general, each operator is a separate CGU since the cash flows generated by the motorway and airport infrastructure operated under concession are independent from those of other CGUs.

The impairment tests for these CGUs, as 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 and the estimated discount rate.

In estimating operating cash flows, reference was generally made to publicly available information from external sources and to the latest long-term business plans of subsidiaries, containing traffic, tariff, revenue, cost and investment projections for the full term of the related concessions (presented in note 4). These projections also include investment specifically aimed at increasing the resilience of the assets, their modernisation and technological development to mitigate climate change risks. The outcomes of the impairment tests resulted in an impairment loss totalling €213 million, recognised in the consolidated income statement. In addition, in order to also take into account the risks linked to the worsening macroeconomic scenario (rising inflation and interest rates), appropriate sensitivity analyses were also conducted.

Autostrada A4 CGU

In the case of this CGU, on which impairment losses were recognised in previous years, value in use was estimated on the basis of operating, financial and cash flow projections in the company's latest plan through to the end of the remaining term of the concession (the expected expiry date of the concession is December 2026) and of a discount rate of 5.1%. The test resulted in a further impairment loss on intangible assets (concession rights) of €38 million.

Stalexport CGU

Value in use was estimated on the basis of operating, financial and cash flow projections in the company's latest plan through to the end of the remaining term of its motorway concession (the expected expiry date of the concession is March 2027). The discount rate used, in local currency, is 6.9%. The impairment test showed that the carrying amount of the intangible assets (concession rights) is fully recoverable.

7.3 Goodwill and trademarks

It essentially regards the allocation of the goodwill recognised as a result of the following acquisitions:

- Abertis Infraestructuras group, amounting to €7,869 million, representing 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). This goodwill has not been allocated to single CGUs but to a group of CGUs;
- RCO group, totalling €528 million;
- Autopistas Trados 45, totalling €59 million;
- ERC group, totalling €13 million.

This goodwill refers to the Abertis group or its subsidiaries.

Also CGU Yunex includes a goodwill amounting to €422 million, other than trademarks for €72 million.

As described in the note above, as of 31 December 2022 the carrying amounts of the net invested capital of the following CGUs, to which goodwill has been allocated or that include other intangible assets with indefinite lives, have been tested for impairment.

Abertis CGU

Value in use was estimated on the basis of the explicit projections for a five-year period developed by the companies on the basis of the latest available long term plans, examined by Abertis Infraestructuras' Board of Directors. The terminal value was estimated applying a long-term nominal growth rate of 2% (the "g rate"). The discount rates used were as follows:

a) a rate of 5.8% for cash flows in the explicit projection period, calculated on the basis of average discount rates in the countries in which the group operates (weighted to reflect each country's expected share of EBITDA in the fifth year);

b) a rate of 7.8% for the terminal value (the above weighted average discount was increased by 2% neutralizing therefore the real long-term growth rate).

The impairment test showed that goodwill of €8,469 million is fully recoverable. The sensitivity analyses conducted (increasing the indicated discount rate by 1% and reducing the long-term growth rate, or "g rate" by 1%) did not result in any significant differences with respect to the outcomes of the impairment test.

Yunex CGU

Value in use was estimated on the basis of the explicit projections for a five-year period developed by the company on the basis of the latest available long term plan. The terminal value was estimated applying a long-term nominal growth rate of 2%.

The discount rates used were as follows:

a) a rate of 6.8% for the cash flows in the explicit projection period, calculated on the basis of average discount rates in the main countries in which the group operates (weighted to reflect each country's expected share of EBITDA in the fifth year);

b) a rate of 8.8% for the terminal value (the rate has been calculated by increasing the above weighted average discount rate by 2%, revising the risk profile associated with execution of the plan, beyond the explicit projection period, compared with the assessment conducted at the acquisition date).

The impairment test revealed an impairment loss on the investment of €175 million. The sensitivity analyses conducted (increasing the indicated discount rate by 1% and reducing the long-term growth rate, or "g rate", by 0.5%), resulted in potential further impairments of €107 million and €46 million, respectively.

7.4 Other intangible assets

€M	31 December 2022	31 December 2021	Change
Cost	1,701	1,238	463
Accumulated amortisation	-978	-792	-186
Other intangible assets	**723**	**446**	**277**

€M	31 December 2021	Capex	Amortisation	Change in scope consolidation	Other changes	31 December 2022
Development costs	69	39	-25	4	8	95
Commercial contractual relationships	139	-	-55	158	1	243
Industrial patents and intellectual property rights	15	21	-9	-	-	27
Concessions and licenses	76	37	-30	92	9	184
Intangible assets under development and advance payments	23	18	-	13	-10	44
Other	124	27	-17	9	-13	130
Other intangible assets	**446**	**142**	**-136**	**276**	**-5**	**723**

In 2022, other intangible assets increased by €277 million. The commercial contractual relationships increased following the Purchase Price Allocation valuations of the Yunex group totalling €158 million related to the backlog volumes at the acquisition, as well as to the valuation of customer relationships, as described in detail in Note 6.3.

7.5 Investments accounted for at fair value

As of 31 December 2022, this item is down €778 million, primarily due to the sale of the investment in Hochtief for a consideration of €578 million, and for the reduction in the fair value of the aforementioned investment until its sale, due to the decline in the share price (€220 million).

€M	31 December 2021	Acquisitions and capital contributions	Measurement at Fair Valu	Sales	31 December 2022
Hochtief	798	-	-220	-578	-
Other investments	44	9	12	-	65
Investments accounted for at fair value	**842**	**9**	**-208**	**-578**	**65**

7.6 Investments accounted for using the equity method

As of 31 December 2022, this item is up €111 million, primarily due to the recognition of the profit reported by Getlink (€175 million), which benefitted from the impact of a significant rise in interest rates on its cash flow hedges. 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 for Aeroporto di Bologna, resulting in recognition of an impairment loss of €22 million, measured on the basis of fair value represented by the share price as of 31 December 2022.

€M	31 December 2021	Dividends	Changes through profit or loss	Changes through other comprehensive income	Impairment losses	Other changes	31 December 2022
Getlink	920	-9	33	142	-	-	1,086
Aeroporto Bologna	94	-	11	-	-22	-	83
Autema	66	-13	-16	-19	-	-	18
Other investments	7	-1	1	-	-	5	12
Investments accounted for using the equity method	**1,087**	**-23**	**29**	**123**	**-22**	**5**	**1,199**

With regard to the additional disclosures required by IFRS 12 in relation to Getlink, a material associate, the following table shows key financial indicators as of December 31, 2022:

€M	Getlink	of which PPA adjustments alloca ion ex IFRS 3
Non-current assets	15,198	7,866
Current assets	1,385	-
Non-current liabilities	8,856	3,284
Current liabilities	713	-
Equity	**7,014**	4,582
Revenues	1,606	-
EBITDA	886	-
Profit for the year adjusted in accordance with IFRS 3	214	-38
Other comprehensive income	911	-
Total comprehensive income	**1,125**	-
% interest	**15%**	-
Mundys's share of profit	33	-
Mundys's share of comprehensive income	174	-
Carrying amount	**1,086**	-
Dividends received	9	-

7.7 Financial assets deriving from concession rights

€M	31 December 2022	Current portion	Non-current portion	31 December 2021	Current portion	Non-current portion
Takeover rights	148	-	148	-	-	-
Guaranteed minimum tolls	603	114	489	561	85	476
Other concession rights	1,451	40	1,411	2,288	1,158	1,130
Financial assets deriving from concession rights	**2,202**	**154**	**2,048**	**2,849**	**1,243**	**1,606**

Financial assets deriving from concession rights, equal to €2,202 million, mainly relate to:

- other concession rights for € 1,451 million, mainly for:
  - financial receivables of the Abertis group towards grantors for €775 million, mainly attributable to the Spanish concessionaires Acesa (€409 million), for the estimate of the recoverable value of the traffic compensation and the remuneration of capex in dispute with the grantor as better described in note 10.6, and to Castellana (€193 million);
  - financial receivables from the Chilean concessionaire Costanera Norte for €593 million, relating to the investments made for the "Santiago Centro Oriente Programme";
- financial concession rights for the guaranteed minimum tolls guaranteed by the grantors for €603 million, of which €550 million referring to certain Chilean concessionaires.

Financial assets deriving from concession rights are down €647 million compared with 31 December 2021, primarily due to the Acesa and Invicat's collection from the Grantor (€1,070 million and €66 million, respectively) as compensation related to the investments carried out and to the collection of €101 million in concession rights represented by the minimum tolls guaranteed by the Grantor recognized to some Chilean concessionaries. These effects are partially compensated by the positive impact of exchange rates (€170 million), the discounting of the financial assets deriving from concession rights mainly attributable to the Spanish, Chilean and Argentine concessionaries (€160 million) and the recognition of the takeover right amounting to €133 million of the Brazilian concessionaire Fluminense.

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. This exercise resulted in impairment losses on the financial assets (concession rights) of the Abertis group's Argentine companies, GCO and Ausol (in which Mundys has interests of 21.25% and 15.66%, respectively), reflecting expected credit losses of €146 million, partially compensated for €121 million by the revaluation of the aforementioned concession rights payable at an equivalent value indexed to the US dollar, which appreciated against the Argentine peso in 2022.

7.8 Derivative assets

Derivative assets totalling €681 million as of 31 December 2022 (€89 million as of 31 December 2021) primarily include hedging agreements classified as level 2 in the fair value hierarchy. The increase of €592 million primarily reflects a general rise in interest rates during 2022 which resulted in a significant improvement in the fair value of the interest rate hedges, in particular referred to those ones entered by Abertis Infraestructuras and Holding de Infrastructures de Transport (notional amount equal to €4,591 million and positive fair value equal to €412 million). Further details on derivative instruments are provided in note 9.2.

7.9 Other financial assets

€M	31 December 2022	Current portion	Non-current portion	31 December 2021	Current portion	Non-current portion
Term deposits	506	268	238	494	286	208
Guarantee deposits	104	-	104	198	-	198
Other	723	133	590	872	145	727
Other financial assets	**1,333**	**401**	**932**	**1,564**	**431**	**1,133**

Other financial assets primarily include:

- term deposits totalling €506 million, essentially relating to the Abertis group (€194 million) and Stalexport (€135 million, related to the cash reserve required by the grantor for the maintenance work expected before the expiry of the concession);
- the amount of €287 million due to AB Concessões towards Infra Bertin Empreendimentos (a subsidiary of the Bertin group, holder through Huaolimau, of 50% minus one share in AB Concessões) for which a write-down of €92 million arised following the impairment test (in addition to the adjustment of interest accrued during the year for €85 million);
- loans erogated by the Abertis group companies Túnels de Barcelona and Trados to their shareholders (respectively equal to €79 million and €25 million for the portion related to the minority shareholders);
- receivables from grantors for €173 million, mainly related to Acesa (€92 million) and Autopista Central (€43 million).

7.10 Deferred tax assets / deferred tax liabilities

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 year.

€M	31 December 2022	31 December 2021
Deferred tax assets	1,665	2,045
Deferred tax liabilities eligible for offset	-1,034	-1,207
Deferred tax assets less deferred tax liabilities eligible for offset	**631**	**838**
Deferred tax liabilities	**-5,810**	**-5,680**
Difference between deferred tax assets and liabilities	**-5,179**	**-4,842**

The balance of deferred tax assets as of 31 December 2022, totalling €1,665 million, is down for €380 million. This essentially reflects uses during the year, and the release by the Arteris group of deferred tax assets on previously recognised tax losses, no longer deemed recoverable based on updated long term plans (€138 million). Deferred tax liabilities as of 31 December 2022, totalling €6,844 million, are down for €44 million, primarily due to the release connected to amortisation of gains recognised in application of IFRS 3 following acquisitions in previous years and to the tax effect on financial incomes related to the financial assets (concession rights) by certain Spanish operators, partially offset by provisions for deferred tax liabilities on derivative assets and negative translation differences.

Changes in the Group's deferred tax assets and liabilities during the year, based on the nature of the temporary differences giving rise to them, are summarised in the following table.

€M	31 December 2021	Increases/ (decreases) recognised in profit or loss	Increases/ (decreases) recognised in other comprehensive income	Translation differences	Changes in the scope of consolidation	Other change	31 December 2022
Deferred tax assets on:							
Tax loss carry forwards	573	-177	-5	34	-	1	426
Impairments and depreciation of non-current assets	431	-55	1	55	-	-22	410
Provisions	355	-57	-	13	-	-3	308
Impairment of receivables and inventories	139	-1	-	3	-	-31	110
Negative adjustments under IFR 3 for acquisitions	293	-71	1	17	-	-58	180
Derivative liabilities	156	-25	-38	3	-	4	100
Other temporary differences	98	-16	-	9	17	23	131
Total	**2,045**	**-402**	**-43**	**134**	**17**	**-86**	**1,665**
Deferred tax liabilities on							
Positive adjustments under IFRS 3 for acquisitions	-5,772	423	-	-203	-67	-	-5,619
Accelerated depreciation	-301	4	-	-15	-	-	-312
Gain subject to deferred taxation	-241	-9	-	-	-	-	-250
Derivative assets	-35	-18	-128	-	-	-4	-185
Financial assets (concession rights) and government grants	-231	213	-	12	-	-61	-67
Other temporary differences	-307	-60	-1	-28	-4	-11	-411
Total	**-6,887**	**553**	**-129**	**-234**	**-71**	**-76**	**-6,844**
Difference between deferred tax assets and liabilities (eligible and ineligible for offset)	**-4,842**	**151**	**-172**	**-100**	**-54**	**-162**	**-5,179**

7.11 Trading assets

€M	31 December 2022	31 December 2021	Change
Gross trade receivables	2,764	2,084	680
Allowance for bad debts	-539	-388	-151
Other trading assets	46	47	-1
Net trade receivables	**2,271**	**1,743**	**528**
Inventories	96	23	73
Contract assets	112	2	110
Trading assets	**2,479**	**1,768**	**711**

Trading assets, amounting to €2,479 million, are up €711 million, compared with 31 December 2021 (€1,768 million), primarily due to changes in the scope of consolidation during 2022, totalling €393 million, as well as for the higher traffic volumes compared to 2021. The allowance for bad debts is up €151 million mainly due to the write-down related to receivables of transits with infringement in the urban area of Santiago, Chile.

7.12 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and short-term investments, amounting to €14,475 million, are up €8,422 million compared with 31 December 2021. In addition to operating cash flow, the change primarily reflects collection of the proceeds from the sale of the investments in ASPI, totalling €8,199 million and in Hocthief (€578 million), and the outflow connected with the acquisition of Yunex GmbH for €931 million.

The balance primarily consists of the following as of 31 December 2022:

- bank deposits and cash on hand, totalling €3,990 million;
- cash equivalents of €10,485 million, primarily attributable to Mundys (€7,565 million) and to the Abertis group (€2,589 million), largely regarding the short-term investment of liquidity.

As of 31 December 2022, Group companies have cash reserves of €21,111 million, primarily consisting of:

- €14,475 million in cash and/or investments maturing in the short term, including €8,457 million attributable to Mundys;
- €6,636 million in unused committed credit facilities, having an average residual drawdown period of approximately two year and five months. With regard to the committed facility obtained by Mundys in October 2022, amounting to €1,500 million, it is worth noticing that €750 million were drawn down on 5 October and a further €163 million will be drawn on 5 April 2023. The remaining €587 million are available until 5 July 2023.

7.13 Current tax assets/current tax liabilities

	Current tax assets		Current tax liabilities	
€M	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Corporate income tax	40	41	7	11
IRAP	-	1	9	2
Tax attributable to foreign operations	159	146	166	153
Other	24	25	3	4
Current tax	**223**	**213**	**185**	**170**

As of 31 December 2022, the Group reports net current tax assets of €38 million (net current tax assets of €43 million as of 31 December 2021).

7.14 Other current assets

€M	31 December 2022	31 December 2021	Change
Amounts due from public entities	126	139	-13
Tax credits other than for income tax	149	169	-20
Other current assets	258	509	-251
Allowance for bad debts	-25	-27	2
Other current assets	**508**	**790**	**-282**

The reduction of €282 million is primarily due to Aeroporti di Roma's collection of the government grant (€219 million) from the "Covid aid fund" for airport operators (Law 178/2020 and Law Decree 73/2021) to compensate for lost passenger traffic between 1 March and 30 June 2020 as a result of the pandemic.

7.15 Assets held for sale, discontinued operations and liabilities related to

As at December 31, 2022 the net balance of assets and liabilities held for sale is equal to €12 million. This item in 2021 primarily included:

- the ASPI group's net assets amounting to €2,519 million;
- the investment in the Portuguese operator Lusoponte and dividends receivable from the investee, totalling €54 million. The sale of this investment was completed in February 2022.

7.16 Equity

Equity attributable to the owners of the parent as of 31 December 2022 amounts to €13,844 million (€8,140 million as of 31 December 2021) and is up €5,704 million primarily due to the profit for the year attributable to owners of the parent, amounting to €5,791 million net of the dividend distributed in 2022 of €0.74 per Mundys share, for a total of €606 million. The positive change in equity attributable to the owners is also attributable to the other comprehensive income of €581 million, reflecting:

- the positive change in the cash flow hedge reserve (€384 million), primarily due to the sharp rise in interest rates in 2022;
- the positive change in translation reserve (€238 million) due to the appreciation of the Brazilian real, the Chilean peso and the Mexican peso against the euro;
- income of €133 million due to changes in other comprehensive income from investments accounted for using the equity method, essentially attributable to the increase in Getlink's cash flow hedge reserves;
- fair value losses on the investment in Hochtief (€220 million), related to the fall in the value of the investee's shares from €71.00 as of 31 December 2021 to the sale price of €51.43;
- the negative impact of the reclassification of other comprehensive income attributable to ASPI, amounting to €66 million, following the group's deconsolidation.

It should also be noted that following the sale of the investment in Hochtief, described in note 7.5, the "Reserve for the fair value measurement of equity instruments", amounting to a negative €1,029 million, was accounted for as a reduction in retained earnings.

Equity attributable to non-controlling interests is equal to €7,602 million (€7,930 million as of December 31, 2021). The decrease of €328 million essentially reflects:

- deconsolidation of the ASPI group, amounting to €712 million;
- dividends, the distribution of equity reserves and returns of capital to non-controlling shareholders, totalling €558 million, primarily by Abertis HoldCo (€302 million);
- profit for the year attributable to non-controlling interests, totalling €276 million;
- the positive impact of other comprehensive income of €664 million for the reasons described above.

7.17 Provisions

€M	31 December 2022	Current portion	Non-current portion	31 December 2021	Current portion	Non-current portion
Provisions for repair and replacement of motorway infrastructure	899	269	630	833	218	615
Provisions for construction services required by contract	398	107	291	400	86	314
Provisions for renewal of assets held under concession	349	98	251	341	75	266
Provisions for employee benefits	153	36	117	170	56	114
Other provisions for risks and charges	595	57	538	628	41	587
Total provisions	**2,394**	**567**	**1,827**	**2,372**	**476**	**1,896**

€M	31 December 2021	Provisions	Reductions due to uses	Acquisitions	Other changes	31 December 2022
Provisions for repair and replacement of motorway infrastructure	833	248	-216	-	34	899
Provisions for construction services required by contract	400	6	-72	-	64	398
Provisions for renewal of assets held under concession	341	69	-64	-	3	349
Provisions for employee benefits	170	27	-41	29	-32	153
Other provisions for risks and charges	628	66	-21	16	-94	595
Total provisions	**2,372**	**416**	**-414**	**45**	**-25**	**2,394**

Provisions for repair and replacement of motorway infrastructure

This item, amounting to €899 million as of 31 December 2022, includes the present value of the estimated cost of contractual obligations to repair and replace infrastructure, primarily attributable to operators in France (€283 million), Brazil (€130 million), Spain (€119 million), Italy (€104 million), Mexico (€68 million) and USA (€66 million).

Provisions for construction services required by contract

Provisions for construction services required by contract, amounting to €398 million, represent the residual present value of motorway infrastructure construction and/or upgrade services that certain of the Group's operators, particularly the operators belonging to the Mexican group, RCO, are required to provide (€215 million).

Provisions for the renewal of assets held under concession

The provision, amounting to €349 million as of 31 December 2022, represents the present value of the estimated cost contractual obligations to repair and replace airport assets operated under the concessions held by Aeroporti di Roma's (€234 million) and Aéroports de la Côte' d'Azur (€115 million).

Provisions for employee benefits

As of 31 December 2022, this item amounts to €153 million, and primarily includes the provisions of the Abertis group (€100 million), in particular in relation to defined benefit plans consisting of obligations to be paid to employees upon termination of employment, essentially in France, Spain and Italy.

Provisions for construction services required by contract

Provisions for construction services required by contract, amounting to €398 million, represent the residual present value of motorway infrastructure construction and/or upgrade services that certain of the Group's operators, particularly the operators belonging to the Mexican group, RCO, are required to provide (€215 million).

Provisions for the renewal of assets held under concession

The provision, amounting to €349 million as of 31 December 2022, represents the present value of the estimated cost of the meeting a contractual obligation to repair and replace airport assets operated under the concessions held by Aeroporti di Roma's (€234 million) and Aéroports de la Côte' d'Azur (€115 million).

Other provisions for risks and charges

Other provisions for risks and charges, amounting to €595 million as of 31 December 2022, primarily regard provisions relating to the investment in Alazor Inversiones (€155 million, after the partial release for €73 million took place in 2022) and relating to financial guarantees provided by Iberpistas and Acesa to banks, as described in more detail in note 10.6, provisions related to Mundys to cover expenses that the Company expects to incur to settle contractual and legal obligations resulting from past events (€104 million) and the provision of Abertis Infraestructuras for €62 million mainly related to tax and legal risks.

7.18 Bond issues

€M				Of which		Term	
	Fair value	Nominal value	Carrying amount	Current portion	Non-current portion	between 13 and 60 months	after 60 months
Bond issues [1] [2]							
- listed fixed rate	19,678	23,991	23,813	1,677	22,136	13,545	8,591
- listed floating rate	1,781	2,057	2,127	232	1,895	1,383	512
Total as of 31 December 2022	**21,459**	**26,048**	**25,940**	**1,909**	**24,031**	**14,928**	**9,103**
Bond issues [1] [2]							
- listed fixed rate	23,746	22,700	22,657	292	22,365	7,908	14,457
- listed floating rate	1,266	1,693	1,661	69	1,592	1,037	555
Total as of 31 December 2021	**25,012**	**24,393**	**24,318**	**361**	**23,957**	**8,945**	**15,012**

[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

€M	Bond issues
Carrying amount as of 31 December 2021	**24,318**
New issues/borrowings	1,334
Repayments	-310
Total monetary changes	**1,024**
Currency translation differences	519
Reclassifications to financial assets related to discontinued operations	-
Other changes	79
Total non-monetary changes	**598**
Carrying amount as of 31 December 2022	**25,940**

€M	Bond issues
Carrying amount as of 31 December 2020	**31,673**
New issues/borrowings	3,664
Repayments	-3,215
Total monetary changes	**449**
Currency translation differences	252
Reclassifications to financial assets related to discontinued operations	-8,086
Other changes	30
Total non-monetary changes	**-7,804**
Carrying amount as of 31 December 2021	**24,318**

The item consists primarily of the following bonds:

€M	Bond issues
Abertis infraestructuras	10,270
HIT group	5,304
Red de Carreteras de Occidente (RCO)	1,707
Arteris group	1,674
Mundys	2,732
Aeroporti di Roma	1,521
Other companies	2,732
Carrying amount as of 31 December 2022	**25,940**

The increase of €1,622 million in the overall balance essentially reflects issues with a total nominal value of €1,355 million by HIT (€1,000 million), Fernão Dias (€179 million) and Arteris (€176 million) and the positive impact of translation differences, totalling €519 million, essentially due to the higher value of South American currencies against the euro, partially offset of €310 million repayments mainly by the LATAM companies of the Abertis group.

7.19 Medium/long-term borrowings

As of 31 December 2022				Of which		Term	
€M	Fair value	Nominal value	Carrying amount	Current portion	Non-current portion	between 13 and 60 months	after 60 months
Bank borrowings [(2)]							
- fixed rate	2,514	2,976	3,135	157	2,978	842	2,136
- floating rate	5,383	5,945	5,850	428	5,422	5,009	413
Total bank borrowings (a)	**7,897**	**8,921**	**8,985**	**585**	**8,400**	**5,851**	**2,549**
Other borrowings							
- fixed rate	3	3	52	49	3	3	-
- floating rate	49	49	52	49	3	3	-
Total other borrowings (b)	**52**	**52**	**52**	**49**	**3**	**3**	**-**
Medium/long-term borrowings (c=a+b) [(1) (2)]	**7,949**	**8,973**	**9,037**	**634**	**8,403**	**5,854**	**2,549**

As of 31 December 2021				Of which		Term	
€M	Fair value	Nominal value	Carrying amount	Current portion	Non-current portion	between 13 and 60 months	after 60 months
Bank borrowings [(2)]							
- fixed rate	3,112	4,170	4,403	647	3,756	1,636	2,120
- floating rate	5,595	6,576	6,564	275	6,289	5,841	448
Total bank borrowings (a)	**8,707**	**10,746**	**10,967**	**922**	**10,045**	**7,477**	**2,568**
Other borrowings							
- fixed rate	3	3	3	0	3	3	-
- non-interest bearing	49	49	49	49	-	-	-
Total other borrowings (b)	**52**	**52**	**52**	**49**	**3**	**3**	**-**
Medium/long-term borrowings (c=a+b) [(1) (2)]	**8,759**	**10,798**	**11,019**	**971**	**10,048**	**7,480**	**2,568**

(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

€M	Bank borrowings	Other borrowings
Carrying amount as of 31 December 2021	**10,967**	**52**
New issues/borrowings	1,519	-
Repayments	-3,674	-61
Monetary changes	**-2,155**	**-61**
Currency translation differences	311	45
Reclassifications to financial liabilities related to discontinued operations	-	-
Other changes	-138	16
Non-monetary changes	**173**	**61**
Carrying amount as of 31 December 2022	**8,985**	**52**

€M	Bank borrowings	Other borrowings
Carrying amount as of 31 December 2020	**18,352**	**216**
New issues/borrowings	816	32
Repayments	-6,454	-40
Monetary changes	**-5,638**	**-8**
Currency translation differences	77	-
Reclassifications to financial liabilities related to discontinued operations	-1,870	-215
Other changes	46	59
Non-monetary changes	**-1,747**	**-156**
Carrying amount as of 31 December 2021	**10,967**	**52**

The balance of this item, amounting to €9,037 million is down for €1,982 million compared with 31 December 2021 (€11,019 million). This essentially reflects the following:

- repayments essentially by Sanef (€677 million), Abertis Infraestructuras (€630 million), SAPN (€407 million) and other Abertis group companies in LATAM countries (€237 million) and Spain (€121 million);
- the negative impact of translation differences of €221 million, due above all to the higher value of the Chilean peso and of the Brazilian real against the euro.

Abertis Infraestructuras carried out the push-up of debt amounting to €1,000 million to its parent, Abertis HoldCo, whilst Mundys obtained a new Term Loan of €750 million, prolonging its term to maturity until October 2024, extendable at the Company's discretion until April 2026.

Details of the covenants provided for in the respective loan agreements, and compliance with them, are provided in note 9.2.

7.20 Derivative liabilities

This item represents fair value losses on outstanding derivatives totalling €322 million as of 31 December 2022 and primarily include:

- fair value losses (€153 million) on Cross Currency Swaps (CCSs) entered into by the Abertis group to hedge its exposure to movements in exchange rates and classified as cash flow hedges;
- fair value losses (€83 million) on Aeroporti di Roma's Cross Currency Swaps relating to the bond issue denominated in pounds sterling;
- fair value losses (€63 million) on Offsetting Interest Rate Swaps (IRSs) entered into by Azzurra Aeroporti when issuing bonds in July 2020 and not qualifying for hedge accounting.

7.21 Other financial liabilities

This item totalling €883 million, mainly consists of the following:

- accrued interest payable on bond issues and bank borrowings and differentials on derivatives (€426 million);
- lease liabilities of €210 million;
- financial payables of €112 million attributable to Túnels de Barcelona for tolls exceeding those envisaged in the economic and financial plan and to Aulesa for loans received from the Government;
- short-term borrowings of €70 million;

This item is down €401 million compared with December 2021 (€1,375 million), primarily following extinguishment of A4 Holding's acquisition financing (€582 million), partially offset by an increase in accrued expenses €73 million and the use of revolving credit facilities by Telepass, amounting to €70 million and expiring in March 2023.

7.22 Other non-current liabilities

As at December 31, 2022, this item amounted to €241 million (€235 million at December 31, 2021) and essentially includes payables to grantors for €94 million, mainly attributable to the French motorway operators Sanef and SAPN in relation to the "Plan de Relance" as well as deferred income for a total of 43 million euros.

7.23 Trading liabilities

€M	31 December 2022	31 December 2021	Change
Amounts payable to suppliers	1,642	845	797
Other trading liabilities	174	30	144
Trading liabilities	**1,816**	**875**	**941**

This item is up €941 million, essentially due to changes in the scope of consolidation during the reporting period, above all recognition in the consolidated accounts of trade payables due from Telepass to the ASPI group following the group's deconsolidation.

7.24 Other current liabilities

€M	31 December 2022	31 December 2021	Change
Sundry taxes other than current income tax	399	359	40
Amounts payable to staff	212	159	53
Social security contributions payable	41	31	10
Guarantees deposits from users who pay by direct debt	76	81	-5
Amounts payable to public entities	11	27	-16
Other payables	207	181	26
Other current liabilities	**946**	**838**	**108**

8. Notes to the consolidation income statement

8.1 Motorway toll revenues

Motorway toll revenues of €5,366 million are up €396 million compared with 2021 (€4,970 million). The increase primarily reflects the recovery in traffic recorded by the group's motorway operators (€690 million) and the positive impact of exchange rate (€162 million), after the reduction in revenues due to the expiry of the Spanish concessions held by Acesa and Invicat in August 2021 and the concession held by Autopista del Sol in March 2022 (€456 million).

8.2 Aviation revenues

Aviation revenues of €598 million are up €304 compared with 2021, reflecting increases in passenger traffic at Aeroporti di Roma (up 134.7%) and Aéroports de la Côte d'Azur (up 85.3%).

8.3 Other revenues

€M	2022	2021	Change
Airport retail and motorway service area revenue	237	135	102
Property management, car parks and infrastructure access	121	83	38
Contract revenue	94	5	89
Insurance proceeds and compensation	38	43	-5
Other income	973	861	112
Other revenues	**1,463**	**1,127**	**336**

Other revenues of €1,463 million are up €336 million compared with 2021 (€1,127 million). The increase primarily reflects:

- an increase in airport retail revenues of Aeroporti di Roma and Aéroports de la Côte d'Azur (98 million euros) mainly due to the recovery in traffic volumes;
- an increase in contract revenue mainly due to the contribution from the Yunex Traffic group from 1 July 2022 (€91 million);
- an increase in other income due to the contribution of the Yunex Traffic group (€260 million) as well as an increase in Telepass business and consumer fees (€65 million), offset by non-recurring income of approximately €219 million related to the recognition of the "Covid aid fund" by Aeroporti di Roma in 2021.

8.4 Revenues from construction services

€M	2022	2021	Change
Revenue from construction services	818	686	132
Capitalised staff costs	28	10	18
Capitalisation of financial expenses	66	29	37
Revenues from construction services	**912**	**725**	**187**

Revenues from construction services, amounting to €912 million, are up €186 million compared with 2021 (€725 million) and is primarily due to work carried out by the Brazilian operator, Litoral Sul (€103 million) and on the A4 Brescia-Padua (€27 million).

8.5 Cost of materials and external services

€M	2022	2021	Change
Cost of construction and similar services	-1,123	-843	-280
Cost of construction services performed under concession	-944	-745	-199
G&A, commercial support and communication	-272	-188	-84
Cost of materials and external services	**-2,339**	**-1,776**	**-563**

The cost of materials and external services, amounting to €2,339 million, is up €563 million. This primarily reflects:

- the increase in costs of construction and similar services (€280 million) mainly due to the contribution of the Yunex Traffic group (€141 million), as well as the Abertis group (€35 million), Aeroporti di Roma (€31 million) and Aeroport de la Cote d'Azur (€29 million) in connection with the increase in traffic volumes;
- higher cost of construction services performed under concession (€199 million) related to the increase in revenues for construction services described above in note 8.4;
- the increase in G&A costs, commercial support and communication of €84 million, essentially related to the contribution of the Yunex group (€45 million).

8.6 Other costs

€M	2022	2021	Change
Direct and indirect taxes	-288	-263	-25
Concession fees	-117	-95	-22
Insurance and fees	-60	-54	-6
Other	-77	-89	!2
Other costs	**-542**	**-501**	**-41**

8.7 Staff costs

€M	2022	2021	Change
Wages, salaries and social security contributions	-937	-704	-233
Defined contribution and benefit plans and other post-employment benefits	-35	-27	-8
Share-based incentive plans	-5	-5	-
Other staff costs	-85	-68	-17
Capitalised staff costs for services not carried out under concession	25	5	20
Staff costs	**-1.037**	**-799**	**-238**

Staff costs of €1,037 million are up €238 million. The increase primarily reflects the higher wages, salaries and social security contributions (€233 million) essentially related to the contribution from the Yunex Traffic group (€137 million) and to the increased costs incurred by Aeroporti di Roma (€59 million) and Aéroports de la Côte' d'Azur (€14 million) due to the recovery in airport traffic volumes, resulting in a progressive withdrawal from job support schemes.

The following table shows the average number of employees of the Group, excluding staff employed by the ASPI group. The increase is primarily due to the consolidation of Yunex Traffic group.

2022				2021			
Senior Management	Middle Management	Other Workforce	Total	Senior Management	Middle Management	Other Workforce	Total
317	1,468	21,149	**22,934**	285	1,502	18,322	**20,109**

8.8 Financial income/(expenses)

€M	2022	2021	Change
Financial income from discounting of financial assets	162	308	-146
Other financial income	809	579	230
Interest income	*455*	*300*	*155*
Income from derivative financial instruments	*331*	*234*	*97*
Dividends from investees and other financial income	*23*	*45*	*-22*
Financial income	**971**	**887**	**84**
Financial expenses from discounting of provisions	-54	-22	-32
Other financial expenses	-1,853	-1,582	-271
Interest expense and other financial expenses	*-1,299*	*-1,167*	*-132*
Losses on derivative financial instruments	*-212*	*-230*	*18*
Impairment losses on financial assets	*-342*	*-185*	*-157*
Financial expenses	**-1,907**	**-1,604**	**-303**
Foreign exchange gains/(losses)	**35**	**-48**	**83**

Financial income of €971 million is up €84 million (€887 million in 2021), primarily due to:

- increased income from derivative financial instruments (€97 million), linked above all to fair value gains on Mundys and Azzurra Aeroporti Forward-Starting Interest Rate Swaps, which had been classified as not qualifying for hedge accounting, following the rise in interest rates;
- an increase in financial income (€73 million) from the release of a liability connected with financial guarantees given by Iberpistas to banks;
- an increase in income on the short-term investment of available liquidity (€31 million).

These changes were partially offset by lower financial income from the discounting to present value of concession rights (€146 million), due essentially to expiry of the concessions held by Acesa and Invicat in August 2021.

Financial expenses of €1,907 million are up €303 million (€1,604 million in 2021), primarily due to the following:

- an increase in interest expense and other financial expenses (€132 million), mainly due to the impact of higher interest rates indexed to inflation on the Arteris group's Brazilian companies;
- an increase in impairment losses of €157 million, above all attributable to the amount due to the subsidiary, AB Concessões, from Infra Bertin (€147 million).

8.9 Income tax (expense)/benefits

Income tax expense amounts to €421 million (tax benefits of €474 million for 2021). This item breaks down as follows:

€M	2022	2021	Change
Income taxes attributable to foreign operations	-630	-478	-152
Corporate income tax	38	112	-74
IRAP	-16	-7	-9
Other current tax benefit	20	12	8
Current tax expense	**-588**	**-361**	**-227**
Differences on current tax expense for previous years	**16**	**1**	**15**
Deferred tax income	-402	227	-629
Deferred tax expense	553	607	-54
Deferred tax income/(expense)	**151**	**834**	**-683**
Income tax (expense)/benefits	**-421**	**474**	**-895**

Tax expense of €421 million is up €895 million compared with 2021 (a tax benefit of €474 million), essentially due to:

- higher current tax expense (€227 million) related to the higher pre-tax profit compared with the previous year;
- net release (€402 million) essentially related to tax losses (€177 million), mainly due to Arteris group tax losses no longer deemed recoverable (€138 million), releases related to the amortization of adjustments as result of acquisitions completed in previous years (€71 million), and the use of provisions (€57 million). In 2021, there was a net accrual (227 million euros) mainly attributable to the recognition of tax loss carryforwards.

The following table shows a reconciliation of the tax expense based on statutory rates of taxation (IRES) and the effective amount recognised in the consolidated income statement.

€M	2022			2021		
	Taxable income	Tax	Tax rate	Taxable income	Tax	Tax rate
Profit/(Loss) before tax from continuing operations	**664**			**-1,018**		
Corporate income tax theoretical (IRES)		**-159**	**-24.0%**		**244**	**-24.0%**
IRAP		-16	-2.4%		-7	0.7%
Current tax benefit from tax losses		183	27.6%		12	-1.2%
Tax effect of grant paid to AdR		-	0.0%		-53	5.2%
Changes in overseas tax rates		-58	-8.7%		-62	6.1%
Impairment losses/(reversals) of impairment losses) and amortization of IFRS 3 adjustments		-554	-83.4%		-494	48.5%
Non-taxable dividends		-11	-1.7%		-32	3.1%
Other changes		27	-4.1%		31	-3.0%
Total current tax (expense)/benefits		**-588**	**-88.6%**		**-361**	**35.5%**
Deferred tax income /(expense)		151			834	
Differences on current taxatio for previous year		16			1	
Income tax benefits/(expense)		**-421**			**474**	

8.10 Profit/(loss) from discontinued operations

The net profit from discontinued operations regards the sale of the investment in Autostrade per l'Italia, as described in detail in note 6.2.

9. Other financial information

9.1 Notes to the consolidated statement of cash flows

Cash flows during 2022, resulted in an increase of €7,118 million (a reduction of €961 million in 2021). Cash generated from operating activities in 2022, totalling €3,545 million, mainly due to an improvement in FFO (€3,268 million) and in the change in working capital, essentially attributable to Telepass and Aeroporti di Roma. Cash generated from investing activities in 2022, totalling €5,613 million, primarily includes €4,976 million relating to the sale of the ASPI group. Net cash used in financing activities in 2022 amounts to €2,165 million, primarily due to:

- the redemption of bonds and the repayment of borrowings, totalling €4,302 million;
- the payment of dividends to Mundys SpA's shareholders, totalling €603 million;
- the payment of dividends and the distribution of reserves to non-controlling shareholders, totalling €550 million;
- bond issues and new borrowings, totalling €3,920 million.

Details of movements in financial liabilities are provided in note 7.18 and note 7.19.

9.2 Financial risk management

The Mundys Group's financial risk management objectives and policies

The management of financial risks plays a central role in the Mundys Group's decision-making and risk management process, with a view to enabling the creation of value for the organisation and for its stakeholders by achieving a correct balance between the assumption of risk and the profitability of the business.

In keeping with Mundys's role as a strategic investment holding company, the financial risk management process is closely linked with the manner in which Mundys and consolidated companies manage their finances, as this can directly and indirectly impact Mundys.

For this reason, Mundys aims to ensure the adoption within the Group of principles, criteria and tools for use in identifying, measuring, monitoring and managing the financial risks that can directly and indirectly impact Mundys, based on best practices in financial risk management. At the same time, the Parent Company aims to foster an independent, responsible approach to risk management within consolidated companies.

The Mundys Group is exposed to the following financial risks regarding:

a) financial planning risk;
b) financial market risk;
c) liquidity risk;
d) guarantee risk;
e) financial contract risk;
f) rating risk;
g) liquid investment risk;
h) interest rate risk;
i) currency risk.

A detailed description of the main financial risks to which the Group is exposed and the related hedging strategies and instruments is provided below.

Financial planning risk

Financial planning risk regards the risk arising from the failure to plan for and define, or to plan and define in an adequate and timely manner, an entity's financial needs and balance between debt and equity, with a potential impact on the entity's operating results, financial position and cash flows and on the sustainability of its business. The management of financial planning risk aims to ensure that the planning process is fit for purpose and timely, that financing activities are appropriately planned and a balanced capital structure maintained in order to safeguard profitability and compliance with the minimum ratings and earnings targets included in financial covenants.

Financial market and liquidity risk

Financial market risk regards the risk arising from failure to assess, or to assess in an adequate and timely manner, financial market trends (including in relation to sustainability requirements) with an impact during the issuance of bonds or the arrangement of bank borrowings. The main aim in managing financial market risk is to minimise the execution risk associated with new bond issues and new bank borrowings, by monitoring the capital and banking markets. Liquidity risk regards the risk arising from failed, inadequate or untimely planning for financial needs, such as, for example, those resulting from day-to-day operations, new investment, the early repayment of debt or the refinancing of debt, adding pressure on available liquidity. The main aim in managing liquidity risk is to ensure the entity's ability to meet its financial needs through the correct sizing, timing and allocation (cash and cash equivalents, committed credit facilities, etc.) of cash reserves. With regard to the Group's financial needs, as of 31 December 2022, the debt of Mundys Group companies falling due in the next 12 months amounts to €2,656 million, with available cash of €14,475 million, €6,275 after upstream loan to Schemaquarantadue.

With regard to available financial resources, the Group believes that it has access to sufficient sources of finance to meet its projected financial needs, given the Group's ability to generate cash, the ample diversification of its sources of funding (€1,891 million in bond issues successfully issued on the capital markets in 2022) and the availability of committed and uncommitted credit facilities as described in detail in note 7.12.

At the date of preparation of this document, there are no significant issues in terms of liquidity, also given the proven ability of Group companies to access the financial markets, despite recent market developments. Each Group company is continuing to monitor developments and to assess the option of accessing new lines of credit available on the market.

The following tables show the distribution of the maturities of financial liabilities outstanding as of 31 December 2022 and 31 December 2021.

€M	31 December 2022					
	Carrying amount	Contractual flows	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Bond issues (A)	25,940	-30,594	-2,348	-2,785	-11,479	-13,982
Total medium/long-term borrowings (B)	9,037	-10,636	-1,025	-2,371	-4,093	-3,147
Total financial liabilities (1) (C)= (A)+(B)	**34,977**	**-41,230**	**-3,373**	**-5,156**	**-15,572**	**-17,129**
Interest Rate Swaps	64	-70	-24	-31	-16	0
Cross Currency Swaps	251	-281	-33	-100	-25	-123
IPCA x CDI swaps	6	-4	-4	0	0	0
FX Outrights	1	-1	-1	0	0	0
Total financial liabilities resulting from derivatives	**322**	**-356**	**-62**	**-131**	**-41**	**-123**

€M	31 December 2021					
	Carrying amount	Contractual flows	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Bond issues (A)	24,318	-29,605	-1,006	-2,527	-8,673	-17,399
Total medium/long-term borrowings (B)	11,178	-12,247	-1,030	-2,244	-6,005	-2,967
Total financial liabilities [(1)] (C)= (A)+(B)	**35,496**	**-41,852**	**-2,036**	**-4,771**	**-14,678**	**-20,367**
Derivatives						
Interest Rate Swaps	251	-272	-45	-71	-61	-94
Cross Currency Swaps	218	-208	-13	-87	-16	-91
IPCA x CDI Swaps	8	-8	-4	-4	-	-
Total financial liabilities resulting from derivatives	**477**	**-488**	**-63**	**-163**	**-77**	**-185**

(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

Guarantee risk

Guarantee risk relates to the failure to manage, or to manage in an adequate and timely manner, guarantees, with a potential impact on the financial position and the risk of enforcement of guarantees provided to third parties. The main aim in managing guarantee risk is to monitor the process of issuing guarantees and mitigate the risk of enforcement of the guarantees provided. 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. There has been a major reduction in this risk following completion of the sale of Mundys's investment in Autostrade per l'Italia, after which the release of guarantees provided by Mundys on behalf of bondholders and Banca Europea per gli Investimenti (totalling €4,478 million) became effective.

Financial contract risk

Financial contract risk regards the risk of failure to assess, or to assess in an adequate and timely manner, the ability to comply with covenants and other contractual undertakings when assuming commitments or when managing them. This could result in the inability to draw down credit lines, early repayment obligations and/or limitations on operations. The main aims in managing financial contract risk are i) to prevent the risk of the inability to draw down credit lines, the risk of early repayment and/or limitations on operations; and ii) to prevent potential negative effects of the failure to comply with covenants.

In line with internationally recognised practice, Mundys's loan agreements and bond issues include provisions requiring early repayment in the following cases:

a) cross acceleration;

b) cross-default;

c) legal, regulatory or administrative proceedings;

d) insolvency;

e) material asset sale;

f) further restrictions;

g) financial covenants (as described below).

A number of the Group's long-term borrowings include negative pledge provisions, in line with international practice and also require compliance with certain financial covenants.

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) Mundys loan agreements entered into in 2022, require compliance with a minimum threshold for the Interest Coverage Ratio, FFO/Total Net Debt and Consolidated Net Worth;

b) Aeroporti di Roma 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, 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 based on the company's long-term ratings. Furthermore, on 3 April 2023 a precautionary and temporary easing of the Leverage ratio covenant threshold applicable to the calculation date of 30 June 2023 has been formalized with all the banks;

c) Azzurra Aeroporti 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);

d) in the case of the Abertis group, following the HIT group's early repayment of bank loans from BNP/Dexia in May 2022, the HIT group is no longer party to loan agreements containing covenants with default provisions.

With regard to the covenants involving default provisions for Mundys and its subsidiaries, there is no risk of a breach of the relevant default thresholds.

As a result of the negative impact of Covid-19 on the operating results and financial position of Group companies, a number of companies successfully requested their respective lenders to grant them, on a precautionary and preventive basis, covenant holidays at 31 December 2022 and, where suitable, at subsequent measurement dates.

Group companies will monitor the level of traffic and the implementation of mitigating actions and where necessary entering into dialogue with their lenders in order to negotiate further covenant holidays.

Rating risk

Rating risk regards the risk of a downgrade of an entity's credit ratings.

In 2022, rating agencies assessments were positively influenced by the full effectiveness of the settlement agreement and the ensuing sale of Autostrade per l'Italia.

In detail:

- on 20 March 2022, Moody's affirmed to "Ba1" Mundys's Corporate Family Rating;
- on 13 June 2022, Standard & Poor's affirmed the "BBB-" rating assigned to Abertis, upgrading the outlook from "negative" to "stable". Later, on 25 July 2022, the agency upgraded the rating assigned to the Mundys Group and its notes from "BB" to "BB+", with a "stable" outlook, whilst at the same time upgrading Aeroporti di Roma's rating from "BBB-" to "BBB" with a "stable" outlook;
- on 1 December, Fitch affirmed its "BB+" consolidated rating of the Mundys Group, also affirming a "BB" rating for the notes and upgrading the outlook to "stable" from "negative".

Mundys' shareholder agreements provide the Company and its subsidiaries with financial, dividend and M&A policies based on the objective of achieving a financial profile that is compatible with certain investment grade metrics.

Liquid investment risk

The risk associated with the investment of liquidity regards the failure to assess, or to assess in an adequate and timely manner, the risk of a counterparty default and the risk of movements in the value of liquid investments. The Group manages liquid investment 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 main aims in managing such risk are to mitigate the risk that a counterparty will be unable to meet its obligations and the exposure of liquid investments to movements in market prices, and to achieve an optimal risk/return mix for the investment products in which liquidity is invested.

Interest rate risk

Interest rate risk regards the failure to manage, or to manage in an adequate and timely manner, movements in interest rates, with an impact on the level of borrowing costs, profitability and on the value of financial assets and liabilities. Interest rate risk generally takes two forms:

a) cash flow risk: linked to financial assets and liabilities, with cash flows indexed to a market variable interest rate;

b) fair value risk: the risk of losses deriving from an unexpected change in the value of fixed rate financial assets and liabilities following an unfavourable shift in the market yield curve.

As of 31 December 2022, the Group had entered into cash flow hedges with a positive fair value of €553 million and a total notional value of €7,643 million. This includes derivatives classified as cash flow hedges in compliance with IFRS 9, with positive fair value of €567 million and a notional value of €6,230 million. These primarily relate to Forward-Starting IRSs hedging the expected future financial liabilities of the Abertis group, Aeroporti di Roma and Azzurra Aeroporti. With regard to the Abertis group, in 2022, Abertis Infraestructuras and Holding d'Infraestructures de Transport entered into forward-starting IRSs with a notional value €4,591 with the aim of hedging expected refinancings in the period from 2024 to 2027.

The IRSs classified as not qualifying for hedge accounting as of 31 December 2022 regard Azzurra Aeroporti (negative fair value of €10 million, after Offsetting IRSs).

Finally, Mundys's early unwinding of a package of IRSs in 2022 (with a notional value of €1,850 million and proceeds of €19 million), classified as not qualifying for hedge accounting. Following the early unwinding, the cash collaterals posted by Mundys in 2020 and 2021 to guarantee the credit exposure of financial counterparties were cancelled.

With regard to exposure to interest rates, fixed rate debt represents 69.4% of the total and, after taking into account interest rate hedges, 70.5% of the total. Variable rate debt includes inflation-linked debt and debt in currencies Unidad de Fomento (Chile) and Unidades de Inversion (Mexico).

In order to hedge against interest rate risk, the Group primarily engages with counterparties with high credit ratings and continuously monitors the situation to ensure that there are no significant concentrations of counterparty risk.

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. Further information on outstanding derivative financial instruments is provided below.

€M

Category	Company [1]	Type	Maturity	Notional (m)	Rate
Cash flow hedges	Abertis Group	Interest Rate Swap	2024-2034	4.821	Euribor
		Cross Currency Swap	2026	467	Euribor; GBP Libor [2]
		Cross Currency Swap	2039	154	Euribor; JPY Libor [2]
		Cross Currency Swap	2026	130	USD Libor [2]
		Cross Currency Swap	2023	100	Euribor; USD Libor
	Azzurra Aeroporti	Interest Rate Swap	2041	653	Euribor
	Aeroporti di Roma	Interest Rate Swap	2032	400	Euribor
	Telepass	Interest Rate Collar	2024-2026	263	Euribor
	Aéroports de la Côte d'Azur	Interest Rate Swap	2026-2030	22	Euribor

(1) CCSs and IRSs not indexed to IBOR and held by the Brazilian, Chilean and Mexican companies, having a total notional value of €307 million, have been excluded

(2) Potential impact on fair value measurement (using the present value method)

With regard to application of the abovementioned amendment to IFRS 9, 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;

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, the Group will reclassify accumulated gains and losses on the derivative financial instruments previously accounted for as hedges to profit or loss.

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 2022					
	Carrying amount	Contractual cash flows	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Cash flow hedges						
Derivative assets	578	582	20	56	134	372
Derivative liabilities	-154	-141	-12	-32	-27	-70
Fair value hedges						
Derivative assets	2	2	2	-	-	-
Total hedging derivatives	**426**	**443**	**10**	**24**	**107**	**302**
Accrued expenses on hedging derivatives	17					
Total hedging derivative assets/(liabilities)	**443**					

€M	31 December 2022				
	Total expected cash flows	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Cash flow hedges					
Income from hedging derivatives	1,088	20	61	164	843
Losses on hedging derivative	-664	-32	-32	-55	-545
Fair value hedges					
Income from hedging derivative	2	2	-	-	-
Total income/(losses) from hedging derivatives	**426**	**-10**	**29**	**109**	**298**

Currency risk

Currency risk regards 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 denominated in currency.

The Group's prime objective in managing currency risk is to minimise cash flow volatility over the short and medium/long term through the use of appropriate hedges and to limit any negative effects of exchange rate movements linked to the acquisition or assumption of financial assets or liabilities.

As of 31 December 2022, fair value losses on currency risk hedges amount to €194 million, whilst the total notional value is €2,001 million. These have been entered into by Abertis (fair value losses amount to €143 million), Aeroporti di Roma (fair value losses of €84 million paid on expiry in February 2023), Mundys (fair value gains of €31 million, collected on expiry in February 2023).

In order to hedge against currency risk, the Group primarily engages with counterparties with high credit ratings and continuously monitors the situation to ensure that there are no significant concentrations of counterparty risk.

27% of the Group's debt is denominated in currencies other than the euro. The following table compares the nominal value of bond issues and medium/long-term borrowings and the related carrying amounts, showing the currency of issue, the average interest rate and the effective interest rate:

€M	31 December 2022			31 December 2021		
	Nominal value	Carrying amount	Effective interest rate as of 31 December 2022	Nominal value	Carrying amount	Effective interest rate as of 31 December 2021
Euro (EUR)	25,732	25,745	2.4%	26,599	26,703	2.5%
Mexican peso (MXN) / Unidad de Inversiones (UDI)	2,445	2,565	11.3%	2,212	2,332	11.4%
Brazilian real (BRL)	2,317	2,272	12.2%	1,853	1,857	9.3%
Chilean peso (CLP) / Unidad de fomento (UF)	1,753	1,884	13.8%	1,662	1,811	9.4%
US dollar (USD)	1,914	1,689	5.6%	1,94	1,753	5.6%
Sterling (GBP)	693	697	3.6%	732	730	4.3%
Yen (JPY)	142	101	6.8%	153	111	5.8%
Indian Rupee (INR)	22	22	9.0%	37	37	8.9%
Polish zloty (PLN)	3	3	N.A (1)	3	3	N.A (1)
Total	**35,021**	**34,978**	**4.4%**	**35,191**	**35,337**	**3.8%**

(1) Value not available as the borrowing is non-interest bearing

Derivative financial instruments

The following table summarises outstanding derivative financial instruments as of 31 December 2022 (compared with 31 December 2021), showing the corresponding fair and notional values.

€M		31 December 2022		31 December 2021	
Cash flow hedges	Hedged risk	Fair value gains/ (losses)	Notional value	Fair value gains/ (losses)	Notional value
Interest Rate Swaps					
Cross Currency Swaps	Interest rate risk	560	5,967	-98	1,429
Collar	Currency rate risk	-143	1,041	-123	1,055
Collar	Interest rate risk	7	263	-	-
	Cash flow hedges	**424**	**7,271**	**-221**	**2,484**
Fair value hedges					
IPCA x CDI Swaps	Interest rate risk	2	46	1	41
	Fair value hedges	**2**	**46**	**1**	**41**
Net investment in a foreign operation					
Cross Currency Swaps	Currency rate risk	-	-	39	41
	Total net investment in a foreign operation	**-**	**-**	**39**	**41**
Non-hedge accounting derivatives					
Cross Currency Swaps	Currency rate risk	-52	867	-49	867
Interest Rate Swaps	Interest rate risk	-10	1,306	-151	3,156
FX Forwards (1)	Currency rate risk	1	93	-	-
IPCA x CDI Swaps	Interest rate risk	-6	61	-8	55
	Non-hedge accounting derivatives	**-67**	**2,327**	**-208**	**4,078**
TOTAL		**359**	**9,644**	**-389**	**6,644**
Fair value (assets)		**681**		**89**	
Fair value (liability)		**-322**		**-478**	

(1) FX forwards refer to hedging instruments held by the Yunex group. The reported notional is representative of the exposure to counterparties outside the group

Fair value gains of €748 million primarily regard the subscription of Forward-Starting IRSs by Abertis Infraestructuras and Holding d'Infrastructures de Transport (a total notional value of €4,591 million and fair value gains as of 31 December 2022 of €412 million), the unwinding of IRSs hedging Mundys's future bond issues (a notional value of €1,850 million on closure, with a fair value loss as of 31 December 2021 of €110 million), and the general rise in interest rates during 2022.

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 2021	Changes during the period					31 December 2022
	Carrying amount	Impact of exchange rates	Derivatives unwound	Impact on comprehensive income	Impact on profit and loss	Other reclassifications and changes	Carrying amount
Cash Flow hedges	**15**	-19	-	575	3	5	**579**
Fair Value hedges	**1**	-	-	-	-	-	**1**
Net Investment hedges	**39**	-	-30	-9	-	-	**-**
Non-hedge accounting	**34**	14	-34	-	87	-	**101**
Derivative assets	**89**	**-5**	**-64**	**566**	**90**	**5**	**681**
Cash Flow hedges	**237**	8	-10	-78	-4	1	**154**
Fair Value hedges	**-**	-	-	-	-	-	**-**
Net Investment hedges	**-**	-	-	-	-	-	**-**
Non-hedge accounting	**241**	28	-	-	-96	-5	**168**
Derivative liabilities	**478**	**36**	**-10**	**-78**	**-100**	**-4**	**322**
Total net change	**-389**	**-41**	**-54**	**644**	**190**	**9**	**359**

Sensitivity analysis

Sensitivity analysis describes the impact that the interest rate and foreign exchange movements to which the Group is exposed would have had on the consolidated income statement for 2022 and on equity as of 31 December 2022 as a result of their effect on financial instruments held during the year.

The following outcomes resulted from the analysis carried out:

a) In terms of interest rate risk, given the significant cash available in 2022 following the disposal of ASPI (more than €8 billion starting from May 2022), an unexpected fall of 1% in market rates would have resulted in:

   1. a negative impact on the income statement totaling €39 million, in terms of reduced interest income on average liquidity during the year (€116 million) partially offset by interest expenses payable on debt (€77 million, with limited impact in light of the fact that the majority of Group's debt is fixed rate);
   2. in terms of movements in the fair value of derivatives, a negative impact almost entirely on equity of €286 million on a total impact on the comprehensive income statement of approximately €294 million.

b) in terms of currency risk, an unexpected 10% depreciation of the foreign currency against the euro would have resulted in:

   1. a negative impact on EBITDA of €184 million partially offset by lower financial expenses of €73 million;
   2. a change in the fair value of derivatives with a negative impact on the income statement of €74 million in addition to €8 million on equity;
   3. a reduction of gross debt net of cash with impact on the conversion reserve of approximately €699 million.

Net debt in compliance with ESMA recommendation of 4 march 2021

The Mundys Group's net debt as of 31 December 2022 and as of 31 December 2021 is shown below:

€M	Note	31 December 2022	31 December 2021
Cash and cash equivalents	**7.12**	14,475	6.053
Current derivative assets [(1)]	**7.8**	73	26
Cash related to assets held for sale and discontinued operations		-	1.353
Cash and cash equivalents (A)		**14,548**	**7.432**
Bond issues	**7.18**	1,909	361
Medium/long-term borrowings	**7.19**	634	971
Derivative liabilities	**7.20**	99	44
Other financial liabilities	**7.21**	605	453
Financial liabilities related to assets held for sale and discontinued operations		-	10,987
Current financial liabilities (B)		**3,247**	**12.816**
Current net debt (C=A-B)		**11,301**	**-5.384**
Bond issues	**7.18**	24,031	23.957
Medium/long-term borrowings	**7.19**	8,403	10.048
Derivative liabilities [(2)]	**7.20**	223	363
Other financial liabilities	**7.21**	278	922
Non-current financial liabilities (D)		**32,935**	**35.290**
Net debt as defined by ESMA (E=D-C)		**21,634**	**40.674**
of which net debt as defined by ESMA guidelines related to assets held for sale and discontinued operations		-	*9,634*

(1) These are "Derivative assets – current portion", as referred to in note 7.8, net of the fair value of Forward-Starting IRSs and net investment hedges not included in the measurement of net debt under the ESMA recommendation, amounting to €55 million as of 31 December 2022 and €39 million as of 31 December 2021

(2) This regards "Derivative liabilities – non-current portion", as referred to in note 7.20, net of the fair value, as of 31 December 2021, of Forward-Starting IRSs not included in the measurement of net debt under the ESMA recommendation, amounting to €70 million

10. Other information

10.1 Operating segments and geographical presence

Operating segments

The Mundys Group's operating segments are identified based on the information provided to and analysed by Mundys's Board of Directors, which represents the Group's chief operating decision maker, taking decisions regarding the allocation of resources and assessing performance. Following its deconsolidation, the ASPI group's contribution through to the transaction date is solely included in FFO and capital expenditure.

Following the acquisition of the Yunex group, a new operating segment has been introduced.

The following tables show operating revenue, EBITDA, FFO, capital expenditure and net financial debt for each operating segment.

2022

	Abertis Group	Other overseas motorways	Aeroporti di Roma group	Aéroports de la Côte d'Azur group	Telepass group	Yunex group	Mundys and other activities	ASPI group – discontinued operations	Unallocated items	Total consolidated items
Revenues	**5,096**	**729**	**664**	**265**	**312**	**351**	**10**	**-**	**-**	**7,427**
EBITDA	**3,531**	**511**	**300**	**101**	**129**	**16**	**-90**	**-**	**-**	**4,498**
Amortisation, depreciation, impairment losses and provisions									-3,028	-3,028
EBIT										**1,470**
Financial expenses, net									-835	-835
Share of (profit)/loss of investees accounted for using the equity method									29	29
Profit/(Loss) before tax from continuing operations									**-**	**664**
Income tax benefits/(expense)									-421	-421
Profit/(Loss) from continuing operations										**243**
Profit/(Loss) from discontinued operations									5,824	5,824
Profit/(Loss) for the year									**-**	**6,067**
FFO	**1,987**	**505**	**255**	**96**	**99**	**17**	**-10**	**319**	**-**	**3,268**
Capex	**873**	**99**	**215**	**50**	**100**	**5**	**5**	**302**	**-**	**1,649**
Net financial debt	**22,547**	**-7**	**1,195**	**799**	**153**	**45**	**-5,039**	**-**	**-**	**19,693**

2021									
	Abertis group	Other overseas motorways	Aeroporti di Roma group	Aéroports de la Côte d'Azur group	Telepass group	Mundys and other activities	Discontinued operations (ASPI group)	Unallocated items	Total consolidated
Revenues	**4,854**	**569**	**528**	**174**	**269**	**-3**	**-**	**-**	**6,391**
EBITDA	**3,350**	**402**	**262**	**56**	**121**	**-162**	**-**	**-**	**4,029**
Amortisation, depreciation, impairment losses and provisions								-4,269	-4,269
EBIT								**-**	**-240**
Financial expenses, net								-736	-736
Share of profit/(loss) of investees accounting for using the equity method								-42	-42
Profit/(Loss) before tax from continuing operations								**-**	**-1,018**
Income tax benefits/(expense)								474	474
Profit/(Loss) from continuing operations								**-**	**-544**
Profit/(Loss) from disocntinued operations								926	926
Profit/(Loss) for the year								**-**	**382**
FFO	**2,096**	**386**	**282**	**67**	**105**	**-9**	**986**	**-**	**3,913**
Capex	**651**	**73**	**178**	**44**	**81**	**7**	**1,058**	**-**	**2,092**
Net financial debt	**23,958**	**100**	**1,672**	**954**	**616**	**2,575**	**8,671**	**-**	**38,546**

Operating revenue, EBITDA, EBIT, FFO, capex and net financial debt are not measures of performance defined by IFRS. It should be noted that, in 2022, the Mundys Group did not account for revenue from any customer in excess of 10% of the Group's total revenue. The following table shows a breakdown of revenue depending on whether or not it is recognised at a point in time or over time, as required by IFRS 15.

2022

€M	Abertis group	Other overseas motorways	Aeroporti di Rome group	Aéroports de la Côte d'Azur group	Telepass group	Yunex	Mundys	Total consolidated amount
Net toll revenue	**4,696**	**670**	**-**	**-**	**-**	**-**	**-**	**5,366**
At point in time								
Aviation revenue	**-**	**-**	**458**	**140**	**-**	**-**	**-**	**598**
At point in time	*–*	*–*	*449*	*140*	*–*		*–*	*589*
Over time	*–*	*–*	*9*	*–*	*–*		*–*	*9*
Other operating revenue	**400**	**59**	**206**	**125**	**312**	**351**	**10**	**1,463**
At point in time	*372*	*59*	*5*	*87*	*89*	*137*	*–*	*749*
Over time	*13*	*–*	*40*	*–*	*213*	*214*	*–*	*480*
Out of scope	*15*	*–*	*161*	*38*	*11*	*–*	*10*	*235*
Total external revenue	**5,096**	**729**	**664**	**265**	**312**	**351**	**10**	**7,427**

2021

€M	Abertis group	Other overseas motorways	Aeroporti di Rome group	Aéroports de la Côte d'Azur group	Telepass group	Yunex	Mundys	Total consolidated amount
Net toll revenue	**4,444**	**526**	**-**	**-**	**-**	**-**	**-**	**4,970**
At point in time	*4,444*	*526*	*–*	*–*	*–*	*–*	*–*	*4,970*
Aviation revenue	**-**	**-**	**198**	**96**	**-**	**-**	**-**	**294**
At point in time	*–*	*–*	*194*	*96*	*–*	*–*	*–*	*290*
Over time	*–*	*–*	*4*	*–*	*–*	*–*	*–*	*4*
Other operating revenue	**410**	**43**	**330**	**78**	**258**	**-**	**8**	**1,127**
At point in time	*371*	*42*	*3*	*28*	*52*	*–*	*–*	*507*
Over time	*23*	*–*	*24*	*–*	*201*	*–*	*5*	*253*
Out of scope	*16*	*1*	*303*	*50*	*5*	*–*	*3*	*378*
Total external revenue	**4,854**	**569**	**528**	**174**	**258**	**-**	**8**	**6,391**

It should be noted that, given the specific nature of the 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 presence

The following table shows the contribution of each country to the Mundys Group's revenue and non-current assets.

€M	Revenue		Non-current assets [1]	
	2022	2021	31/12/2022	31/12/2021
France	2,337	2,083	12,555	13,200
Italy	1,633	1,349	5,597	5,716
Brazil	1,274	918	2,560	2,087
Chile	942	832	4,142	4,270
Mexico	614	448	6,176	5,658
Spain	527	911	10,853	11,147
Puerto Rico	181	158	1,355	1,306
Argentina	151	127	17	15
USA	144	88	2,226	2,119
UK	126	42	28	2
Germany	116	-	712	813
Poland	100	80	111	136
India	40	32	101	128
Portugal	6	2	1	-
Colombia	5	-	-	1
Other countries	143	46	42	3
Total	**8,339**	**7,116**	**46,476**	**46,601**

[1] In accordance with IFRS 8, non-current assets do not include non-current financial assets or deferred tax assets

10.2 Disclosure regarding non-controlling interests

The consolidated companies deemed relevant for the Mundys 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:

- the Spanish holding company Abertis HoldCo, which controls 98.9% of Abertis Infraestructuras;
- Abertis Infraestructuras, the parent of companies primarily holding motorway concessions in Europe, America and India;
- the Brazilian holding company, AB Concessões, and its subsidiaries;
- the Chilean holding company, Grupo Costanera, and its direct and indirect subsidiaries;
- the holding company Azzurra Aeroporti and its subsidiaries;
- Telepass and its subsidiaries.

The non-controlling interests in companies are deemed relevant in relation to their contribution to the Group's consolidated accounts. The following should be noted:

- non-controlling interests in Abertis HoldCo, held by ACS and Hochtief, with interests of 30% and 20%, respectively, (less one share);
- non-controlling interests in Abertis Infraestructuras 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 0.9% in Abertis Infraestructuras itself;
- the non-controlling interest in AB Concessões is held by a sole shareholder (a Bertin group company from Brazil);
- the non-controlling interest in Grupo Costanera (49.99%) is held by the Canada Pension Plan Investment Board;
- Azzurra Aeroporti, which directly controls Aéroports de la Côte d'Azur with a 64% interest, is owned by Mundys and Aeroporti di Roma through their respective interests of 52.69% and 7.77%, and by the Principality of Monaco, which has a 20.15% interest and by EDF Invest which has a 19.39% interest. The Group's total interest amounts to 60.40%, representing the sum of Mundys's interest (52.69%) and Aeroporti di Roma's interest (7.71%);
- non-controlling interests in Telepass and its subsidiaries are essentially linked to the sale of a 49% stake in Telepass to Partners Group in 2021.

A full list of the investments and related ownership interests held by the Group and non-controlling shareholders as at 31 December 2022 is provided in Annex 1 "The Mundys 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 Mundys's consolidated financial statements, in addition to the accounting effects of acquisitions (fair value adjustments of the net assets acquired).

€M	Abertis Holdco		Abertis Infraestructuras and direct and indirect subsidiaries		AB Concessoes and direct subsidiaries		Costanera Group and direct and indirect subsidiaries		Azzurra Aeroporti and direct subsidiaries		Telepass Group and direct and indirect subsidiaries	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenues to non-controlling interests	-	-	3,541	3,213	164	112	210	170	178	118	153	138
Profit/(Loss) for the year attributable to non-controlling interests	-3	-	78	-273	19	44	210	48	23	-173	21	28
Equity attributable to non-controlling interests	1,903	2,203	6,459	5,712	306	332	1,058	1,030	1,042	1,011	27	45
Dividends paid to non-controlling shareholders	302	297	108	30	-	-	90	30	15	4	27	51

10.3 Guarantees

Excluding guarantees securing the Group's debt amounting to €2,769 million, as of 31 December 2022, the Group has certain personal guarantees issued in favour of third parties, amounting to a total of €1,416 million, including €1,135 013 million performance bond on the contractual obligations of Group companies and €280 million guaranteeing future payments. The overall amount also includes the guarantees provided to third parties by Yunex group companies, amounting to €342 million and six-month guarantee provided by Mundys to Siemens as part of the process of acquiring Yunex, amounting to €54 million (the sum is equal to 50% of the Yunex group's guarantees backed by Siemens as at 31 December 2022). These include, listed by importance:

	Segment	Type of guarantee	Amount of the guarantee (€million)
Performance bond	Abertis group	Guarantees given to grantors	169
		Tender bonds/contract guarantees	99
		Guarantees to public entities	59
	Other overseas motorways	Guarantees given to grantors	217
	Yunex group	Tender bonds/contract guarantees	342
	Mundys	Tender bonds/contract guarantees	197
	Other Group companies	Others	29
		Total performance bonds	**1,136**
Payment Guarantee	Telepass group	Tender bonds/contract guarantees	153
	Mundys	Guarantees to financial institutions	54
	Abertis group	Guarantees to public entities	44
	Other Group companies	Others	29
		Total payment guarantees	**280**
Grand total Mundys Group			**1,416**

10.4 Related party transactions

The following table shows the impact of trading and financial transactions between the Mundys Group and related parties on the income statement and statement of financial position. These transactions include those involving Mundys's Directors, Statutory Auditors and key management personnel, identified in accordance with IAS 24.

From 5 May 2022, following the sale of the Mundys's investment in Autostrade per l'Italia, ASPI group companies are no longer identified as related parties. As a result, the following disclosure includes, with sole reference to income and expenses, transactions with ASPI Group companies until 5 May 2022.

€M	Trading and other assets		Trading and other liabilities		Trading and other income	Trading and other expenses			
	31 December 2022				2022				
	Trade receivables	Non-financial assets held for sale	Other current liabilities	Non-financial liabilities held for sale	Other revenue	Cost of materials and external services	Other costs	Staff costs	Profit/ (Loss) from discontinued operations
Biuro Centrum	-	-	-	-	-	1	-	-	-
Bip & Drive	1	-	-	-	-	-	-	-	-
Leonord	-	-	-	-	12	-	-	-	-
M-45 Conservación	-	-	-	-	-	1	-	-	-
Total associates	**1**	**-**	**-**	**-**	**12**	**2**	**-**	**-**	**-**
Autogrill	10	-	-	-	24	-	-	-	20
Autogrill Cote France	1	-	-	-	2	-	-	-	-
Total companies under common control	**11**	**-**	**-**	**-**	**26**	**-**	**-**	**-**	**20**
ASTRI pension fund	-	-	-	-	-	-			-6
CAPIDI pension fund	-	-	1	-	-	-	-	2	-
Total pension funds	**-**	**-**	**1**	**-**	**-**	**-**	**-**	**2**	**-6**
Total key managmeent personnel [(1)]	**-**	**-**	**5**	**-**	**-**	**-**	**-**	**16**	**-**
TOTAL	**12**	**-**	**6**	**-**	**38**	**2**	**-**	**18**	**14**
	31 December 2021				2021				
Biuro Centrum	-	-	-	-	-	1	-	-	-
Bip & Drive	1	-	-	-	-	-	-	-	-
Leonord	-	-	-	-	10	-	-	-	-
Routalis	-	-	-	-	1	-	-	-	-
C.I.S.	2	-	-	-	-	-	-	-	-
M-45 Conservación	-	-	-	-	-	-	1	-	-
Total associates	**3**	**-**	**-**	**-**	**11**	**1**	**1**	**-**	**-**
Areamed 2000	4	-	-	-	6	-		-	-
Joint Venture	**4**	**-**	**-**	**-**	**6**	**-**	**-**	**-**	**-**
Autogrill	5	41	-	4	11	-	1	-	44
Tangenziali esterne di Milano	-	1	-	-	-	-	-	-	-1
Autogrill Cote France	1	-	-	-	1	-	-	-	-
Total companies under common control	**6**	**42**	**-**	**4**	**12**	**-**	**1**	**-**	**43**
ASTRI pension fund	-	-	1	7	-	-	-	1	-16
CAPIDI pension fund	-	-	2	-	-	-	-	2	-2
Total pension funds	**-**	**-**	**3**	**7**	**-**	**-**	**-**	**3**	**-18**
Total key management personnel [(1)]	**-**	**-**	**4**	**-**	**-**	**-**	**-**	**8**	**-**
TOTAL	**13**	**42**	**7**	**11**	**29**	**1**	**2**	**11**	**25**

(1) Mundys's "key management personnel" means the Company's Directors and other key management personnel (namely the Manager responsible for Financial Reporting, Strategy & Corporate development manager, Toll roads and airports investor managers) 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 Mundys staff and staff of the relevant subsidiaries

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, concluded on normal market terms, are described below.

The Mundys's Group transactions with companies under common control

Under IAS 24, the Autogrill group ("Autogrill"), like the Mundys Group consolidated by the Edizione Group, is considered a related party. With regard to relations between the Mundys Group's motorway operators and Autogrill, it should be noted that as of 31 December 2022, Autogrill operates service areas and food service outlets along the A4 Holding group's motorway network and food service concessions at the airports managed by the Mundys Group. In 2022, the Mundys Group earned revenue of approximately €26 million on transactions with Autogrill. The revenue is generated by sub-concession arrangements entered into over various years as a result of transparent and non-discriminatory competitive tenders. As of 31 December 2022, trading assets due from Autogrill amount to €11 million.

10.5 Disclosures regarding share-based payments

As of 31 December 2022, there are no equity-settled or cash-settled incentive plans based on Mundys's shares and linked to the achievement of business objectives.

The following table shows the main aspects of incentive plans used by the Company in previous years and terminated in 2022 (partly following the intervening Public Tender Offer), including the options and units awarded and changes during the reporting period. As a result of these existing plans, as required by IFRS 2, the Group recognised costs of €5 million in profit or loss.

Plan (n. of options)	31 December 2021	Awarded	Lapsed	Exercised	31 December 2022
STOCK GRANT 2021	276.448	276.091	-191.056	-361.483	-
PHANTOM STOCK OPTION 2014	1.943.107	-	-899.500	-1.043.607	-
PHANTOM STOCK OPTION 2017	1.546.945	-	-1.546.945	-	-
PHANTOM STOCK GRANT 2017	158.438	-	-158.438	-	-
PHANTOM STOCK OPTION 2017 - ADDITIONAL	1.789.493	-	-	-1.789.493	-

Stock Grant Plan 2021 - 2023

On 24 November 2022, in implementation of the Plan terms and conditions and the Board of Directors' resolution to accelerate the Plan's first and second cycle if the Offeror acquired at least 90% of the Company's issued capital in the context of the Public Tender Offer (see note 4.1 for further details on the Public Tender Offer), 361,483 shares were granted free of charge to 56 beneficiaries. Plan beneficiaries received shares based on their achievement of the target performance indicators provided for under the Plan, after prorating on the basis of the portion of the performance period that had passed through to the agreed date of 31 December 2022 (or, in the case of beneficiaries whose employment was terminated before the share grant date, at the date of termination of their employment relationship or directorship, unless alternative arrangements were made under specific termination agreements with Plan beneficiaries). The shares were granted via the use of the treasury shares.

2014 Phantom Stock Option Plan

The exercise period for the third cycle of this plan expired on 10 June 2022. 1,043,607 phantom options relating to the third grant cycle were exercised in the first half of 2022, whilst the remaining 899,500 lapsed. As of 31 December 2022, all the options relating to this plan have therefore been cancelled. The General Meeting of shareholders held on 10 October 2022 amended the Plan, deciding not to apply the investment obligation provision in the event of the Company's delisting or the minimum holding provision included in the Plan terms and conditions.

2017 Phantom Stock Option Plan

With regard to the third cycle of the plan, for which the vesting period expired on 15 June 2022, 1,546,945 options lapsed in 2022, as the hurdle had not been met. As of 31 December 2022, all the options relating to this plan have therefore been cancelled.

Supplementary Incentive Plan 2017 – Phantom Stock Options

Following the amendment of the Plan by the General Meeting of shareholders held on 10 October 2022, which decided not to apply the investment obligation provision in the event of the Company's delisting or the minimum holding provision included in the Plan terms and conditions, in the fourth quarter of 2022, 1,789,493 phantom options were exercised at an average unit price of €22.45. As of 31 December 2022, all the options relating to this Plan have therefore been cancelled.

2017 Phantom Stock Grant Plan

With regard to the third cycle of the plan, for which the vesting period expired on 15 June 2022, 158,438 options lapsed in 2022, as the hurdle had not been met. As of 31 December 2022, all the options relating to this plan have therefore been cancelled.

Finally, having noted the Public Tender Offer launched by Schema Alfa, the General Meeting of shareholders held on 10 October 2022 revoked the resolution adopted by the Annual General Meeting held on 29 April 2022 approving an employee share ownership scheme based on the Company's ordinary shares, named the "2022-2027 Employee Share Ownership Plan", subject to the Company's delisting, which took place on 9 December 2022.

10.6 Significant events

Details of the main pending litigation involving Mundys Group companies and significant concession-related and 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 of 31 December 2022.

MUNDYS AND OTHER ACTIVITIES

Litigation connected with the share purchase agreement governing the sale of Autostrade per l'Italia

Updates on the principal litigation (criminal, civil or administrative) that may be of significance and/or have an impact under the Agreement is described below.

Criminal action following the collapse of a section of the Polcevera Road Bridge

With regard to the criminal action before the Court of Genoa relaying to the tragic events caused by the collapse of a section of the Polcevera road bridge on the A10 Genoa–Ventimiglia motorway. The action involves employees and former employees of Autostrade per l'Italia ("ASPI") and SPEA Engineering ("SPEA"). The trial continued from November 2022 with the examination of certain procedural issues raised by the defendants and the admission of evidence. The witness then began to give evidence, still ongoing.

Following the ruling handed down by the Court of Genoa on 19 September 2022, excluding ASPI and SPEA from the civil liabilities, and the earlier ruling in favour of the request for a settlement from ASPI and SPEA on 7 April 2022, both companies have now been definitively excluded from the criminal trial.

The final number of civil claimants whose claims have been admitted is 224. In addition to the above civil claims, please note that a number of civil claims for indirect damages have also been brought against ASPI alone. These are estimated to amount to approximately €40 million.

The Purchaser has brought a number of claims against the Company relating to the consequences of the above event, primarily to cover the cost of compensation paid by ASPI to injured parties and defendants' legal expenses.

Investigation regarding the installation of integrated safety and noise barriers on the A12

In December 2019, the Guardia di Finanza (Finance Police) of Genoa made several visits to the offices of Autostrade per l'Italia and Spea 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 Public Prosecutor's Office in Genoa has combined this investigation with two other investigations: i) the criminal investigation launched following the accident in the Bertè Tunnel on the A26 on 30 December 2019 (the "Bertè Tunnel Proceeding") and ii) a criminal investigation into the forgery of reports on certain viaducts on the network (the "Forged Reports Proceeding") (jointly, the "Satellite Proceedings"). All the above proceedings involve the investigation of employees and former employees of ASPI and Spea.

In October 2022, the Public Prosecutor's Office in Genoa notified the natural persons under investigation that the investigation was now closed in accordance with art. 415-bis of the code of criminal procedure. A decision on whether to commit all or some of the persons under investigation for trial or drop the charges is expected for the first half of 2023.

It should be noted that the charges against ASPI and SPEA relating to breaches of Legislative Decree 231/2001 have been dropped and they have been excluded from the related proceeding following the preliminary investigating magistrate's ruling that accepted the settlement agreement on 26 September 2022. However, both companies may still be cited as defendants in any potential civil claims.

On 4 August 2022, the Purchaser sent the Company a notice of claim stating that, following the combination of the three legal proceedings described above, all three are covered by the indemnities provided under the Agreement. On 9 September 2022, the Company sent the Purchaser a notice of disagreement, in which the Company argued that the Forged Reports and Bertè Tunnel proceedings were not covered by the indemnities provided under the Agreement. This was because, according to the Company, the proceedings covered by the Special Indemnities are expressly indicated in the Agreement and thus constitute a closed list, even if the parties were aware of both investigations when signing the Agreement.

There have been further exchanges of correspondence between the Purchaser and the Seller, which both parties have reiterated their opposing views.

Criminal action brought before the court of ancona regarding the collpase of the sp10 flyover above the A14 Bologna – Taranto

This relates to the action resulting from 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 against a number of employees of ASPI, SPEA and Pavimental regarding the offences of "accessory to culpable collapse" and "accessory to multiple negligent homicide". The above companies are also 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"). SPEA's role was to drawing up a new design, manage the project and coordinate safety during construction.

At the hearing of 7 June 2022, ASPI, Pavimental and SPEA filed a joint motion making available the sum of €123,000, as quantified by the expert appointed by the Public Prosecutor's Office as ASPI's proceeds from the crime. The defendants also declared that ASPI had implemented all the necessary remedial measures in response to the event.

The trial is proceeding with the admission of evidence and the examination of witnesses by the Public Prosecutor. The next hearing is scheduled for 18 April 2023.

In a letter dated 15 July 2022, the Purchaser reserved the right to file a claim with regard to this litigation, without so far actually filing any such claim.

Claim for damages in relation to alleged breaches of environmental laws during work on the Variante di Valico

In the judgement handed down by the Court of Florence on 30 October 2017, the court acquitted Autostrade per l'Italia's Joint General Manager for Network Development and the Project Manager of all charges, ruling that there was no case to answer in relation to alleged breaches of environmental laws during work on 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).

The Public Prosecutor's office in Florence filed a per saltum appeal before the Supreme Court. The Supreme Court, partially upholding the per saltum appeal, cancelled the above judgement, returning the case to the Florence Court of Appeal for a new trial, which is still in progress.

The Ministry of the Environment has filed an appearance as a civil claimant.

Proceeding before the court of appeal in rome – Autostrade per l'Italia and Movyon (formerly autostrade tech) against Alessandro Patanè

This regards the appeal filed by Autostrade per l'Italia and Movyon before the Court of Appeal in Rome against judgement 120/2019, in which the court of first instance had (i) rejected ASPI's request for a ruling in its favour on ownership of the intellectual property represented by the information system used in conducting speed checks (SICVe) and the related claim for damages due to lack of evidence, and (ii) declared inadmissible Mr Patanè's counterclaim regarding certain outstanding orders from ASPI to purchase products relating to the SICVe system.

In judgement 7942 dated 7 December 2022, the Court of Appeal in Rome ruled that neither ASPI nor the companies controlled by Mr Patanè had provided proof of ownership of the software used in the information system for conducting speed checks ("SICVe"). The Court upheld ASPI's motion rejecting the claim based on the Memorandum of Understanding signed in 2013, considering that ASPI had never requested initiation of a project, and rejected the claim for libel damages brought by ASPI following the article "Tutor: the amazing battle of Alessandro Patanè (MPA Group)" published on the website www.automobilista.it on 27 July 2013.

ASPI and Movyon have lodged an appeal before the Supreme Court.

Patanè/Anas, Ministry of Internal Affairs, Autostrade per l'Italia and Movyon

This regards legal action brought by Mr Patanè against ANAS and the Ministry of Internal Affairs for improper use of the SICVe (Vergilius) system and the related software.

ANAS appeared to implead Autostrade per l'Italia and Movyon in order to be relieved of liability and held harmless. ANAS, Autostrade per l'Italia and Movyon have all requested the case to be suspended in accordance with art. 295 of the code of civil procedure, in view of the pending litigation regarding the ownership of the software.

At the hearing on 15 September 2021, the court upheld the requests from Autostrade per l'Italia and Movyon and halted the case whilst awaiting the outcome of the action brought by Mr Patanè before the Supreme Court.

Class Action

The class action was brought before the Court of Rome by two Liguria Regional councillors against ASPI and regards a claim for the alleged pecuniary and non pecuniary damages on behalf of all the residents of the Liguria region. The plaintiffs claim that ASPI's failure to meet its maintenance and safety obligations prior to 2018 led not only to the collapse of the bridge, but also to the subsequent concentration of extraordinary maintenance work on roads in the Liguria region.

On 22 November 2022, the Court ruled that the class action in question was inadmissible, due to the inapplicability of the legislation that introduced class actions into Italian law (Law 31/2019), as the conduct resulting in the claim took place prior to 18 May 2021, the date of the entry into force of the new procedure for class actions. The above judgement became final following the plaintiffs' failure to appeal.

On 29 November 2022, ASPI sent the Company an Information note referring to a class action launched by Altroconsumo (a consumers' association) representing 16 claimants/motorway users pursuant to art. 140-bis of the Consumer Code. The action regards alleged breaches by ASPI (prior to 18 May 2021) in relation to disruption suffered by motorway users as a result of a lack of maintenance. As a result, the plaintiffs are claiming a refund of a portion of the tolls paid. On 28 January 2023, ASPI filed an appearance. No date for an initial hearing has so far been scheduled.

In terms of indemnities to be provided under the Agreement, on 4 August 2022, the Purchaser sent the Company a Notice of Claim regarding the class action launched by Altroconsumo, event though, as things stand, the action is not pending. On 9 September 2022, the Company responded to the Purchaser with a Notice of Disagreement, contesting the grounds for the Notice of Claim as the class action is not covered by the Special Indemnities.

Notice of claim from holding Reti Autostradali – Lazio Regional Administrative Court – referral to the European Court of Justice

On 28 July 2022, the Company received a notice of claim from the Purchaser regarding representations made in the Agreement regarding effectiveness of the conditions and documents required for the Settlement Agreement and Addendum to ASPI's Single Concession Arrangement to be effective. Mundys, supported by external legal opinion, has contested the grounds for any such claim. The above documents are being challenged at Lazio Regional Administrative Court by a number of consumer associations ("the Plaintiffs").

Following the hearing on the merits held on 11 October 2022, on 19 October the Court handed down a non-final ruling (no. 13434/2022) in which it ruled that only one plaintiff and two associations appearing ad adiuvandum had the legal interest and standing to bring the action. The Court also referred the case to the European Court of Justice for a ruling on certain preliminary matters. The Court thus adjourned the case whilst awaiting a ruling from the Court of Justice.

On 26 October 2022, the Attorney General – acting on behalf of the public administrations involved - notified an appeal before the Council of State requesting cancellation, with prior injunctive relief, of the above non-final ruling and contesting the part in which Lazio Regional Administrative Court ruled that one plaintiff and two associations appearing ad adiuvandum had the legal interest and standing to bring the action. The associations whose legal standing was ruled against by the Court also appealed the decision of Lazio Regional Administrative Court.

Antitrust Authority Investigation

On 25 November 2022, HRA sent the Company a Notice of Claim regarding the investigation of AISCAT (the Italian association of toll road and tunnel operators) and ASPI launched by the Italian Antitrust Authority (the "AGCM") on 18 October 2022 for alleged abuse of a dominant position. The investigation follows a complaint from Unipol Tech, alleging that ASPI, through AISCAT, had prevented new providers from accessing the national electronic tolling system – in which only Telepass operates – redirecting these providers to the European Electronic Toll Service (EETS) and the Interoperable System of Electronic Tolling for Heavy Vehicles (SIT-MP).

On 12 December 2022, the Company sent a Notice of Disagreement, rejecting the claim as groundless and noting that no breach of the warranties referred to by the Purchaser could be inferred from the investigation underway and that, in any event, the Company is not in any way responsible for ASPI's conduct post-closing.

Notices of claim – Appia Investments Srl and Silk Road Fund

On 3 and 5 May 2021, the Company received two notices of claim, one from Appia Investments Srl ("Appia") and another from Silk Road Fund (Autostrade per l'Italia's non-controlling shareholders). The claims allege breaches of the representations and undertakings given at the time of Company's sale of a 11.94% stake in Autostrade per l'Italia in accordance with the respective share purchase agreements (SPAs) signed by the parties in May 2017. The attempt to reach an amicable settlement of the dispute between the parties, in accordance with the SPAs, has failed so far. To the state, the minority shareholders of ASPI have not initiated arbitration proceedings.

ABERTIS GROUP

Spain

Acesa – dispute with the Grantor

In 2006, ACESA signed an addendum with the Grantor, approved with Royal Decree 457/2006. The addendum contains a commitment to widen the AP-7 section and other provisions, including the provision of exemptions, discounts and Acesa's waiver of its right to claim indemnities to cover for any loss of traffic due to improvements to alternative roads. The agreement also established a margin guarantee whereby the difference in revenue resulting from the variance between actual traffic and the amount of traffic specified in the Royal Decree would be compensated for. The compensation was payable in cash following expiry of the concession term in August 2021, at a fixed rate of remuneration.

The work provided for in the addendum was carried out by ACESA between 2007 and 2016 at a total cost of €558 million. In the meantime, given that actual traffic was below the projections included in the addendum, the compensation payable in relation to the shortfall in traffic has risen to €4.1 billion by August 2021.

In 2011, correspondence between the Grantor and the operator revealed that there was a difference of interpretation regarding the guaranteed levels of traffic contained in the agreement signed in 2006, causing ACESA to initiate an administrative procedure.

In 2015, given that its interpretation of the agreement of 2006 had not been accepted, ACESA filed a legal challenge against the Grantor. The Grantor announced that it intended to contest the payment of compensation for lost traffic, based on a ruling from the Spanish Cabinet in 2017. The ruling interpreted the compensation linked to guaranteed levels of traffic as not due, with the sole exception being the portion relating to the loss of traffic to alternative roads.

Following the legal proceedings, on 5 June 2019, Acesa received notice of the judgment issued by the Supreme Court, which – without entering into the merits of the dispute – established that the final amount of compensation due (i.e., including the portion covering the guaranteed levels of traffic) could only be determined upon expiry of the concession on 31 August 2021, in accordance with the term provided for in the concession arrangement.

As provided for in the agreements, on 29 September 2021, ACESA sent the Grantor a request for compensation calculated on the above basis (i.e., compensation linked to investment in the construction of additional lanes and compensation linked to the guaranteed levels of traffic).

At the end of February 2022, the Grantor responded to the request for payment, in respect of the portion associated with investment, by agreeing to pay €1,070 million and contesting approximately €130 million and the compensation linked to the guaranteed levels of traffic. On 1 July 2022, the company completed the process of filing appeal before the High Court, with the aim of obtaining payment of the contested amount relating to compensation for investment and full recognition of the compensation linked to traffic levels. The appeal involves a total amount of €4 billion (of which €3.6 billion has been written down).

Whilst Abertis continues to stand by its interpretation of the agreements of 2006, the amount receivable as compensation for the loss of traffic, which was written off from 2015, was revalued as at 31 December 2021 and confirmed on 31 December 2022. This was done on the basis of the amount due for the impact on traffic of the alternative roads, estimated by independent parties to be €277 million after tax.

Dispute in relation to the bankruptcy of Alazor Inversiones

On 22 January 2019, 5 funds who are creditors of Alazor Inversiones SA began legal proceedings to obtain payment of a total amount of €228 million. This sum has been included in provisions for risks, in accordance with the guarantees provided under the financial support agreement between Iberpistas and ACESA, an Abertis group company, to the creditor banks of the investee, Alazor Inversiones SA (a company in liquidation).

On 2 November 2021, the Court of First Instance of Madrid issued a judgment by which Iberpistas and ACESA (as guarantor of Iberpistas for 50% of the amount), are ordered to pay Haitong Bank Sucursal in Spain (as agent of the syndicate of financing entities of Alazor Inversiones SA), the above amount of €228 million. Iberpistas and Acesa have filed an appeal against the aforementioned judgment.

On 30 December 2021, the Grantor issued a press release stating that it shall pay approximately €119 million, plus interest, to the operator, Alazor Inversiones SA in compliance with the Public Administration obligation to indemnify the operator as a result of the early termination of the concession agreement (Responsabilidad Patrimonial de la Administración or "RPA"). This amount, paid in January 2022, was paid in full to the secured creditors. The amount paid by the Grantor must be recalculated following a Supreme Court judgement issued on 28 January 2022, adjusting the calculation method concerning construction works and the expropriation of land for the construction of the R3/R5 roads. Following the criteria determined by the Supreme Court in its judgement, the RPA amount could increase and, as a result, the remaining risk of exposure for Abertis group companies could decline.

Following the payment and a revised assessment of the risk, the amount of the provisions made to cover the risk amounts to €173 million, after the partial release for €55 million took place in 2022.

Dispute in relation to Invicat

In 2010, Invicat and the Grantor agreed on certain compensations deriving from investment amounting to approximately €96 million and included in addition to the concession agreement (Royal Decree 483/1995).

The parties also agreed on compensation based on guaranteed traffic levels, to be measured on the basis of the difference between actual traffic and the agreed growth rate, to be computed after the end of the concession term (31 August 2021).

The agreement was supplemented in 2015, with a new agreement detailing investment commitments for the Blanes-Lloret section (approximately €65 million out of the total €96 million).

In June 2021, the Grantor audited Invicat's 2020 annual accounts and, unlike previous years, raised a number of objections regarding calculation of the compensation. These objections were reiterated by the Grantor in a report sent to Invicat in August 2021.

Following expiry of the concession on 31 August 2021, on 7 October 2021, the Spanish operator sent the Grantor a final request for compensation due under the agreements signed by the parties.

On 18 January 2022, the Grantor paid Invicat €66 million as payment on account for the final amount payable under the existing agreements.

On 25 March 2022, Invicat lodged appeal before the High Court of Catalogna with the aim of obtaining payment in full of the requested amount.

On 13 June of this year, Invicat received notice of the Grantor's decision on its final determination of the compensation due under the agreements. The decision indicates that the sums paid in January 2022 are intended as final, thereby rejecting Invicat's earlier request for payment of an additional amount. On 14 December 2022, Invicat formally began legal action before the High Court of Catalogna challenging the Grantor's position. The pending appeals regards compensation amounting to €0.3 billion (with the full amount written down).

Dispute with Autema

Autopistas Concesionaria Española, SA (Acesa) owns a minority interest (23.72%) in the operator, Autopista Terrassa-Manresa, Autema, Concessionària de la Generalitat de Catalunya, SA (Autema). Autema's other shareholder is INCA, a subsidiary of Cintra.

On 18 October 2022, Acesa was notified of a letter of claim presented by Autema and its majority shareholder, INCA, against Acesa, the former's minority shareholder, for alleged damages (approximately €96 million) resulting from its decision to block a financial transaction consisting in the partial monetisation of an inflation derivative held by Autema.

The claim brought has not been adequately justified and the accompanying expert appraisal is likewise inadequate in seeking to allege that the damages were caused solely by the actions of the minority shareholder. ACESA filed a crossclaim on 16 November 2022.

The Group has not made any provisions for the claims brought, believing that is has solid legal grounds for refusing the claim against it.

Chile

Agreement on a major capex project in Santiago which will extend Autopista Central's concession

On 7 October 2021, Autopista Central signed an agreement with the Chilean Ministry of Public Works for the deployment of a major project aimed at removing bottlenecks from one of the most congested areas in the northern part of Santiago de Chile.

The project consists of the construction of two one-way tunnels (1.5 km each) connecting territories within the metropolitan area of Santiago de Chile. Under the agreement, the duration of the Autopista Central concession will be extended by 20 months (from July 2032 to March 2034). On 20 April 2022, the Supreme Decree regardimng the project was published.

Autopista Central has held two calls for tenders for award of the construction contract without receiving any bids, with the result that the project has lapsed and the parties have been released from their obligations under the agreement. Despite this, the parties are continuing with talks aimed at concluding a new agreement in 2023.

Brazil

Dispute between Arteris and ARTESP over rebalancing mechanism agreed in 2006

In 2011, the Grantor for the State of Sao Paulo (ARTESP) initiated a process aimed at revoking the Addenda and Amendments signed and approved by the Grantor itself in 2006 after reaching agreement with the 12 operators responsible for the motorways in the State of Sao Paulo. The operators belonging to the Arteris group are Autovias, Vianorte, Intervias and Centrovias, which were taken to court by ARTESP in 2014. The above Addenda and Amendments were designed to extend the concession terms to compensate for, among other things, the costs linked to taxes introduced after the award of the concessions. ARTESP is contesting the fact that the compensation mechanisms agreed in 2006 (and also ratified by the Court of Auditors for the State of Sao Paulo) were calculated on the basis of forecasts in the financial plan submitted when tendering for the concession, as moreover provided for in the Concession Arrangement, and not based on actual figures. The concessions held by Autovias, Vianorte and Centrovias have by now expired and only Intervias's concession remains in force, with expiry currently due in 2028. Courts of various instances have found against Intervias, Autovias, Vianorte and Centrovias, which have lodged further appeals before the relevant authorities. At the same time, Arteris is negotiating a settlement agreement with ARTESP with a view to resolving all the above disputes and settling all pending claims (payables and receivables) on the above operators. On 20 September of last year, a preliminary agreement was signed and a final agreement is expected to be signed in the first half of 2023. The preliminary agreement, announced by Arteris last September 2022 on its website, provides for a scheme for the settlement of various regulatory pending issues related to group concessionaires (Autovias, Vianorte, Centrovias and Intervias) through an extension of the Intervias concession (the only one still in force among those mentioned), some discounts in fees for users and a maintenance plan for the toll road managed by Intervias.

Negotiated return of the Fluminense federal concession

Following approval from the federal grantor (ANTT) and Brazil's Ministry of Infrastructure and the issue of a presidential decree upholding the request for return of the concession, on 15 June 2022, Arteris and ANTT signed an amendment to Fluminense's concession arrangement, establishing the procedure for handing back the concession over an estimated two-year period. The amendment includes an agreement governing how the section of motorway is to be managed during the transition period. Once it has handed back the concession, Arteris will have the right to receive compensation from ANTT based on undepreciated investment. This has been preliminarily estimated as €138 million payable after December 2023. In the meantime, ANTT will arrange for a new auction process to award the concession.

Argentina

Dispute between AUSOL and GCO and the Argentine Government regarding amendments to the concession arrangements agreed in 2018 (Acuerdos Integrales de Renegociación or "AIR")

On 14 September 2022, the Argentine Government issued a Decree tasking the country's highways agency (Dirección Nacional de Vialidad or "DNV") with filing claims with the relevant courts for damages incurred by the state as a result of the agreements of 2018. The declared aim of the action is to obtain a ruling cancelling the agreement with both AUSOL and GCO.

On 11 October 2022, the Argentine Government announced that it had filed a request to have the agreements with AUSOL declared null and void and a precautionary request to takeover management of the concession. The company was not given access to either the text of the request or the precautionary request.

Following the launch of arbitration proceedings by the two operators and the Government, on 27 October 2022, the Government filed a claim against GCO for alleged damages caused by approval of the concession arrangement, including a request for precautionary relief.

Following an exchange of claims and counterclaims, on 24 November 2022, Abertis, acting in its position as the main shareholder of the two operators, sent a letter to the Argentine Government, notifying it that it reserved the right to appeal to the International Centre for Settlement of Investment Disputes (ICSID) unless agreement was reached within six months.

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 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. This is based on 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. 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. As of 31 December 2022, seizures had been carried out from the bank accounts of ABC Group companies, amounting to approximately 173 milion Brazilian reals (approximately €31 million). The Court has already released previously frozen monies amounting to approximately 68 million Brazilian reals (approximately €12 million) 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.

On 14 December 2021, AB Concessoes's Board of Directors decided to initiate action to recover payments made to the workers from the Bertin group companies. There were no significant developments in 2022.

Extension of Triangulo do Sol's motorway concession

In August 2022, Triangulo do Sol and the Government of the State of Sao Paulo signed a further addendum extending the concession term until 30 April 2023, to offset regulatory receivables. In recent months, the Grantor began the proces of awarding the new concession and on 15 September 2022 awarded it to Ecorodovias. At the same time, negotiations are continuing with the authorities by Triangulo do Sol for the rebalancing still pending.

Freeze on toll increases in the State of Sao Paulo

On 30 June 2022, the Grantor announced that it was temporarily freezing tolls for the holders of state concessions in the State of Sao Paulo, including Triangulo do Sol and Colinas. The 10.72% increase due to come into effect from 1 July has been delayed and will now be applied by the end of 2022. The revenue lost as a result of the delay will be compensated for through bi-monthly cash payments from the Grantor.

On 17 August, a collective agreement was signed by all the operators of state concessions in the State of Sao Paulo, confirming the cash compensation payable by the Grantor to operators until 15 December and authorising toll increases from 16 December 2022.

Infinity group labour litigation

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Chile

Los Lagos – Addedundum for road and road safety works

On 20 April 2022, the Presidential Decree approving the Convenio ad Referendum no. 2 ("CAR 2"), the addendum signed by the operator, Los Lagos, and the Ministry of Public Works, was published in the Official Gazette of Chile. The addendum formalises the process by which the operator will be compensated for carrying out certain road and road safety works. The services will be remunerated at a real rate of 5.6% by extending the concession term by up to 17 months and/or via a cash payment. The total value of the works programme is approximately 30 billion Chilean pesos (approximately 33 million at the closing exchange rate as of 31 December 2022).

Tender for renewal of the Acceso Vial Aeropuerto Arturo Merino Benítez (AMB) concession

On 9 December 2022, Grupo Costanera submitted a bid for renewal of the AMB concession it currently holds and was the only bidder. On 6 January 2023, the financial bids were opened and, after analysis by the tender commission, the bid submitted by Grupo Costanera was declared valid. As required by Chilean law, the final award of the tender for the new concession to the Grupo Costanera will need to be formalised by a Presidential Decree.

Tariff review for 2023

On 15 December 2022, in view of the exceptionally high level of inflation (13.3%), the Grantor (the Ministry of Public Works) issued a Supreme Decree - aimed at reducing the impact of the tariff increase for users via gradual application of the increase for 2023 - which authorised 50% of the rise in inflation (6.65%) from 1 January 2023 , and the remaining 50% from 1 July 2023. The shortfall in revenue in the first half of the year will be offset by the Regulator via a cash payment made by 31 December 2023.

AEROPORTI DI ROMA GROUP

AdR's regulatory framework

On 9 March 2023, the Transport Regulation Authority ("ART") published Resolution 38/2023, introducing new regulatory frameworks for the airports sector applicable from 1 April 2023 and cancelling Resolution 136/2020 and the regulatory frameworks included therein. With regard to airport operators regulated under excepted contracts, such as AdR, the new regulatory frameworks must be reflected in new addenda to be agreed by the grantor and the operator.

AdR proposed to ART that the current tariffs should be extended to 2023 (as already happened for 2022), expressly reserving its rights in the pending court cases.

For the purpose of full disclosure, it should be noted that, awaiting the completion of the review of regulatory frameworks and the determination of tariffs, the legal challenges brought by AdR before Lazio Regional Administrative Court, regarding ART's earlier resolutions and the rejection of starting consultation on airport fees expressed in December 2021, are still pending.

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 □ 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. A hearing has yet to be 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.

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 (Ministry of the Environment and the Protection of Land and Sea - MATTM) expressed a negative opinion in relation to its environmental compatibility via Ministerial Decree 79/20. Discussions are still continuing between AdR and ENAC regarding technical clearance, which is the Regulator's responsibility, for the new Airport Development Plan.

In a memorandum dated 4 August 2022, ENAC asked the Municipality of Fiumicino to start the procedure for redefining the boundaries of the Rome's Coastal Nature Reserve. This procedure is in preparation for certain construction works, which are envisaged by the new Airport Development Plan and cannot be located elsewhere, and also come within the boundaries of the Nature Reserve.

On 10 November 2022, ENAC asked the Municipality of Fiumicino for feedback on the requested start of work on changes to the boundary.

AEROPORTS DE LA COTE D'AZUR GROUP

Tariff developments

In 2016, as part of the privatisation process, the French Directorate General of Civil Aviation (DGAC) and ACA agreed on general principles for regulating the concession on the basis of a five-year regulatory framework (economic regulation agreement or "ERA"). The agreement set out the general regulatory principles (including the "dual till" system) and the tariffs to be applied for the period 2017-2021, with a view to achieving long-term tariff stability, which was duly assessed by the Company in the competitive bidding process. On the basis of these principles, a consortium led by the Company acquired a 64% stake in ACA from the state on 9 November 2016, for a total consideration of €1.3 billion.

Pending the formalisation of the ERA, ACA made no request to update the tariffs, which remained unchanged. Despite the provisions of the agreements, the ERA was never finalised.

On 14 July 2018, an initial decree was published by the French Ministry of Transport establishing (i) the scope of regulated and non-regulated activities (i.e., dual till), and (ii) a "price cap" tariff update mechanism linked to inflation. Therefore, in compliance with the provisions of the decree, ACA filed its tariff request for the period 2018 - 2019, proposing an average tariff reduction of 0.65%.

On 21 January 2019, the Independent Supervisory Authority (ISA) rejected ACA's proposal and unilaterally determined the tariffs as of 15 May 2019, with an average reduction of 33.4%. While recognising ACA's right to obtain higher tariffs, the ASI justified the tariff reduction by stating, among other things, that the new tariff rates would have to be compared with those theoretically applicable under the "single till" model in force before 2018, and that a return to adequate tariff rates would be achieved over a longer period of time.

ACA challenged ASI's decision before the French Council of State, arguing that the new tariff rates would not allow for a fair return on the capital invested in regulated activities. However, on 31 December 2019, Council of State rejected ACA's request, confirming the tariff reduction and declaring the partial invalidity of the 2018 decree with regard to the tariff update mechanism.

On 3 February 2020, after the Council of State's ruling, the Ministry of Transport issued a new decree confirming the "dual till" regulation system for the entire duration of the concession, and expressly excluded any contribution of non-regulated activities in the determination of regulated tariffs.

In March 2020, the Covid-19 pandemic began to cause a major slowdown in traffic. ACA submitted a new tariff request for the period 2020-2021, asking for an average increase of 13% in order to begin to restore a fair level of remuneration for regulated activities. On 30 July 2020, the new French regulator ART rejected ACA's request, stating that a principle of "moderation" should apply to annual tariff increases, and therefore approved an increase of only 3%. The same approach was applied at other French airports.

After this ART decision, on 29 July 2021 the Regulator approved ACA's request for a tariff increase of 3.2% from 1 November 2021. On 15 September 2022, the ART authorised a tariff increase of 4.4% as of 1 November 2022.

With this principle of "moderate" increases in tariffs, the period of time needed to re-establish adequate tariff rates will be even longer than previously estimated. ACA will consider the most appropriate measures to restore a fair level of remuneration for regulated activities.

Covid relief

Following the spread of the Covid-19 pandemic, ACA started discussions with the DGAC in 2020 aimed at reaching an agreement on restoring the financial feasibility of the concession. Discussions have continued since then, and on 14 February 2023, ACA and the DGAC initiated a conciliation procedure as envisaged in the Concession Arrangement (Art. 91), which is still in progress.

TELEPASS GROUP

Antitrust Authority investigation on motor insurance policies

In May 2021, Telepass and Telepass Broker challenged the Antitrust Authority's decision 28601 to impose a fine of €2 million for alleged misleading commercial practices in the distribution of motor insurance policies before Lazio Regional Administrative Court. The Data Protection Authority has filed an appearance to reffirm its jurisdiction.

On 13 January 2023, the first section of Lazio Regional Administrative Court published judgement 603/2023, in which it turned down the challenge filed by Telepass and Telepass Broker requesting cancellation of the above fine, and the reasons given by the Data Protection Authority. Telepass and Telepass Broker have appealed to the Council of State.

10.7 Events after 31 December 2022

New by-laws and upstream loan

On 16 January 2023, the General Meeting resolved to adopt a new by-laws, and to appoint, until the approval of the financial statements for the 2025 fiscal year, the new Board of Directors and the new Board of Statutory Auditors. Additionally, pursuant to art. 2358, paragraph 2, of the Italian Civil Code, a subsequent extraordinary General Meeting held on the same date, approved an upstream credit facility of up to €8,225 million to Schemaquarantadue SpA, as described in the note 6.1, of which €8.200 million drawn down.

Skytrax 5-star evaluation for Leonardo da Vinci Fiumicino airport

On 26 January 2023, Fiumicino airport obtained the 5 Skytrax stars, the highest recognition awarded by the international air transport rating organization for the excellent standards in the quality of the service provided to passengers.

Sustainability Yearbook and inclusion within the Best Rated ESG companies

In January 2023, Mundys was included in S&P Global's Sustainability 2023 Yearbook, one of the largest global databases on sustainability that includes only the 9% of the best companies globally assessed among over 7,800 in 61 sectors, and in the Top Rated ESG Companies 2023 List by Morningstar Sustainalytics, analyzing more than 15,000 companies in 41 industries. It should also be noted that Abertis was rated among the top 50 companies in the latter ranking, being included in the Global Top 50 Best Rated Companies 2023 List.

Merger of Schemaquarantadue and Schema Alfa in Mundys

On 15 February 2023, the Mundys's Board of Directors and General Meeting approved the plan for a trilateral reverse merger of the two parent companies Schemaquarantadue SpA and Schema Alfa SpA into Mundys. For further details on this corporate transaction please refer to the note 6.1. Furthermore, as of the effectiveness of the merger, the Company will adopt new by-laws, annexed to the merger plan.

ADR Ventures establishment

On February 6, 2023, ADR Ventures was born, the new corporate vehicle created by Aeroporti di Roma to launch Corporate Venture Capital activities. This is the first initiative of its kind in the air transport sector in Italy and is aimed at financing the development of projects in areas with high innovation potential.

Carbon Disclosure Project (CDP) Rating Upgrade

On 15 February 2023, Mundys obtained an "A-" rating from the Carbon Disclosure Project (CDP), an international organization that assesses the ability of approximately 19,000 companies to implement climate action initiatives and protect the world's natural resources. The Holding's rating marks a significant upgrade on the previous "B", on a scale from a minimum score of "D-" to a maximum of "A".

New regulation models for AdR

With Resolution 38 of March 9, 2023, the ART defined the new regulation models applicable to the Italian airport sector starting from April 1, 2023.

Change of company name

On 14 March 2023, the Extraordinary General Meeting resolved to change the Company's name from Atlantia SpA to Mundys SpA. Mundys's strategic goal is to continue the Group's growth and modernisation, investing in sustainable infrastructure (primarily airports and motorway networks) and in technological innovation, supporting people at all stages in their journey, whether across town or long-distance, by providing quality services designed with a view to caring for the environment.

Andrea Mangoni first Mundys' CEO

Having noted the resignation of Andrea Pezzangora as a Director, the Board of Directors also called a General Meeting of shareholders to be held on 28 April to elect a new member of the Board of Directors, enabling the Board, due to meet on the same date, to appoint Andrea Mangoni as CEO.

ANNEXES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Annex 1 - Mundys Group's scope of consolidation and investments as of 31 December 2022

							Interest		
Name	Registered office *	Business	Currency	Issued capital/ consortium fund	Held by	% interest as of 31 December 2022	Group	non-controlling	Note
PARENT COMPANY									
MUNDYS S.p.A.	Rome	Holding company	Euro	825,783,990					
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS									
A4 HOLDING S.p.A.	Verona	Holding company	Euro	134,110,065	Abertis Italia S.r.l.	91.26%	45.24%	54.76%	
A4 MOBILITY S.r.l.	Verona	Design, construction and maintenance	Euro	100,000	A4 Holding S.p.A.	91.26%	45.24%	54.76%	
A4 TRADING S.r.l.	Verona	Other activities	Euro	3,700,000	A4 Holding S.p.A.	91.26%	45.24%	54.76%	
AB CONCESSÕES S.A.	San Paulo (Brazil)	Holding company	Brazilian Real	558,625,000	Autostrade Concessões e Participações Brasil limitada	50.00%	50.00%	50.00%	(1)
ABERTIS AUTOPISTAS ESPAÑA S.A.	Madrid (Spain)	Holding company	Euro	551,000,000	Abertis Infraestructuras S.A.	100.00%	49.57%	50.43%	
ABERTIS GESTIÓN VIARIA S.A.	Barcelona (Spain)	Design, construction and maintenance	Euro	60,000	Abertis Autopistas España S.A.	100.00%	49.57%	50.43%	
ABERTIS HOLDCO S.A.	Madrid (Spain)	Holding company	Euro	100,059,990	Mundys S.p.A.	50.00%	50.00%	50.00%	(2)
ABERTIS INDIA TOLL ROAD SERVICES LLP	Mumbai (India)	Holding company	Indian Rupee	185,053,700		100.00%	49.57%	50.43%	
					Abertis India S.L.	99.00%			
					Abertis Internacional S.A.	1.00%			
ABERTIS INDIA S.L.	Madrid (Spain)	Holding company	Euro	16,033,500	Abertis Internacional S.A.	100.00%	49.57%	50.43%	
ABERTIS INFRAESTRUCTURAS FINANCE B.V.	Amsterdam (Netherlands)	Financial services	Euro	18,000	Abertis Infraestructuras S.A.	100.00%	49.57%	50.43%	
ABERTIS INFRAESTRUCTURAS S.A.	Madrid (Spain)	Holding company	Euro	2,133,062,968	Abertis HoldCo S.A.	99.14%	49.57%	50.43%	(2)
ABERTIS INTERNACIONAL S.A.	Madrid (Spain)	Holding company	Euro	33,687,000	Abertis Infraestructuras S.A.	100.00%	49.57%	50.43%	
ABERTIS ITALIA S.r.l.	Verona	Holding company	Euro	341,000,000	Abertis Internacional S.A.	100.00%	49.57%	50.43%	
ABERTIS MOBILITY SERVICES S.L.	Barcelona (Spain)	Holding company	Euro	1,003,000	Abertis Infraestructuras S.A.	100.00%	49.57%	50.43%	

Name	Registered office *	Business	Currency	Issued capital/ consortium fund	Held by	% interest as of 31 December 2022	Interest Group	Interest non-controlling	Note
ABERTIS TELECOM SATÉLITES S.A.	Madrid (Spain)	Holding company	Euro	242,082,290	Abertis Infraestructuras S.A.	100.00%	49.57%	50.43%	
ACA HOLDING S.A.S.	Nice (France)	Holding company	Euro	17,000,000	Aéroports de la Côte d'Azur	100.00%	38.66%	61.34%	
ADR ASSISTANCE S.r.l.	Fiumicino	Airport services	Euro	4,000,000	Aeroporti di Roma S.p.A.	100.00%	99.39%	0.61%	
AERO 1 GLOBAL & INTERNATIONAL S.à.r.l.	Luxembourg	Holding company	Euro	6,670,862	Mundys S.p.A.	100.00%	100.00%	-	
AEROPORTI DI ROMA S.p.A.	Fiumicino	Airport concessions	Euro	62,224,743	Mundys S.p.A.	99.39%	99.39%	0.61%	
AÉROPORTS DE LA CÔTE D'AZUR S.A.	Nice (France)	Airport concessions	Euro	148,000	Azzurra Aeroporti S.p.A.	64.00%	38.66%	61.34%	
AÉROPORTS DU GOLFE DE SAINT TROPEZ S.A.	Saint Tropez (France)	Airport concessions	Euro	3,500,000	Aéroports de la Côte d'Azur	99.94%	38.63%	61.37%	
AIRPORT CLEANING S.r.l.	Fiumicino	Airport services	Euro	1,500,000	Aeroporti di Roma S.p.A.	100.00%	99.39%	0.61%	

* Group entities are incorporated in the jurisdiction in which they conduct their actual business, and their tax residence is always the same as their location

[1] The Mundys Group holds 50% plus one share in the company and exercises control on the base of partnership and governance agreements

[2] As of 31 December 2022, Abertis Infraestructuras holds 4,003,611 of its own shares. Abertis HoldCo's interest is thus 99.14%, while 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 Mundys Group's interest is, instead, 49.57%

Name	Registered office *	Business	Currency	Issued capital/ consortium fund	Held by	% interest as of 31 December 2022	Interest Group	Interest non-controlling	Note
ADR MOBILITY S.r.l.	Fiumicino	Airport services	Euro	1,500,000	Aeroporti di Roma S.p.A.	100.00%	99.39%	0.61%	
ADR SECURITY S.r.l.	Fiumicino	Airport services	Euro	400,000	Aeroporti di Roma S.pA.	100.00%	99.39%	0.61%	
ADR INGEGNERIA S.p.A.	Fiumicino	Design, construction and maintenance	Euro	500,000	Aeroporti di Roma S.p.A.	100.00%	99.39%	0.61%	
ADR TEL S.p.A.	Fiumicino	Other activities	Euro	600,000		100.00%	99.39%	0.61%	
					Aeroporti di Roma S.p.A.	99.00%			
					ADR Ingegneria S.p.A.	1.00%			
AMS MOBILITY SERVICES SPAIN S.L.	Barcelona (Spain)	Tolling and electronic tolling services	Euro	3,000	Abertis Mobility Services, S.L.	100.00%	49.57%	50.43%	
ARTERIS PARTICIPAÇÕES S.A.	San Paulo (Brazil)	Holding company	Brazilian Real	73,842,009	Arteris S.A.	100.00%	20.81%	79.19%	

Name	Registered office *	Business	Currency	Issued capital/ consortium fund	Held by	% interest as of 31 December 2022	Interest Group	Interest non-controlling	Note
ARTERIS S.A.	San Paulo (Brazil)	Holding company	Real brasiliano	5,353,847,555		82.29%	20.81%	79.19%	
					Participes en Brasil S.A.	33.16%			
					Participes en Brasil II S.L.	40.87%			
					PDC Participaçoes S.A.	8.26%			
AUTOPISTA FERNÃO DIAS S.A.	Pouso Alegre (Brazil)	Motorway concessions	Brazilian Real	1,513,584,583	Arteris S.A.	100.00%	20.81%	79.19%	
AUTOPISTA FLUMINENSE S.A.	Rio De Janeiro (Brazil)	Motorway concessions	Brazilian Real	1,034,789,100	Arteris S.A.	100.00%	20.81%	79.19%	
AUTOPISTA LITORAL SUL S.A.	Joinville (Brazil)	Motorway concessions	Brazilian Real	1,748,495,511	Arteris S.A.	100.00%	20.81%	79.19%	
AUTOPISTA PLANALTO SUL S.A.	Rio Negro (Brazil)	Motorway concessions	Brazilian Real	1,099,584,052	Arteris S.A.	100.00%	20.81%	79.19%	
AUTOPISTA RÉGIS BITTENCOURT S.A.	San Paulo (Brazil)	Motorway concessions	Brazilian Real	955,785,422	Arteris S.A.	100.00%	20.81%	79.19%	
AUTOPISTAS DE LEÓN S.A.C.E. (AULESA)	Leon (Spain)	Motorway concessions	Euro	34,642,000	Iberpistas S.A.	100.00%	49.57%	50.43%	
AUTOPISTAS DE PUERTO RICO Y COMPAÑÍA S.E. (APR)	San Juan (Puerto Rico)	Motorway concessions	US Dollar	3,037,690	Abertis Infraestructuras S.A.	100.00%	49.57%	50.43%	
AUTOPISTAS DEL SOL S.A. (AUSOL)	Buenos Aires (Argentina)	Motorway concessions	Argentine Peso	6,086,811,959	Abertis Infraestructuras S.A.	31.59%	15.66%	84.34%	(3)
AUTOPISTAS METROPOLITANAS DE PUERTO RICO LLC	San Juan (Puerto Rico)	Motorway concessions	US Dollar	377,028,659	Abertis Infraestructuras S.A.	51.00%	25.28%	74.72%	
AUTOPISTAS VASCO-ARAGONESA C.E.S.A. (AVASA)	Orozco (Spain)	Motorway concessions	Euro	237,094,716	Iberpistas S.A.	100.00%	49.57%	50.43%	
AUTOPISTAS CONCESIONARIA ESPAÑOLA S.A. (ACESA)	Barcelona (Spain)	Motorway concessions	Euro	319,488,531	Abertis Autopistas España S.A.	100.00%	49.57%	50.43%	
AUTOPISTA TRADOS-45 S.A. (TRADOS-45)	Madrid (Spain)	Motorway concessions	Euro	21,039,010	Iberpistas S.A.	51.00%	25.28%	74.72%	
AUTOPISTES DE CATALUNYA S.A. (AUCAT)	Barcelona (Spain)	Motorway concessions	Euro	96,160,000	Societat d'Autopistes Catalanes S.A.	100.00%	49.57%	50.43%	
AUTOSTRADA BS VR VI PD SPA	Verona	Motorway concessions	Euro	125,000,000	A4 Holding S.p.A.	91.26%	45.24%	54.76%	
AUTOSTRADE CONCESSÕES E PARTICIPACÕES BRASIL LIMITADA	San Paulo (Brazil)	Holding company	Brazilian Real	729,590,863		100.00%	100.0%	-	
					Autostrade dell'Atlantico S.r.l.	66.14%			
					Autostrade Holding do Sur S.A.	33.86%			

(3) The company is listed on the Buenos Aires Stock Exchange

Name	Registered office *	Business	Currency	Issued capital/ consortium fund	Held by	% interest as of 31 December 2022	Interest		Note
							Group	non-controlling	
AUTOSTRADE DELL'ATLANTICO S.r.l.	Rome	Holding company	Euro	1,000,000	Mundys S.p.A.	100.00%	100.0%	-	
AUTOSTRADE HOLDING DO SUR S.A.	Santiago (Chile)	Holding company	Chilean Peso	51,496,805,692		100.00%	100.0%	-	(4)
					Autostrade dell'Atlantico S.r.l.	100%			
					Aero 1 Global & International S.à.r.l.	0.00%			
AUTOVÍAS S.A.	Riberao Preto (Brazil)	Motorway concessions	Brazilian Real	127,655,876	Arteris S.A.	100.00%	20.81%	79.19%	
AZZURRA AEROPORTI S.p.A.	Rome	Holding company	Euro	3,221,234		60.46%	60.40%	39.60%	(5)
					Mundys S.p.A.	52.69%			
					Aeroporti di Roma S.p.A.	7.77%			
BIP&GO S.A.S.	Issy-Les-Moulineaux (France)	Tolling and electronic tolling services	Euro	1,000	Sanef S.A.	100.00%	49.57%	50.43%	
CASTELLANA DE AUTOPISTAS S.A.C.E.	Segovia (Spain)	Motorway concessions	Euro	100,500,000	Iberpistas S.A.	100.00%	49.57%	50.43%	
CENTROVIAS SISTEMAS RODOVIÁRIOS S.A.	Itirapina (Brazil)	Motorway concessions	Brazilian Real	98,800,776	Arteris S.A.	100.00%	20.81%	79.19%	
CONCESSIONÁRIA DA RODOVIA MG050 S.A.	San Paulo (Brazil)	Motorway concessions	Brazilian Real	845,446,594	AB Concessões S.A.	100.00%	50.00%	50.00%	
CONCESIONARIA DE RODOVIAS DO INTERIOR PAULISTA S.A.	Araras (Brazil)	Motorway concessions	Brazilian Real	129,625,130		100.00%	20.81%	79.19%	
					Arteris S.A.	51.00%			
					Arteris Participaçoes S.A.	49.00%			
ABERTIS USA HOLDCO LLC	Virginia (USA)	Holding company	US Dollar	694,500,000	Abertis Infraestructuras, S.A.	100.00%	49.57%	50.43%	
VIRGINIA TOLLROAD TRANSPORTCO LLC	Virginia (USA)	Holding company	US Dollar	1,257,655,832	Abertis USA HoldCo LLC	55.20%	27.36%	72.64%	
ELISABETH RIVER CROSSINGS HOLDCO LLC	Virginia (USA)	Motorway concessions	US Dollar	193,561,837	Virginia Tollroad TransportCo LLC	100.00%	27.36%	72.64%	
ELISABETH RIVER CROSSINGS OPCO LLC	Virginia (USA)	Motorway concessions	US Dollar	193,431,000	Elisabeth River Crossings Holdco, LLC	100.00%	27.36%	72.64%	
EMOVIS OPERATIONS CHILE S.p.A.	Santiago (Chile)	Tolling and electronic tolling services	Chilean Peso	180,000,000	Emovis S.A.S.	100.00%	49.57%	50.43%	
EMOVIS OPERATIONS IRELAND LTD	Dublino (Ireland)	Tolling and electronic tolling services	Euro	10	Emovis S.A.S.	100.00%	49.57%	50.43%	
EMOVIS OPERATIONS LEEDS (UK)	Leeds (UK)	Tolling and electronic tolling services	Pound Sterling	10	Emovis S.A.S.	100.00%	49.57%	50.43%	
EMOVIS OPERATIONS MERSEY LTD	Harrogate (UK)	Tolling and electronic tolling services	Pound Sterling	10	Emovis S.A.S.	100,00%	49.57%	50.43%	

Name	Registered office *	Business	Currency	Issued capital/ consortium fund	Held by	% interest as of 31 December 2022	Interest Group	Interest non-controlling	Note
EMOVIS OPERATIONS PUERTO RICO INC.	Lutherville Timonium (Maryland - Usa)	Tolling and electronic tolling services	US Dollar	1,000	Emovis technologies US INC.	100.00%	49.57%	50.43%	
EMOVIS S.A.S.	Issy-Les-Moulineaux (France)	Tolling and electronic tolling services	Euro	11,781,984	Abertis Mobility Services S.L.	100.00%	49.57%	50.43%	
EMOVIS TAG UK LTD	Leeds (UK)	Tolling and electronic tolling services	Pound Sterling	10	Emovis S.A.S.	100.00%	49.57%	50.43%	

(4) The company's shares are held by: Autostrade dell'Atlantico Srl, with a holding of 1,000,000 shares, and by Aero 1 Global & International S.à.r.l. with 1 share

(5) 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 Mundys SpA's case and 10.00% in Aeroporti di Roma SpA's case

Name	Registered office *	Business	Currency	Issued capital/ consortium fund	Held by	% interest as of 31 December 2022	Interest Group	Interest non-controlling	Note
EMOVIS TECHNOLOGIES CHILE S.A. (IN LIQUIDAZIONE)	Santiago (Chile)	Tolling and electronic tolling services	Chilean Peso	507,941,000	Emovis S.A.S.	100.00%	49.57%	50.43%	
EMOVIS TECHNOLOGIES D.O.O.	Split (Croatia)	Tolling and electronic tolling services	Croatian Kuna	2,365,000	Emovis S.A.S.	100.00%	49.57%	50.43%	
EMOVIS TECHNOLOGIES IRELAND LIMITED	Dublino (Ireland)	Tolling and electronic tolling services	Euro	10	Emovis S.A.S.	100.00%	49.57%	50.43%	
EMOVIS TECHNOLOGIES QUÉBEC INC.	Montreal (Canada)	Tolling and electronic tolling services	Canadian Dollar	100	Emovis S.A.S.	100.00%	49.57%	50.43%	
EMOVIS TECHNOLOGIES UK LIMITED	Londra (UK)	Tolling and electronic tolling services	Pound Sterling	130,000	Emovis S.A.S.	100.00%	49.57%	50.43%	
EMOVIS US INC.	Westbury (New York - USA)	Tolling and electronic tolling services	US Dollar	28,860	Emovis S.A.S.	100.00%	49.57%	50.43%	
EMOVIS TECHNOLOGIES US INC.	Lutherville Timonium (Maryland - USA)	Tolling and electronic tolling services	US Dollar	1,000	Emovis S.A.S.	100.00%	49.57%	50.43%	
EUROTOLL CENTRAL EUROPE ZRT	Budapest (Ungary)	Tolling and electronic tolling services	Euro	16,633	Eurotoll SAS	100.00%	36.72%	63.28%	
EUROTOLL S.A.S.	Issy-Les-Moulineaux (France)	Tolling and electronic tolling services	Euro	3,300,000	Telepass S.p.A.	72.00%	36.72%	63.28%	
FIUMICINO ENERGIA S.r.l.	Fiumicino	Other activities	Euro	741,795	Aeroporti di Roma S.p.A.	87.14%	86.61%	13.39%	
GESTORA DE AUTOPISTAS S.p.A. (GESA)	Santiago (Chile)	Motorway concessions	Chilean Peso	1,091,992,270	Vías Chile S.A.	100.00%	39.66%	60.34%	
GLOBALCAR SERVICES S.p.A.	Verona	Other activities	Euro	500,000	A4 Holding SpA	91.26%	45.24%	54.76%	

							Interest		
Name	Registered office *	Business	Currency	Issued capital/ consortium fund	Held by	% interest as of 31 December 2022	Group	non-controlling	Note
GRUPO CONCESIONARIO DEL OESTE S.A. (GCO)	Ituzaingo' (Argentina)	Motorway concessions	Argentine Peso	11,018,837,116	Acesa	42.87%	21.25%	78.75%	(6)
GRUPO COSTANERA S.p.A.	Santiago (Chile)	Holding company	Chilean Peso	328,443,738,418	Autostrade dell'Atlantico S.r.l.	50.01%	50.01%	49.99%	
HOLDING D'INFRASTRUCTURES DE TRANSPORT 2 S.A.S	Issy-Les-Moulineaux (France)	Holding company	Euro	50,000,000	Abertis Infraestructuras S.A.	100.00%	49.57%	50.43%	
HOLDING D'INFRASTRUCTURES DE TRANSPORT S.A.S	Issy-Les-Moulineaux (France)	Holding company	Euro	959,358,743	Abertis Infraestructuras S.A.	100.00%	49.57%	50.43%	
HUB & PARK	Issy-Les-Moulineaux (France)	Tolling and electronic tolling services	Euro	10,000	Eurotoll SAS	100.00%	36.72%	63.28%	
IBERPISTAS S.A.	Segovia (Spain)	Motorway concessions	Euro	54,000,000	Abertis Autopistas España S.A.	100.00%	49.57%	50.43%	
INFOBLU S.p.A.	Rome	Motorway services	Euro	5,160,000	Telepass S.p.A.	100.00%	51.00%	49.00%	
INFRAESTRUCTURES VIÀRIES DE CATALUNYA S.A. (INVICAT)	Barcelona (Spain)	Motorway concessions	Euro	49,037,215	Societat d'Autopistes Catalanes S.A.	100.00%	49.57%	50.43%	

(6) 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

							Interest		
Name	Registered office *	Business	Currency	Issued capital/ consortium fund	Held by	% interest as of 31 December 2022	Group	non-controlling	Note
INFRAESTRUCTURAS VIARIAS MEXICANAS, S.A. DE C.V	Mexico	Holding company	Mexican peso	32,944,601,641	Abertis Infraestructuras S.A.	100.00%	49.57%	50.43%	
RED DE CARRETERAS DE OCCIDENTE, S.A.B DE C.V. (RCO)	Mexico	Motorway concessions	Mexican peso	337,967,405	Infraestructuras Viarias Mexicanas, S.A. de C.V	53.12%	26.33%	73.67%	
PRESTADORA DE SERVICIOS RCO, S. DE R. L. DE C.V. (PSRCO)	Mexico	Administrative services	Mexican peso	3,000		99.99%	26.33%	73.67%	
					Red de Carreteras de Occidente, S.A. 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%	26.33%	73.67%	
					Red de Carreteras de Occidente, S.A. de C.V.				
					Infraestructuras Viarias Mexicanas, SA de CV				
CONCESIONARIA DE VÍAS IRAPUATO QUERÉTARO, S.A. DE C.V. (COVIQSA)	Mexico	Motorway concessions	Mexican peso	1,226,685,096		100.00%	26.33%	73.67%	
					Red de Carreteras de Occidente, S.A. de C.V.	99.99%			
					RCO Carreteras, S. de R.L. de C.V.	0.01%			
CONCESIONARIA IRAPUATO LA PIEDAD, S.A. DE C.V. (CONIPSA)	Mexico	Motorway concessions	Mexican peso	264,422,673		100.00%	26.33%	73.67%	
					Red de Carreteras de Occidente, S.A. de C.V.	99.99%			
					RCO Carreteras, S. de R.L. de C.V.	0.01%			
CONCESIONARÍA TEPIC SAN BLAS, S. DE R.L. DE C.V. (COTESA)	Mexico	Motorway concessions	Mexican peso	270,369,487		100.00%	26.33%	73.67%	
					Red de Carreteras de Occidente, S.A. de C.V.	99.99%			
					RCO Carreteras, S. de R.L. de C.V.	0.01%			
AUTOVÍAS DE MICHOACÁN, S.A. DE C.V. (AUTOVIM)	Mexico	Motorway concessions	Mexican peso	503,981,795		100.00%	26.33%	73.67%	
					Red de Carreteras de Occidente, S.A. 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	163,416,330	Abertis Infraestructuras S.A.	80.00%	39.66%	60.34%	

							Interest		
Name	Registered office *	Business	Currency	Issued capital/ consortium fund	Held by	% interest as of 31 December 2022	Group	non-controlling	Note
JADCHERLA EXPRESSWAYS PRIVATE LIMITED (JEPL)	Hyderabad (India)	Motorway concessions	Indian Rupee	2,105,983,786		100.00%	49.57%	50.43%	
					Abertis India S.L.	100%			
					Abertis Infraestructuras S.A.	0.00%			
K-MASTER S.r.l.	Rome	Motorway services	Euro	10,000	Telepass S.p.A.	100.00%	51.00%	49.00%	
LEONARDO ENERGIA – SOCIETÀ CONSORTILE a r.l.	Fiumicino	Other activities	Euro	10,000		100.00%	87.89%	12.11%	
					Fiumicino Energia S.r.l.	90.00%			
					Aeroporti di Roma S.p.A.	10.00%			
LEONORD EXPLOITATION S.A.S	Issy-Les-Moulineaux (France)	Other activities	Euro	40,000	Sanef S.A.	85.00%	42.14%	57.86%	
MULHACEN S.r.l.	Verona	Other activities	Euro	10,000	A4 Holding S.p.A.	91.26%	45.24%	54.76%	
OPERAVIAS S.A.	Santiago (Chile)	Holding company	Chilean Peso	4,230,063,893	Vías Chile S.A.	100.00%	39.66%	60.34%	
PARTÍCIPES EN BRASIL II S.L.	Madrid (Spain)	Holding company	Euro	3,100	Participes en Brasil S.A.	100.00%	25.28%	74.72%	
PARTÍCIPES EN BRASIL S.A.	Madrid (Spain)	Holding company	Euro	41,093,222	Abertis Infraestructuras S.A.	51.00%	25.28%	74.72%	
PDC PARTICIPAÇÕES S.A.	San Paulo (Brazil)	Holding company	Brazilian Real	608,563,218	Participes en Brasil S.A.	100.00%	25.28%	74.72%	
RODOVIAS DAS COLINAS S.A.	San Paulo (Brazil)	Motorway concessions	Brazilian Real	226,145,401	AB Concessões S.A.	100.00%	50.00%	50.00%	

(8) Abertis Infraestructuras SA holds 1 share in the company

							Interest		
Name	Registered office *	Business	Currency	Issued capital/ consortium fund	Held by	% interest as of 31 December 2022	Group	non-controlling	Note
SANEF 107.7 SAS	Issy-Les-Moulineaux (France)	Motorway services	Euro	15,245	Sanef S.A.	100.00%	49.57%	50.43%	
SANEF S.A.	Issy-Les-Moulineaux (France)	Motorway concessions	Euro	53,090,462	Holding d'Infraestructures de Transport (HIT)	100.00%	49.57%	50.43%	
SAPN S.A. (SOCIÉTÉ DES AUTOROUTES PARIS-NORMANDIE)	Issy-Les-Moulineaux (France)	Motorway concessions	Euro	14,000,000	Sanef S.A.	99.97%	49.56%	50.44%	
SCI LA RATONNIÉRE S.A.S.	Nizza (France)	Property management	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 S.A.	100.00%	49.57%	50.43%	
SERENISSIMA PARTECIPAZIONI S.p.A	Verona	Property management	Euro	2,314,063	A4 Holding S.p.A.	91.26%	45.24%	54.76%	
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 S.A.	Santiago (Chile)	Motorway concessions	Chilean Peso	5,875,178,700		100.00%	50.01%	49.99%	
					Grupo Costanera S.p.A.	99.98%			
					Sociedad Gestion Vial S.A.	0.02%			
SOCIEDAD CONCESIONARIA AMERICO VESPUCIO ORIENTE II S.A.	Santiago (Chile)	Motorway concessions	Chilean Peso	100,000,000,000		100.00%	50.01%	49.99%	
					Grupo Costanera S.p.A.	100%			
					Sociedad Gestion Vial S.A.	0.00%			
SOCIEDAD CONCESIONARIA AUTOPISTA CEN-TRAL S.A.	Santiago (Chile)	Motorway concessions	Chilean Peso	76,694,956,663	Vías Chile S.A.	100.00%	39.66%	60.34%	
SOCIEDAD CONCESIONARIA AUTOPISTA DE LOS ANDES S.A.	Santiago (Chile)	Motorway concessions	Chilean Peso	35,466,685,791		100.00%	39.66%	60.34%	
					Gestora de Autopistas S.p.A.	0.00%			
					Vías Chile S.A.	100%			
SOCIEDAD CONCESIONARIA AUTOPISTA DEL SOL S.A.	Santiago (Chile)	Motorway concessions	Chilean Peso	4,960,726,041		100.00%	39.66%	60.34%	
					Vías Chile S.A.	100%			
					Gestora de Autopistas S.A.	0.00%			
SOCIEDAD CONCESIONARIA AUTOPISTA LOS LIBERTADORES S.A.	Santiago (Chile)	Motorway concessions	Chilean Peso	16,327,525,305		100.00%	39.66%	60.34%	
					Vías Chile S.A.	100%			
					Gestora de Autopistas S.p.A.	0.00%			
SOCIEDAD CONCESIONARIA AUTOPISTA NORORIENTE S.A.	Santiago (Chile)	Motorway concessions	Chilean Peso	22,738,904,654		100.00%	50.01%	49.99%	
					Grupo Costanera S.p.A.	99.90%			
					Sociedad Gestion Vial S.A.	0.10%			

Name	Registered office *	Business	Currency	Issued capital/ consortium fund	Held by	% interest as of 31 December 2022	Interest Group	Interest non-controlling	Note
SOCIEDAD CONCESIONARIA AUTOPISTA NUEVA VESPUCIO SUR S.A.	Santiago (Chile)	Motorway concessions	Chilean Peso	166,967,672,229		100.00%	50.01%	49.99%	
					Grupo Costanera S.p.A.	100%			
					Sociedad Gestion Vial S.A.	0.00%			
SOCIEDAD CONCESIONARIA CONEXION VIAL RUTA 78 - 68 S.A.	Santiago (Chile)	Motorway concessions	Chilean Peso	32,000,000,000		100.00%	50.01%	49.99%	
					Grupo Costanera S.p.A.	100%			
					Sociedad Gestion Vial S.A.	0.00%			
SOCIEDAD CONCESIONARIA COSTANERA NORTE S.A.	Santiago (Chile)	Motorway concessions	Chilean Peso	58,859,765,519		100.00%	50.01%	49.99%	
					Grupo Costanera S.p.A.	100%			
					Sociedad Gestion Vial S.A.	0.00%			
SOCIEDAD CONCESIONARIA DEL ELQUI S.A. (ELQUI)	Santiago (Chile)	Motorway concessions	Chilean Peso	47,494,203,437		100.00%	39.66%	60.34%	
					Gestora de Autopistas S.p.A.	0.06%			
					Vías Chile S.A.	99.94%			

Name	Registered office *	Business	Currency	Issued capital/ consortium fund	Held by	% interest as of 31 December 2022	Interest Group	Interest non-controlling	Note
SOCIEDAD CONCESIONARIA DE LOS LAGOS S.A.	Llanquihue (Chile)	Motorway concessions	Chilean Peso	53,602,284,061		100.00%	100.0%	-	
					Autostrade Holding Do Sur S.A.	99.95%			
					Autostrade dell'Atlantico S.r.l.	0.05%			
SOCIEDAD CONCESIONARIA LITORAL CENTRAL S.A.	Santiago (Chile)	Motorway concessions	Chilean Peso	18,368,224,675		100.00%	50.01%	49.99%	
					Grupo Costanera S.p.A.	99.99%			
					Sociedad Gestion Vial S.A.	0.01%			
SOCIEDAD CONCESIONARIA RUTAS DEL PACÍFICO S.A.	Santiago (Chile)	Motorway concessions	Chilean Peso	73,365,346,000		100.00%	39.66%	60.34%	
					Gestora de Autopistas S.p.A.	0.01%			
					Vías Chile S.A.	99.99%			
SOCIEDADE PARA PARTICIPAÇÃO EM INFRAESTRUCTURA S.A.	San Paulo (Brazil)	Holding company	Brazilian Real	22,506,527	Abertis Infraestructuras S.A.	51.00%	25.28%	74.72%	
SOCIETAT D'AUTOPISTES CATALANES S.A.U.	Barcelona (Spain)	Design, construction and maintenance	Euro	1,060,000	Abertis Infraestructuras S.A.	100.00%	49.57%	50.43%	

Name	Registered office *	Business	Currency	Issued capital/ consortium fund	Held by	% interest as of 31 December 2022	Interest: Group	Interest: non-controlling	Note
SOCIEDAD GESTION VIAL S.A.	Santiago (Chile)	Design, construction and maintenance	Chilean Peso	11,397,237,788		100.00%	50.01%	49.99%	
					Grupo Costanera S.p.A.	99.99%			
					Sociedad Operacion y Logistica de Infraestructuras S.A.	0.01%			
SOCIEDAD OPERACION Y LOGISTICA DE INFRAESTRUCTURAS S.A.	Santiago (Chile)	Motorway services	Chilean Peso	11,736,819		100.00%	50.01%	49.99%	
					Grupo Costanera S.p.A.	99.99%			
					Sociedad Gestion Vial S.A.	0.01%			
SOLUCIONA CONSERVACAO RODOVIARIA LTDA	Matao (Brazil)	Design, construction and maintenance	Brazilian Real	500,000	AB Concessões S.A.	100.00%	50.00%	50.00%	
SPEA ENGINEERING S.p.A.	Rome	Design, construction and maintenance	Euro	6,966,000		80.00%	79.88%	20.12%	
					Mundys S.p.A.	60.00%			
					Aeroporti di Roma S.p.A.	20.00%			
SPEA DO BRASIL PROJETOS E INFRA ESTRUTURA LIMITADA	San Paulo (Brazil)	Design, construction and maintenance	Brazilian Real	5,845,010		100.00%	79.88%	20.12%	
					Spea Engineering S.p.A.	99.99%			
					Austostrade Concessoes e Partecipacoes Brasil Limitada	0.01%			
STALEXPORT AUTOSTRADA MAŁOPOLSKA S.A.	Mysłowice (Poland)	Motorway concessions	Polish Zloty	66,753,000	Stalexport Autostrady S.A.	100.00%	61.20%	38.80%	
STALEXPORT AUTOSTRADY S.A.	Myslowice (Poland)	Holding company	Polish Zloty	185,446,517	Mundys S.p.A.	61.20%	61.20%	38.80%	(7)
TELEPASS S.p.A.	Rome	Tolling and electronic tolling services	Euro	26,000,000	Mundys S.p.A.	51.00%	51.00%	49.00%	
TELEPASS ASSICURA S.r.l.	Rome	Financial services	Euro	3,000,000	Telepass S.p.A.	100.00%	51.00%	49.00%	
TELEPASS BROKER S.r.l.	Rome	Financial services	Euro	500,000	Telepass S.p.A.	100.00%	51.00%	49.00%	
TRIANGULO DO SOL AUTO-ESTRADAS S.A.	Matao (Brazil)	Motorway concessions	Brazilian Real	71,000,000	AB Concessões S.A.	100.00%	50.00%	50.00%	
TRICHY TOLLWAY PRIVATE LIMITED (TTPL)	Hyderabad (India)	Motorway concessions	Indian Rupee	1,949,872,010		100.00%	49.57%	50.43%	(8)
					Abertis India S.L.	100%			
					Abertis Infraestructuras S.A.	0.00%			
TÚNELS DE BARCELONA I CADÍ CONCESIONARIA DE LA GENERALITAT DE CATALUNYA S.A.	Barcelona (Spain)	Motorway concessions	Euro	60,000	Infraestructures Viàries de Catalunya S.A. (INVICAT)	50.01%	24.79%	75.21%	

(7) The company is listed on the Warsaw Stock Exchange

(8) Abertis Infraestructuras SA holds 1 share in the company

							Interest		
Name	Registered office *	Business	Currency	Issued capital/ consortium fund	Held by	% interest as of 31 December 2022	Group	non-controlling	Note
URBANnext S.A.	Chiasso (Swiss)	Other activities	Swiss Franc	100,000	Telepass S.p.A.	70.00%	35.70%	64.30%	
URBI DE GmbH	Berlin (Germany)	Other activities	Euro	25,000	URBANnext SA	100.00%	35.70%	64.30%	
VIA4 S.A.	Mysłowice (Poland)	Motorway services	Polish Zloty	500,000	Stalexport Autostrady S.A.	55.00%	33.66%	66.34%	
VIANORTE S.A.	Sertaozinho (Brazil)	Motorway concessions	Brazilian Real	107,542,669	Arteris S.A.	100.00%	20.81%	79.19%	
VIAPAULISTA S.A.	Riberao Preto (Brazil)	Design, construction and maintenance	Brazilian Real	1,348,385,843	Arteris S.A.	100.00%	20.81%	79.19%	
VÍAS CHILE S.A.	Santiago (Chile)	Holding di partecipazioni	Chilean Peso	93,257,077,900	Inversora de Infraestructuras S.L. (INVIN)	100.00%	39.66%	60.34%	
WASH OUT S.r.l.	Milan	Other activities	Euro	17,129	Telepass S.p.A.	69.97%	35.68%	64.32%	
WASH OUT FRANCE SAS	Issy-Les-Moulineaux (France)	Other activities	Euro	101,000	Wash Out S.r.l.	100.00%	35.68%	64.32%	
Yunex GmbH	Munich (Germany)	Intelligent Traffic Solutions	Euro	3,000,000	Mundys S.p.A.	100.00%	100.0%	0.00%	
Yunex LLC	Wilmington, DE (USA)	Intelligent Traffic Solutions	US Dollar	1	Yunex Corporation	100.00%	100.00%	0.00%	
Yunex S.A./N.V.	Beersel (Belgium)	Intelligent Traffic Solutions	Euro	1,250,675	Yunex GmbH	100.00%	100.00%	0.00%	
Yunex s.r.o.	Bratislava (Slovakia)	Intelligent Traffic Solutions	Euro	75,000		100.00%	100.00%	0.00%	
					Yunex GmbH	99.00%			
					Yunex Traffic B.V.	1.00%			
Yunex Ulasim Teknolojileri A. S.	Kartal/ Istanbul (Turkey)	Intelligent Traffic Solutions	Turkish Lira	101,860,800	Yunex GmbH	100.00%	100.00%	0.00%	
Yunex Traffic Kft.	Budapest (Hungary)	Intelligent Traffic Solutions	Hungarian Forint	3,000,000	Yunex GmbH	100.00%	100.00%	0.00%	
Yunex, s.r.o.	Praga (Czech Republic)	Intelligent Traffic Solutions	Corona ceca	182,695,000	Yunex GmbH	100.00%	100.00%	0.00%	
YUNEX Sp. z o.o.	Varsavia (Poland)	Intelligent Traffic Solutions	Polish Zloty	75,373,500	Yunex GmbH	100.00%	100.00%	0.00%	
Yunex Pte. Ltd.	Singapore	Intelligent Traffic Solutions	Singapore Dollar	1,806,547	Yunex GmbH	100.00%	100.00%	0.00%	
YUTRAFFIC LDA	Amadora (Portugal)	Intelligent Traffic Solutions	Euro	1,062,400	Yunex GmbH	100.00%	100.00%	0.00%	
Yutraffic Co. Ltd.	Honk Kong (China)	Intelligent Traffic Solutions	Hong Kong Dollar	1	Yunex GmbH	100.00%	100.00%	0.00%	
Yunex Pty. Ltd.	Sydeny (Australia)	Intelligent Traffic Solutions	Australian Dollar	10,107,498	Yunex GmbH	100.00%	100.00%	0.00%	
Yunex S.A.	Atene (Greece)	Intelligent Traffic Solutions	Euro	805,180	Yunex GmbH	100.00%	100.00%	0.00%	
Yunex Traffic d.o.o. Beograd	Belgrado (Serbia)	Intelligent Traffic Solutions	Serbian Dinar	8,731,000	Yunex GmbH	100.00%	100.00%	0.00%	
VMZ Berlin Betreibergesel-lschaft mbH	Berlin (Germany)	Intelligent Traffic Solutions	Euro	50,000	Yunex GmbH	100.00%	100.00%	0.00%	
Yunex S.A.S.	Bogotà (Colombia)	Intelligent Traffic Solutions	Colombian Peso	5,342,907,500	Yunex GmbH	100.00%	100.00%	0.00%	
Aldridge Traffic Controllers Pty. Ltd.	Sydeny (Australia)	Intelligent Traffic Solutions	Australian Dollar	200	Yunex GmbH	100.00%	100.00%	0.00%	

Name	Registered office *	Business	Currency	Issued capital/ consortium fund	Held by	% interest as of 31 December 2022	Interest Group	Interest non-controlling	Note
Aimsun S.L.	Barcelona (Spain)	Intelligent Traffic Solutions	Euro	38,464	Yunex GmbH	100.00%	100.00%	0.00%	
Aimsun SARL	Paris (France)	Intelligent Traffic Solutions	Euro	10,000	Aimsun S.L.	100.00%	100.00%	0.00%	
Aimsun Pty Ltd.	Sydeny (Australia)	Intelligent Traffic Solutions	Australian Dollar	10,000	Aimsun S.L.	100.00%	100.00%	0.00%	
Aimsun Pte. Ltd.	Singapore	Intelligent Traffic Solutions	Singapore Dollar	10,000	Aimsun S.L.	100.00%	100.00%	0.00%	
Aimsun Inc.	New York (USA)	Intelligent Traffic Solutions	US Dollar	30,000	Aimsun S.L.	100.00%	100.00%	0.00%	
Aimsun Ltd.	Londra (UK)	Intelligent Traffic Solutions	Pound Sterling	1,000	Aimsun S.L.	100.00%	100.00%	0.00%	
Yunex Corporation	Wilmington, DE (USA)	Intelligent Traffic Solutions	US Dollar	1	Yunex GmbH	100.00%	100.00%	0.00%	
Yutraffic Co. Ltd.	Pechino (China)	Intelligent Traffic Solutions	Renminbi	50,000,000	Yunex GmbH	100.00%	100.00%	0.00%	
Yunex Ltd.	Poole, Dorset (UK)	Intelligent Traffic Solutions	Pound Sterling	173,500,000	Yunex GmbH	100.00%	100.00%	0.00%	
Yunex Traffic B.V.	Zoetermeer (Holland)	Intelligent Traffic Solutions	Euro	1	Yunex GmbH	100.00%	100.00%	0.00%	
Yunex GmbH AT	Vienna (Austria)	Intelligent Traffic Solutions	Euro	35,000	Yunex GmbH	100.00%	100.00%	0.00%	
Yunex AG	Zurigo (Swiss)	Intelligent Traffic Solutions	Swiss Franc	100,000	Yunex GmbH	100.00%	100.00%	0.00%	

Name	Registered office *	Business	Currency	Issued capital/ consortium fund	Held by	% interest as of 31 December 2022	Note
INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD							
Associates							
AEROPORTO GUGLIELMO MARCONI DI BOLOGNA S.p.A.	Bologna	Airport concessions	Euro	90,314,162	Mundys S.p.A.	29.38%	
ALAZOR INVERSIONES S.A.	Madrid (Spain)	Holding company	Euro	223,600,000	Iberpistas S.A.	31.22%	
AUTOPISTATERRASSA-MANRESA CONCESSIONÀRIA DE LA GENERALITAT DE CATALUNYA S.A. (AUTEMA)	Barcelona (Spain)	Motorway concessions	Euro	83,411,000	Autopistas Concesionaria Española S.A. (ACESA)	23.72%	
BIP & DRIVE S.A.	Madrid (Spain)	Tolling and electronic tolling services	Euro	4,612,969	Abertis Autopistas España S.A.	35.00%	
CIRALSA S.A.C.E.	Alicante (Spain)	Design, construction and maintenance	Euro	50,167,000	Autopistas Aumar S.A. Concesionaria del Estado	25.00%	
BIURO CENTRUM SP. Z O.O.	Katowice (Poland)	Administrative services	Polish Zloty	80,000	Stalexport Autostrady S.A.	40.63%	
GETLINK SE	Paris (France)	Other concessions	Euro	220,000,000	Aero 1 Global & International S.à.r.l.	15.49%	(9)

* Group entities are incorporated in the jurisdictions in which they conduct their actual business, and their tax residence is always the same as their location

(9) Aero 1 Global & International Sàrl holds 25.07% of Getlink SE 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 679,585,385, according to the information published by Getlink on 23 January 2023

Name	Registered office *	Business	Currency	Issued capital/ consortium fund	Held by	% interest as of 31 December 2022	Note
INFRAESTRUCTURAS Y RADIALES S.A. (IRASA)	Madrid (Spain)	Design, construction and maintenance	Euro	11,610,000		30.00%	
					Iberpistas S.A.	15.00%	
					Autopistas Vasco-Aragonesa C.E.S.A. (AVASA)	15.00%	
LEONORD S.A.S	Lione (France)	Motorway services	Euro	697,377	Sanef S.A.	35.00%	
M-45 CONSERVACION S.A.	Madrid (Spain)	Design, construction and maintenance	Euro	553,000	Autopista Trados-45 S.A.	25.50%	
ROUTALIS S.A.S.	Guyancourt (France)	Design, construction and maintenance	Euro	40,000	SAPN S.A.	30.00%	
Joint ventures							
AIRPORT ONE SAS	Nice (France)	Property management	Euro	1,000	Aéroports de la Côte d'Azur	49.00%	
AREAMED 2000 S.A.	Barcelona (Spain)	Other concessions	Euro	2,070,000	Abertis Autopistas España S.A.	50.00%	
CONCESSIONÁRIA RODOVIAS DO TIETÊ S.A.	San Paulo (Brazil)	Motorway concessions	Brazilian Real	303,578,476	AB Concessões S.A.	50.00%	
PUNE SOLAPUR EXPRESSWAYS PRIVATE LIMITED	Patas - District Pune - Maharashtra (India)	Motorway concessions	Rupia Indiana	100,000,000	Mundys S.p.A.	50.00%	
URBAN V S.p.A.	Rome	Other activities	Eur	50,000		75.0%	
					Aeroporti di Roma S.p.A.	60.0%	
					Aéroports de la Côte d'Azur	15.0%	
Bellis GmbH	Braunschweig	Intelligent Traffic Solutions	Euro	100,000	Yunex GmbH	49.00%	

Name	Registered office *	Business	Currency	Issued capital/ consortium fund	Held by	% interest as of 31 December 2022	Note
INVESTMENTS ACCOUNTED FOR AT FAIR VALUE							
Unconsolidated subsidiaries							
PETROSTAL S.A. (IN LIQUIDAZIONE)	Varsavia (Poland)	Property management	Polish Zloty	2,050,500	Stalexport Autostrady S.A.	100%	
						100%	
SPEA DO BRASIL PROJETOS E INFRA ESTRUTURA LIMITADA	San Paulo (Brazil)	Design, construction and maintenance	Brazilian Real	5,845,010	Spea Engineering S.p.A.	99.99%	
					Austostrade Concessoes e Partecipacoes Brasil Limitada	0.01%	
AUTOSTRADE INDIAN INFRASTRUCTURE DEVELOPMENT PRIVATE LIMITED	Mumbai - Maharashtra (India)	Investments company	Indian Rupee	500,000		100%	
					Mundys S.p.A.	99.99%	
					Spea Engineering S.p.A.	0.01%	
Other holdings							
AEROPORTO DI GENOVA S.p.A.	Genoa	Airport concessions	Euro	7,746,900	Aeroporti di Roma S.p.A.	15.00%	
AUTOROUTES TRAFIC S.A.S.	Paris (France)	Motorway services	Euro	349,000		20.63%	
					Sanef S.A.	15.47%	
					SAPN S.A.	5.16%	
AUTOSTRADA DEL BRENNERO S.p.A.	Trento	Design, construction and maintenance	Euro	55,472,175	Serenissima Partecipazioni S.p.A.	4.23%	
AUTOVIE VENETE S.p.A.	Trieste	Design, construction and maintenance	Euro	157,965,738	A4 Holding S.p.A.	0.42%	
CENTAURE PARIS-NORMANDIE S.A.S.	Bosgouet (France)	Motorway services	Euro	700,000	SAPN S.A.	49.90%	

* Group entities are incorporated in the jurisdictions in which they conduct their actual business, and their tax residence is always the same as their location.

Name	Registered office *	Business	Currency	Issued capital/ consortium fund	Held by	% interest as of 31 December 2022	Note
CENTAURE NORD PAS-DE-CALAIS	Henin Beaumont (France)	Motorway services	Euro	320,000	Sanef S.A.	34.00%	
CENTAURE GRAND EST S.A.S.	Gevrey Chambertin (France)	Motorway services	Euro	450,000	Sanef S.A.	14.45%	
COMPAGNIA AEREA ITALIANA S.p.A.	Fiumicino	Airport services	Euro	3,526,846	Mundys S.p.A.	6.52%	
CONVENTION BUREAU ROMA E LAZIO SCRL	Rome	Promotion and strengthening of MICE and business tourism	Euro	133,000	Aeroporti di Roma S.p.A.	0.76%	
HOLDING PARTECIPAZIONI IMMOB.	Verona	Holding company	Euro	1	Serenissima Partecipazioni S.p.A.	12.50%	
INTERPORTO PADOVA S.p.A.	Padua	Other activities	Euro	36,000,000	A4 Holding S.p.A.	3.26%	
INWEST STAR S.A. (IN LIQUIDAZIONE)	Starachowice (Poland)	Other activities	Polish Zloty	11,700,000	Stalexport Autostrady S.A.	0.26%	
LIGABUE GATE GOURMET ROMA S.p.A. (IN FALLIMENTO)	Tessera	Airport services	Euro	103,200	Aeroporti di Roma S.p.A.	20.00%	
S.A.CAL. S.p.A.	Lamezia Terme	Airport concessions	Euro	23,920,556	Aeroporti di Roma S.p.A.	5.37%	
SOCIETÀ DI PROGETTO BREBEMI S.p.A.	Brescia	Motorway concessions	Euro	52,141,227	Spea Engineering S.p.A.	0.05%	
STRADIVARIA S.p.A.	Cremona	Design, construction and maintenance	Euro	20,000,000	A4 Mobility S.r.l.	1.00%	
TERRA MITICA, PARQUE TEMATICO DE BENIDORM S.A.	Alicante (Spain)	Other concessions	Euro	247,487,181	Abertis Infraestructuras S.A.	1.28%	
VOLOCOPTER GMbH	Zeiloch (Germany)	Other activities	Euro	278,520	Mundys S.p.A.	1.81%	
WALCOWNIA RUR JEDNOŚĆ SP. Z O. O.	Siemianowice (Poland)	Other activities	Polish Zloty	220,590,000	Stalexport Autostrady S.A.	0.01%	
ZAKŁADY METALOWE DEZAMET S.A.	Nowa Dęba (Poland)	Other activities	Polish Zloty	19,241,750	Stalexport Autostrady S.A.	0.26%	
HUTA ŁAZISKA S.A.	Łaziska Gorne (Poland)	Other activities	Polish Zloty	677,931,930	Stalexport Autostrady S.A.	0.01%	

Name	Registered office *	Business	Currency	Issued capital/ consortium fund	Held by	% interest as of 31 December 2022	Note
CONSORTIA							
BMM SCARL	Tortona	Design, construction and maintenance	Euro	10,000	A4 Mobility S.r.l.	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	114,865		4.18%	
					Autostrada BS VR VI PD S.p.A.	3.10%	
					Aeroporti di Roma S.p.A.	1.08%	
CONSORZIO NUOVA ROMEA ENGINEERING	Monselice	Design, construction and maintenance	Euro	60,000	Spea Engineering S.p.A.	16.67%	
CONSORZIO SPEA-GARIBELLO	San Paulo (Brazil)	Design, construction and maintenance	Brazilian Real	-	SPEA do Brasil Projetos e Infra Estrutura Limitada	50.00%	
CONSORZIO 2050	Rome	Design, construction and maintenance	Euro	50,000	Spea Engineering S.p.A.	0.50%	
INVESTMENTS ACCOUNTED FOR IN CURRENT ASSETS							
DOM MAKLERSKI BDM S.A.	Bielsko-Biała (Poland)	Holding company	Polish Zloty	19,796,924	Stalexport Autostrady S.A.	2.71%	

* Group entities are incorporated in the jurisdictions in which they conduct their actual business, and their tax residence is always the same as their location

Annex 2 - Disclosure pursuant to art. 37, ch. 16 of the Legislative Decree n. 39/2010 and letter 16 bis of art. 2427 of the Civil Code

The following table presents, pursuant to art. 37, ch. 16 of the Legislative Decree n. 39/2010 and letter 16 bis of art. 2427 of the Civil Code, the amount of the fees due to the independent auditors and companies belonging to its network for the 2022 financial year of Mundys and its subsidiaries.

Type of service	Entity providing the service	Note	Fees (euro thousand)
Mundys S.p.A.			**326**
Audit services	KPMG S.p.A.		236
Attestation services	KPMG S.p.A.	(1)	77
Other services	KPMG S.p.A.		3
	KPMG's Network		10
Subsidiaries			**4,900**
Audit services	KPMG S.p.A.		632
	KPMG's Network		3.126
Attestation services	KPMG S.p.A.	(2)	176
	KPMG's Network	(3)	674
Other services	KPMG S.p.A.	(4)	39
	KPMG's Network	(5)	253
Mundys Group			**5,226**

(1) Consolidated Non-Financial Disclosure limited review
(2) Agreed upon procedures on Regulatory Accounts, Financial Covenants and Bond Comfort Letter
(3) Non-Financial Disclosure limited review, Financial Covenants and Bond agreed upon procedures/Comfort Letter
(4) Tax returns signing
(5) Due diligence

10. MUNDYS SPA'S SEPARATE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31 DECEMBER 2022

Financial statements

Statement of financial position

Euro	Note	31 December 2022	31 December 2021
Investments	5.1	8,663,549,781	8,729,705,860
Property, plant and equipment	5.2	26,919,641	24,739,998
Intangible assets		3,988,329	3,828,271
Non-current financial assets	5.3	15,185,336	222,295,386
Deferred tax assets, net	5.4	23,462,719	93,267,988
Other non-current assets		5,652,435	2,081,740
NON-CURRENT ASSETS		**8,738,758,241**	**9,075,919,243**
Trading assets		5,188,032	4,723,970
Cash and cash equivalents	5.5	8,457,220,933	806,434,374
Current financial assets	5.3	95,537,211	5,486,490
Current tax assets	5.6	46,439,936	216,365,350
Other current assets		19,786,249	12,818,739
		8,624,172,361	**1,045,828,923**
Discontinued operations	5.7	-	5,341,339,243
CURRENT ASSETS		**8,624,172,361**	**6,387,168,166**
ASSETS		**17,362,930,602**	**15,463,087,409**
Issued capital		825,783,990	825,783,990
Treasury shares		-142,453,004	-150,188,750
Reserves and retained earnings		10,066,945,544	9,716,855,626
Profit/(Loss) for the year		2,862,086,963	1,169,471,170
EQUITY	**5.8**	**13,612,363,493**	**11,561,922,036**
Non-current provisions	5.9	81,170,805	75,262,718
Non-current financial liabilities	5.10	3,495,050,345	3,602,839,939
NON-CURRENT LIABILITIES		**3,576,221,150**	**3,678,102,657**
Trading liabilities		8,683,928	17,322,785
Current provisions	5.9	23,301,615	3,618,615
Current financial liabilities	5.10	67,292,633	54,413,333
Current tax liabilities	5.6	40,991,680	115,193,682
Other current liabilities	5.11	34,076,103	32,514,301
CURRENT LIABILITIES		**174,345,959**	**223,062,716**
EQUITY AND LIABILITIES		**17,362,930,602**	**15,463,087,409**

Income statement

Euro	Note	2022	2021
Other operating revenue		2,301,286	3,089,552
Cost of external services	6.1	-24,423,804	-33,644,245
Staff costs	6.2	-42,061,572	-30,792,675
Other costs		-9,242,420	-10,493,519
Change in provisions	6.3	-	-77,118,442
Amortisation and depreciation		-3,243,592	-1,075,153
Impairment losses/(reversals of impairment losses) on current assets		3,707	43,033
Operating profit/(loss)		**-76,666,395**	**-149,991,449**
Dividends from investees		362,980,279	418,838,627
Gains on the sale of investments		-	1,044,313,711
Impairment losses on investments		-222,043,905	-104,435,308
Profit/(Loss) from investments	6.4	**140,936,374**	**1,358,717,030**
Financial income		208,442,254	129,637,761
Financial expenses		-127,414,946	-229,090,522
Foreign exchange gains/(losses)		-218,790	412,643
Financial income/(expenses)	6.5	**80,808,518**	**-99,040,118**
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		**145,078,497**	**1,109,685,463**
Income tax (expense)/benefits	6.6	837,780	59,785,707
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		**145,916,277**	**1,169,471,170**
Profit/(Loss) from discontinued operations	6.7	2,716,170,686	-
PROFIT/(LOSS) FOR THE YEAR		**2,862,086,963**	**1,169,471,170**

Statement of comprehensive income

Euro		2022	2021
Profit/(Loss) for the year	**(A)**	**2,862,086,963**	**1,169,471,170**
Actuarial gains/(losses) on provisions for employee benefits		-	-88,949
Gains /(Losses) on fair value measurement of investments		-219,875,388	-112,774,619
Gains/(Losses) on fair value measurement of fair value hedges		-	5,849,902
Tax effect		-	-6,545,812
Other comprehensive income/(loss) not reclassifiable to profit or loss	**(B)**	**-219,875,388**	**-113,559,478**
Reclassification of other comprehensive income to profit or loss	(C)	9,661,027	66,877,943
Tax effect on reclassification of other comprehensive income to profit or loss	(D)	-2,856,766	-19,775,808
Total other comprehensive income/(loss) reclassifiable to profit or loss	**(E=B+C+D)**	**-213,071,127**	**-66,457,343**
COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	**(A+E)**	**2,649,015,836**	**1,103,013,827**
of which attributable to continuing operations		*-67,154,850*	*1,103,013,827*
of which attributable to discontinued operations		*2,716,170,686*	-

Statement of changes in equity

Euro	31 December 2021	Comprehensive income/(loss) for the year	Dividends paid to shareholders (€0.74 per share)	Appropriation of profit/(loss) for previous year	Share-based compensation	Other changes	31 December 2022
Issued capital	825,783,990	-	-	-	-	-	**825,783,990**
Treasury shares	-150,188,750	-	-	-	7,735,746	-	**-142,453,004**
Share premium reserve	153,560	-	-	-	-	-	**153,560**
Legal reserve	261,410,358	-	-	-	-	-	**261,410,358**
Extraordinary reserve	5,041,433,732	-	-	-	-	-	**5,041,433,732**
Merger surplus reserve	2,987,181,698	-	-	-	-	-	**2,987,181,698**
Cash flow hedge reserve	-45,048,220	6,804,261	-	-	-	-	**-38,243,959**
Reserve for gains/(losses) on fair value measurement of investments	-809,393,101	-219,875,388	-	-	-	1,029,268,489	**-**
Reserve for actuarial gains and losses on post-employment benefits	-600,291	-	-	-	-	-	**-600,291**
Other reserves	65,503,231	-	-	-	-994,707	-	**64,508,524**
Retained earnings	2,216,214,659	-	-	563,541,190	610,147	-1,029,264,074	**1,751,101,922**
Profit/(Loss) for the year	1,169,471,170	2,862,086,963	-605,929,980	-563,541,190	-	-	**2,862,086,963**
Total equity	**11,561,922,036**	**2,649,015,836**	**-605,929,980**	**-**	**7,351,186**	**4,415**	**13,612,363,493**

Statement of changes in equity

Euro	31 December 2020	Comprehensive income/(loss) for the year	Appropriation of profit/(loss) for previous year	Share-based compensation	Other changes	31 December 2021
Issued capital	825,783,990	-	-	-	-	**825,783,990**
Treasury shares	-150,188,750	-	-	-	-	**-150,188,750**
Share premium reserve	153,560	-	-	-	-	**153,560**
Legal reserve	261,410,358	-	-	-	-	**261,410,358**
Extraordinary reserve	5,041,433,732	-	-	-	-	**5,041,433,732**
Merger surplus reserve	2,987,181,698	-	-	-	-	**2,987,181,698**
Cash flow hedge reserve	-92,150,355	47,102,135	-	-	-	**-45,048,220**
Reserve for gains/(losses) on fair value measurement of investments	-1,057,156,693	-125,614,579	-	-	373,378,171	**-809,393,101**
Fair value hedge reserve	274,852,244	12,117,748	-	-	-286,969,992	**-**
Reserve for actuarial gains and losses on post-employment benefits	-537,644	-62,647	-	-	-	**-600,291**
Other reserves	64,508,525	-	-	994,706	-	**65,503,231**
Retained earnings	2,331,776,294	-	-29,153,456	-	-86,408,179	**2,216,214,659**
Profit/(Loss) for the year	-29,153,456	1,169,471,170	29,153,456	-	-	**1,169,471,170**
Total equity	**10,457,913,503**	**1,103,013,827**	**-**	**994,706**	**-**	**11,561,922,036**

Statement of cash flows

Euro	note	2022	2021 (reformulated)[(1)]
Profit/(Loss) for the year		2,862,086,963	1,169,471,170
Adjusted by:			
Amortisation and depreciation		3,243,592	1,075,153
Change in provisions		25,623,000	77,118,442
Impairment losses on investments and other assets		222,043,905	104,435,308
(Gains)/Losses on sale of investments		-2,860,325,541	-1,044,108,800
Net change in deferred tax assets/(liabilities) through profit or loss		61,752,521	5,834,774
Other non-cash costs (income)		16,962,743	65,068,607
Change in trading assets and liabilities and other non-financial assets and liabilities		-17,973,257	15,117,517
Dividends from investees		-362,980,279	-418,838,627
Interest income		-34,151,327	-822,368
Interest expense		68,443,129	71,488,052
Current income tax expense		28,063,073	-67,884,640
Dividends collected from investees		362,989,546	418,838,627
Interest income collected		17,795,057	789,491
Interest expense paid		-62,071,000	-51,440,810
Income taxes (paid)/refunded		79,488,510	6,740,010
Net cash generated from/(used in) operating activities [a]	7.1	**410,990,635**	**352,881,906**
of which discontinued operations		*-28,985,313*	-
Purchase of property, plant and equipment and intangible assets		-5,274,420	-6,798,012
Purchase of investments		-953,586,084	-15,014,017
Proceeds from sale of interests in subsidiaries		8,198,817,951	1,075,935,298
Proceeds from sale of minority interests		577,832,970	430,167,071
Net change in other assets		130,107,964	462,606,602
Net cash generated from/(used in) investing activities [b]	7.1	**7,947,898,381**	**1,946,896,942**
of which discontinued operations		*8,198,817,951*	-
Dividends paid to shareholders		-602,691,870	-
Issuance of bonds and increase in borrowings		748,378,289	986,857,679
Redemption of bonds and repayment of borrowings		-750,000,000	-4,501,952,682
Repayment of lease liabilities		-1,052,863	-608,640
Net change in other current financial liabilities		-102,736,013	-238,773,076
Net cash generated from/(used in)financing activities [c]	7.1	**-708,102,457**	**-3,754,476,719**
Increase/(Decrease) in cash and cash equivalents during the year [a+b+c]		**7,650,786,559**	**-1,454,697,871**
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**806,434,374**	**2,261,132,245**[(2)]
NET CASH AND CASH EQUIVALENTS AT END OF THE YEAR		**8,457,220,933**	**806,434,374**

(1) Details of the reformulation of the statement of cash flows are provided in note 2 below

(2) It includes the balances of intercompany current accounts with related parties, totalling €238,479

NOTES

1. Introduction

Mundys SpA ("Mundys" or the "Company"), formerly Atlantia S.p.A., is a joint stock company formed in 2003. The Company's registered office is in Rome, at Piazza di San Silvestro 8. The Company does not have branch offices. The duration of the Company was increased to 31 December 2070 (from the previous 31 December 2050) by the General Meeting of shareholders held on 16 January 2023.

Mundys is a strategic investment holding company with investments in companies whose business is primarily the operation of motorways and airports, the provision of mobility services and electronic payments.

Following the delisting of the Company's shares from the Euronext Milan stock exchange from 9 December 2022, Mundys continues to be a Public Interest Entity pursuant to art. 16, paragraph 1.a) of Legislative Decree 39/2010, based on the fact that it has issued bonds with a nominal value of €100,000 (under its Euro Medium Term Notes – EMTN programme) that are traded on the Euronext Dublin, a regulated market managed by the Irish Stock Exchange.

The meeting of Company's Board of Directors held on 22 December 2022 confirmed Italy as the member state of origin, pursuant to art. 1, paragraph 1.w-quater.4 of Legislative Decree 58/1998 and art. 65-decies of the CONSOB Regulations for Issuers.

At the reporting date, Mundys is controlled by and is subject to management and coordination by Schemaquarantadue SpA. Edizione SpA holds 57% of the shares of Schemaquarantadue SpA through Sintonia SpA.

These draft financial statements as of and for the year ended 31 December 2022 were approved by Mundy's Board of Directors at the meeting held on 4 April 2023 and have been audited by KPMG SpA.

The Financial Statements will be published within 30 days of their approval by the Annual General Meeting of the Shareholders, pursuant to Article 2435 of the Italian Civil Code.

2. Basis of preparation

The financial statements as of and for the year ended 31 December 2022 have been prepared on a going concern basis and 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".

The financial statements consist of the following accounts, prepared in euros:

- the statement of financial position based on the format that separately disclose current and non-current assets and liabilities;
- the income statement, in which costs are classified by nature of expense;
- the statement of comprehensive income;
- the statement of changes in equity;
- the statement of cash flows prepared in application of the indirect method;
- and these notes, presented in millions of euros in view of the material nature of the amounts.

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.

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.

Each component of the financial statements is compared with the corresponding amount for the comparative reporting period.

With respect to the information published in the financial statements as of and for the year ended 31 December 2021, amounts in the statement of cash flows for 2021 have been reformulated as follows to provide more effective disclosure and improve the basis of presentation:

- the presentation in new line items, within "Net cash generated from/(used in) operating activities", of cash flows relating to dividends from investees and interest income, previously classified in the "net change in other assets" included in "Net cash generated from/(used in) investing activities", distinguishing between economic and financial accrual;
- the presentation in new line items, within "Net cash generated from/(used in) operating activities", of cash flows relating to interest expense, previously classified in the "net change in other financial liabilities" included in "Net cash generated from/(used in) financing activities", distinguishing between economic and financial accrual;
- the presentation of cash flows from and for taxation (previously classified in the "Change in trading assets and liabilities and other non-financial assets and liabilities") in new items, distinguishing between economic and financial accrual.

Reconciliations of the adjusted statements are provided below.

Euro	2021 (published)	Adjustments	2021 (reformulated)
Profit/(Loss) for the year	1,169,471,170	-	1,169,471,170
Adjusted by:			
Amortisation and depreciation	1,075,153	-	1,075,153
Change in provisions	77,118,442	-	77,118,442
Impairment losses on investments and other assets	104,435,308	-	104,435,308
(Gains)/Losses on sale of investments	-1,044,108,800	-	-1,044,108,800
Net change in deferred tax assets/(liabilities) through profit or loss	5,834,774	-	5,834,774
Other non-cash costs (income)	28,125,389	36,943,218	65,068,607
Change in trading assets and liabilities and other non-financial assets and liabilities	-46,027,113	61,144,630	15,117,517
Dividends from investees	-	-418,838,627	-418,838,627
Interest income	-	-822,368	-822,368
Interest expense	-	71,488,052	71,488,052
Current income tax expense	-	-67,884,640	-67,884,640
Dividends collected from investees	-	418,838,627	418,838,627
Interest income collected	-	789,491	789,491
Interest expense paid	-	-51,440,810	-51,440,810
Income taxes (paid)/refunded	-	6,740,010	6,740,010
Net cash generated from/(used in) operating activities [a]	**295,924,323**	**56,957,583**	**352,881,906**
Purchase of property, plant and equipment and of other intangible assets	-6,798,012	-	-6,798,012
Purchase in investments	-15,014,017	-	-15,014,017
Proceeds from sale of interests in subsidiaries	1,075,935,298	-	1,075,935,298
Proceeds from sale of minority interests	430,167,071	-	430,167,071
Net change in other assets	462,573,725	32,877	462,606,602
Net cash generated from/(used in) investigating activities [b]	**1,946,864,065**	**32,877**	**1,946,896,942**
Issuance of bonds and increase in borrowings	986,857,679	-	986,857,679
Redemption of bonds and repayment of borrowings	-4,501,952,682	-	-4,501,952,682
Repayment of lease liabilities	-608,640	-	-608,640
Net change in other financial liabilities	-181,782,616	-56,990,460	-238,773,076
Net cash generated from/(used in) financing activities [c]	**-3,697,486,259**	**-56,990,460**	**-3,754,476,719**
Increase/(Decrease) in cash and cash equivalents during the year [a+b+c]	**-1,454,697,871**	**-**	**-1,454,697,871**
NET CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	**2,261,132,245**	**-**	**2,261,132,245**
NET CASH AND CASH EQUIVALENTS AT END OF YEAR	**806,434,374**	**-**	**806,434,374**

3. Accounting standards and policies applied

The accounting standards and policies used in the preparation of these financial statements as of and for the year ended 31 December 2022, are consistent with those applied in preparation of the separate financial statements as of and for the year ended 31 December 2021 and, where applicable, with those applied in preparation of the consolidated financial statements, to which reference should be made, with the exception of the standards and policies described below.

Investments in subsidiaries, associates and joint ventures are accounted for at cost, including the directly attributable ancillary costs (including the value of share-based incentive plans of the Parent Company for the directors and employees of subsidiaries).

If, at the end of the year, there are indications of a potential impairment of an asset according to the criteria established in IAS 36, the recoverability of the carrying amount is tested for impairment by comparing it with the recoverable value of the asset. This is represented by the higher of the asset's fair value less costs to sell and its value in use.

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 the case of equity investments, on the other hand, the estimate of equity value is based on the Unlevered Discounted Cash Flow method by subtracting the amount of the related net financial debt and using after-tax future cash flows and after-tax discount rates, which produce an outcome broadly equivalent to outcomes resulting from the use of a pre-tax measurement.

In estimating operating cash flows, reference was made to the latest long-term business plans of subsidiaries, containing traffic, tariff, revenue, cost and investment projections for the full term of the related concessions. These estimates also reflect, where relevant, the direct and indirect effects of:

- climate change, including projections of expected future cash flows for investments specifically aimed at increasing the resilience of the assets, their modernisation and technological development to mitigate climate change risks;
- the invasion of Ukraine by Russia, as well as the impacts related to compliance with the sanctions imposed on Russia by the European Union.

Publicly available information from external sources were also used in the formulation of these estimates.

Cash flows are derived from the long-term plans drawn up by investees, which in the case of those that hold concessions includes a period of time equal to the duration of the respective concession. This method is deemed more appropriate than the approach suggested by IAS 36 (namely, a limited explicit projection period and the estimated terminal value, applied to companies that do not hold concessions), given the intrinsic nature of the related concession arrangements, including the regulations governing each sector and the predetermined duration of the arrangements.

The method used for discounting expected cash flows is highly complex and requires the use of estimates, by their nature uncertain and subjective, of:

- expected cash flows, determined by taking into account general macroeconomic environments and the performance of the related sector, actual cash lows in previous years and forecast growth rates;
- the financial parameters used to determine the discount rate.

If the carrying amount is higher, the asset is reduced to its recoverable amount and an impairment loss recognised in profit or loss. 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 Company is required to comply with actual or constructive obligations to cover such losses.

Acquisitions or disposals of controlling interests between companies belonging to the Mundys Group are treated, in accordance with IAS 1 and IAS 8, on the basis of their economic substance, with confirmation of (i) the fact that the purchase consideration is determined on the basis of fair value and (ii) 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:

- 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, if positive, is recognised in profit or loss as a dividend, or, if negative, as an increase in the investment in the subsidiary making the acquisition;

- 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.

Based on Legislative Decree 344/2003 and articles 117 et seq. of Presidential Decree 917/1986, Mundys has elected as the consolidating entity for group taxation for the purposes of Corporate Income Tax IRES (tax consolidation arrangement). The arrangement includes:

- the direct subsidiaries, Aeroporti di Roma, Telepass, Spea Engineering, Autostrade dell'Atlantico and Azzurra Aeroporti;
- the indirect subsidiaries (through Aeroporti di Roma), ADR Assistance, ADR Tel, ADR Security, ADR Mobility, ADR Ingegneria, ADR Infrastrutture, Airport Cleaning, Fiumicino Energia and Leonardo Energia;
- the indirect subsidiaries (through Telepass), Telepass Broker and Telepass Assicura.

As a result, Mundys recognises the following items in its current tax assets and liabilities:

- current tax assets and liabilities for IRES attributable to the companies included in the arrangement;
- matching receivables or payables due from or to the subsidiaries, in connection with the settlement of positions resulting from 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.

New accounting standards and interpretations, or revisions and amendments of existing standards, effective from 2022, that have either yet to come into effect or are yet to be endorsed

Amendments to IFRS introduced with effect from 2022 are described in the consolidated financial statements. Where applicable to the separate financial statements, such amendments have not had any material impact.

A description of recently issued accounting standards is provided in the consolidated financial statements.

New accounting standards and interpretations, or revisions and amendments to existing standards and interpretations effective from 2022, yet to come into effect or yet to be endorsed

Amendments to IFRS introduced with effect from 2022 are described in the consolidated financial statements have not had any material impact on the financial statements. A description of recently issued accounting standards is provided in the consolidated financial statements.

4. Corporate events

4.1 New ownership structure

Public Tender Offer

On 14 April 2022, Edizione SpA and Sintonia SpA, Blackstone Infrastructure Associates (LUX) S.à r.l., BIP-V Hogan (LUX) SCSp and BIP Hogan (LUX) SCSp, Schemaquarantadue SpA and Schema Alfa SpA, entered into an "Investment and Partnership Agreement". This was followed by another agreement between the above and Fondazione Cassa di Risparmio di Torino, setting out the conditions for the launch of a public tender offer for all of Company's shares, with the sole exception of the shares already owned by Sintonia SpA (the "Offer"). On termination of the Offer (including the period after reopening of the Offer), on 28 November 2022, Schema Alfa SpA, as the offeror, announced that it was in possession of a total of 792,196,557 shares in the Company (including 6,598,210 treasury shares held by the Company and 273,341,000 shares held by Schemaquarantadue SpA), representing 95.933% of Company's issued capital. This enabled Schema Alfa to both exercise its squeeze-out right, pursuant to art. 111 of Legislative Decree 58/1998, and meet its purchase obligation under art. 108 of Legislative Decree 58/1998 in respect of the remaining 33,587,433 shares representing 4.067% of the issued capital.

Borsa Italiana SpA then issued resolution 8904 on 29 November 2022, providing for the delisting of Company's shares with effect from 9 December 2022. Full information is provided in the section Investor Relations | Public Tender Offer on Mundys's website (www.mundys.com).

Upstream loan to Schemaquarantadue SpA

On 16 January 2023, Company's Board of Directors, supported by the opinions of its legal and financial advisors, proposed for approval of the General Meeting of shareholders of an upstream credit facility of up to €8,225 million to Schemaquarantadue SpA. The facility, which was approved on the same date, was funded from the Company's available liquidity. The transaction in question was approved on the basis of the following reasons, among others: (i) assessment of the financial benefits for the Company resulting from the transaction and specifically the resulting savings in financial expenses on the debt undertaken by Schemaquarantadue SpA to execute the Offer net of the financial income on the cash available in Mundys, (ii) assessment of the financial risks to which the Company is exposed with no evidence of critical issues, and (iii) verification and confirmation of arm's length transaction.

Schemaquarantadue SpA then used the funds from use of the facility, in the amount of EUR 8,200 million, combined to the available resources, to fund full repayment of the existing bridge loan from a pool of financial institutions, amounting to €8,225 million.

Merger

In accordance with the terms of the "Investment and Partnership Agreement", between 14 and 15 February 2023, Mundys's Board of Directors and those of Schemaquarantadue SpA and Schema Alfa SpA approved the plan for a trilateral reverse merger, involving the merger of the two parent companies with and into the subsidiary (namely, Mundys). This was approved by extraordinary general meetings of the respective shareholders on 15 February 2023, following prior waiver of the terms of articles 2501-ter, paragraph four, and 2501-septies of the Italian Civil Code.

The merger deed will be executed at the end of the 60-day term required by art. 2503 of the Italian Civil Code (this is, therefore, expected to take place by April 2023), with the merger effective from the date of registration of the merger deed with the competent companies' registers (or from an alternative effective date that may be provided for in the merger deed). Accounting and tax effects will be brought back to January, 1 2023.

Following the merger, Mundys's issued capital will be unchanged, whilst the number of no-par shares will be reduced to 479,479,662 (following the cancellation of 346,304,328 shares). Furthermore, as of the merger becoming effective, the Company will adopt a new by-laws, which will be annexed to the merger plan.

4.2 Agreement for the sale of the stake in Autostrade per l'Italia

On 5 May 2022, the sale of the Company's (the "Seller") entire stake in Autostrade per l'Italia ("ASPI") to the Consortium consisting of CDP Equity, Blackstone Infrastructure Partners and Macquarie European Infrastructure Fund 6 SCSp (the "Consortium" or "Purchaser") was implemented for a consideration of €8,199 million. The share purchase agreement ("SPA" or the "Agreement"), among other things and to the extent relevant here, requires the Company to provide a number of "Special Indemnities" indemnifying the Consortium against two specific types of claim:

- pending or future criminal and civil proceedings in connection with the Polcevera event, other proceedings linked to issues relating to maintenance obligations, and civil claims included in a detailed list in the Agreement (indemnity capped at a residual value of €434 million);
- the criminal proceedings pending before the Florence Court of Appeal for alleged violations of environmental laws, with a possible claim for damages from the Ministry of the Environment (indemnity capped at €412 million).

With regard to point a), the Agreement provides that the Company shall be solely liable for up to €150 million, above which sum, without prejudice to the cap on the indemnity payable, the amount payable will be shared by the buyer and seller, with the Company to be liable for 75%.

The Agreement provides for certain further price adjustments in addition to those determined on closing, in relation to which the Purchaser and the Seller have brought solely out-of-court claims against each other. Please refer to note 8.4 for updates on the main litigations (criminal, civil or administrative) that may be relevant and/or impactful under the Agreement.

The Agreement also provides for payment from Purchaser to the Company of any indemnity received under the All-risk insurance policy, capped at the sum of €264 million. With regard to these indemnities, ASPI has brought a civil claim against a pool of insurers, which is still pending at first instance.

Among the potential forms of price adjustment, the Agreement provides for the payment to the Company of up to €203 million if, by 31 December 2022, the relevant authorities confirm the right to aid of €461.4 million that Autostrade per l'Italia applied for to the Ministry of Sustainable Infrastructure and Mobility (the "MIMS") on 28 April 2022. This was to cover lost revenue due to the reduction in traffic caused by the pandemic in the period between 1 July 2020 and 31 December 2021 ("Additional Covid Support").

Late 2022, the Purchaser informed the Company that the administrative process involved in obtaining the above aid had yet to be concluded. The Company thus requested the Purchaser to agree to a suitable extension of the above deadline (i.e. 31 December 2022) to reflect the parties' contractual intent at the date of signature of the SPA. This request has so far been rejected by the Purchaser.

At the date of approval of these separate financial statements, based on the information received from the Purchaser, and without this being construed as a decision by the Company to waive its rights under the SPA regarding the Additional Covid Support, the relevant amount does not meet the related requirements for virtual certainty and has not, therefore, been recognised as price adjustment from the sale of the investment in ASPI.

4.3 Other corporate transactions

Acquisition of a 100% stake in Yunex Traffic

Following satisfaction of all the conditions precedent in the purchase agreement entered into with Siemens Mobility GmbH ("Siemens") on 17 January 2022, the acquisition of a 100% stake in Yunex GmbH ("Yunex") was completed on 30 June 2022 for a consideration of €931 million, subject to price adjustments provided for in the purchase agreement and the assumption of €33.5 million in loans to Yunex from Siemens.

Since July 2022, the Company and Yunex have proceeded to replace the guarantees provided by Siemens on behalf of Yunex (€325 million as of 30 June 2022) with the provision of corporate and bank guarantees backed by the subsidiary itself. As of 31 December 2022, first demand bank guarantees of €54 million (€32 million at the end of March 2023, an amount equal to 50% of the guarantees provided by Siemens) remain issued by Mundys on behalf of Siemens. The duration was extended to 30 June 2023.

Sale of the stake in Hochtief

On 15 September 2022, the Company completed the sale of its 14.5% stake in Hochtief A.G. (after the stake was diluted from the previous 15.9% following the issue of 7,064,593 new ordinary shares with the exclusion of subscription rights in June 2022). The stake was sold to Actividades de Construcción y Servicios SA ("ACS"), following its submission of a binding offer, for a consideration of €577.8 million, based on a price of €51.43 per share.

The transaction is part of Company's strategy of streamlining its portfolio and selling of non-core investments. The agreement with ACS also includes an anti-embarrassment provision if, in the 12 months following completion of the transaction, ACS should sell the shares acquired from the Company to a third party, other than to a company in the ACS group.

5. Notes to the statement of financial position

5.1 Investments

€M	%	31 December 2022	31 December 2021	Change
Abertis HoldCo	50% +1	2,952	2,952	-
Aeroporti di Roma	99%	2,915	2,915	-
Aero 1 Global	100%	1,000	1,000	-
Autostrade dell'Atlantico	100%	755	755	-
Yunex	100%	734	-	734
Stalexport Autostrady	61%	105	105	-
Azzurra Aeroporti	53%	62	62	-
Telepass	51%	14	14	-
Spea Engineering	60%	4	4	-
Investments in subsidiaries		**8,541**	**7,807**	**734**
Aeroporto Guglielmo Marconi di Bologna	29%	83	94	-11
Pune Solapur Expressways	50%	16	16	-
Investments in associates and joint ventures		**99**	**110**	**-11**
Hochtief	-	-	798	-798
Volocopter	2%	24	15	9
Non-controlling interests		**24**	**813**	**-789**
Total investments		**8,664**	**8,730**	**-66**

There was a reduction of €66 million, primarily due to:

- the acquisition of a 100% interest in Yunex for €945 million, including the related transaction costs and the subsequent impairment loss of €211 million;
- the sale of the investment in Hochtief for a consideration of €578 million (the carrying amount as of 31 December 2021 was €798 million);
- the investment of €9 million, through the subscription for a reserved capital increase, in a non-controlling interest in Volocopter;
- impairment losses on the carrying amount of the investment in Aeroporto Guglielmo Marconi di Bologna (€11 million).

Mundys retains, through to 12 July 2025, (i) the right of first offer and right to match on a 5.7% stake in Cellnex and (ii) the right to match on options (not exercised by ConnecT Due) resulting from any future rights issues carried out by Cellnex. No amount has been recognised in the financial statements in connection with the rights granted to Mundys under the above agreements, as the related requirements for recognition have not been met.

Annexes 1 and 2 to these financial statements provide details of investments.

The impairment tests performed as at 31 December 2022, as required by IAS 36, on the carrying amounts of investments:

- that include goodwill (Abertis HoldCo, which owns 98.7% of Abertis Infraestructuras, and Yunex), or
- for which there is evidence of a potential impairment (Stalexport Autostrady and the associate, Aeroporto Guglielmo Marconi di Bologna);

are commented below.

Abertis HoldCo

Value in use was estimated on the basis of the explicit projections for a five-year period developed by the Abertis group on the basis of the latest available long-term plan. The terminal value was estimated applying a long-term nominal growth rate of 2% (the "g rate"), to appropriately assess the group's ability to generate or acquire additional business in the operation of infrastructure under concession.

The discount rates used were as follows:

- cash flows in the explicit projection period were discounted on the basis of average discount rates in the countries in which the group operates (weighted to reflect each country's expected share of EBITDA in the fifth year), resulting in a rate of 5.8%;
- the terminal value was discounted by increasing the above weighted average discount rate by 2% to 7.8% (thus bringing the real long-term growth rate to 0).

The impairment test showed that the carrying amount is fully recoverable. The sensitivity analyses conducted (increasing the indicated discount rate by 1% and reducing the long-term growth rate, or "g rate", by 0.5%) did not result in any significant differences with respect to the outcome of the impairment test.

Yunex

Value in use was estimated on the basis of the explicit projections for a five-year period developed by the Yunex group on the basis of the latest available long-term plan. The terminal value was estimated applying a long-term nominal growth rate of 2%.

The discount rates used were as follows:

- cash flows in the explicit projection period were discounted on the basis of average discount rates in the main countries in which the group operates (weighted to reflect each country's expected share of EBITDA in the fifth year), resulting in a rate of 6.8%;
- the terminal value was discounted by increasing the above weighted average discount rate by 2% to 8.8%, revising the risk profile associated with execution of the plan beyond the explicit projection period, compared with the assessment conducted at the acquisition date.

The impairment test showed that the carrying amount is partially recoverable, resulting in an impairment loss on the investment of €211 million. The sensitivity analyses conducted (increasing the indicated discount rate by 1% and reducing the long-term growth rate, or "g rate", by 0.5%), resulted in potential further impairments of €108 million and €47 million, respectively.

Stalexport Autostrady

Value in use was estimated on the basis of operating, financial and cash flow projections in the company's latest long-term plan through to the end of the remaining term of its motorway concession. The discount rate used, in local currency, is 6.9%.

The impairment test showed that the carrying amount is recoverable.

Aeroporto Guglielmo Marconi di Bologna

Value in use was based on the company's fair value, measured on the basis of the company's share price as of 31 December 2022. The outcome of the impairment test resulted in an impairment loss of €11 million on the carrying amount of the investment.

5.2 Property, plant and equipment

€M	31 December 2022			31 December 2021		
	Cost	Accumulated depreciation	Carrying amount	Cost	Accumulated depreciation	Carrying amount
Property, plant and equipment	21	-3	18	27	-6	21
Investment property	20	-11	9	10	-6	4
Property, plant and equipment	**41**	**-14**	**27**	**37**	**-12**	**25**

The following table shows amounts for the various categories of property, plant and equipment at the beginning and end of the period and changes in the carrying amounts.

€M	31 December 2021	Investment/ Additions	Recognition of right-of-use assets	Reclassification	Depreciation	31 December 2022
Buildings	2	-	-	-2	-	-
Leased buildings	16	-	1	-	-1	16
Other assets	3	-	-	-	-1	2
Property, plant and equipment	**21**	**-**	**1**	**-2**	**-2**	**18**
Land	1	-	-	-	-	1
Buildings	3	4	-	2	-1	8
Investment property	**4**	**4**	**-**	**2**	**-1**	**9**
Total property, plant and equipment	**25**	**4**	**1**	**-**	**-3**	**27**

There were no significant changes in the expected useful lives of Mundys's property, plant and equipment in 2022.

Property, plant and equipment as of 31 December 2022 is free of mortgages, liens or other collateral guarantees restricting use.

5.3 Financial assets

€M	31 December 2022	Of which current portion	Of which non-current portion	Term between 13 and 60 months	Term after 60 months	31 December 2021	Of which current portion	Of which non-current portion
Autostrade dell'Atlantico loan (1) (2)	-	-	-	-	-	50	-	50
Derivative assets	45	45	-	-	-	35	1	34
Cash deposits (1)	15	-	15	-	15	138	-	138
Medium/long-ter financial assets (A)	**60**	**45**	**15**	-	15	**223**	**1**	**222**
Yunex loan (1) (3)	34	34	-	-	-	-	-	-
Other short-term financial assets (1)	17	17	-	-	-	4	4	-
Short-term financial assets (B)	**51**	**51**	**-**	-	-	**4**	**4**	**-**
Financial assets (A)+(B)	**111**	**96**	**15**	-	15	**227**	**5**	**222**

(1) These assets are classified as "financial assets measured at amortised cost" in accordance with IFRS 9

(2) A fixed rate loan obtained in 2017, maturing in January 2023, with a nominal value of €51 million as at 31 December 2021, a fair value of €50 million and an average contractual rate of approximately 2%

(3) As at 31 December 2020, these assets also included fair value hedges linked to the risk of movements in Hochtief's share price

Financial assets, totalling €111 million, are down €116 million, essentially due to:

- a €123 million reduction in cash deposits, primarily due to the positive change in the fair value of the Forward-Starting Interest Rate Swaps unwound in 2022 and which were secured by cash collaterals guaranteeing the credit exposure of financial counterparties;
- repayment, totalling €50 million, of the intercompany loan granted to Autostrade dell'Atlantico;
- a new loan to Yunex GMBH, following the assumption of €34 million in loans to the investee from Siemens, as part of the acquisition of the investment.

5.4 Net deferred tax assets

€M	31 December 2022	31 December 2021	Change
Deferred tax assets (Corporate income tax, IRES)	31	101	-70
Deferred tax assets (Corporate income tax, IRAP)	3	3	-
Deferred tax assets	**34**	**104**	**-70**
Deferred tax liabilities (Corporate income tax, IRES)	-11	-11	-
Deferred tax liabilities	**-11**	**-11**	**-**
Deferred tax assets, net	**23**	**93**	**-70**

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.

€M	31 December 2021	Provisions/ (releases) recognised in profit or loss	Change in estimates for previous years	Other changes	31 December 2022
Tax losses eligible to be carried forward	62	-53	-4	-5	-
Derivative financial instruments at fair value	19	-	-	-3	16
Provisions	18	-	-	-	18
Other temporary differences	5	-3	-2	-	-
Deferred tax assets	**104**	**-56**	**-6**	**-8**	**34**
Positive adjustments under IFRS 3 for acquisitions	-11	-	-	-	-11
Deferred tax liabilities	**-11**	**-**	**-**	**-**	**-11**
Deferred tax assets, net	**93**	**-56**	**-6**	**-8**	**23**

Deferred tax assets are down €70 million, primarily due to the release recognised in profit or loss of deferred tax assets on tax losses (€53 million) and on surplus ACE tax relief (€3 million) accruing in previous years, given that the Group had sufficient taxable income under the tax consolidation arrangement.

5.5 Cash and cash equivalents

Cash and cash equivalents amounting to €8,457 million (€806 million as of 31 December 2021), include:

- bank deposits and cash equivalents, of €892 million (€351 million as of 31 December 2021);
- cash equivalents, relating to the short-term investment in liquidity, amounting to €7,565 million.

In addition, the Company has further cash reserves of €1,500 million as of 31 December 2022 provided by a Revolving Credit Facility, maturing in July 2025, with the aim of strengthening the Company's financial structure. The facility includes an option to convert into a Sustainability-linked Revolving Credit Facility, which was exercised on 17 March 2023 and is expected to be approved by the lending banks by April 2023.

In addition:

a) on 5 October 2022, the Company agreed a new bank facility amounting to €1,500 million, with €750 million disbursed and a further €163 million will be drawn on 5 April 2023. The remaining €587 million are available until 5 July 2023;

b) following authorisation by the Extraordinary General Meeting of shareholders held on 16 January 2023, pursuant to art. 2358, paragraph 2 of the Italian Civil Code, €8,200 million in available cash was used for an upstream loan to Schemaquarantadue, enabling the parent to effect early repayment of the bridge loan obtained to finance a portion of the consideration payable under the public tender offer for Company's shares launched by Schemaquarantadue through Schema Alfa, as described in note 4.1. The upstream facility is expected to be extinguished pursuant to art. 1253 of the Italian Civil Code as a result of the trilateral merger that will result in the merger of Schemaquarantadue and Schema Alfa with and into Mundys.

Further information on the increase in this item in 2022 is provided in note 7.1 "Notes to the statement of cash flows".

5.6 Current tax assets and liabilities

€M	31 December 2022	31 December 2021	Change
Corporate income tax (IRES) credits:			
- Mundys SpA	-3	100	-103
- Companies participating in the tax consolidation arrangement	24	-60	84
- Claims for IRES refunds for companies participating in the tax consolidation arrangement	-	23	-23
- Other assets	6	1	5
Corporate income tax (IRES) receivable from companies participating in the tax consolidation arrangement	17	152	-135
Other taxes	2	-	2
Current tax assets (A)	**46**	**216**	**-170**
Corporate income tax (IRES) payable to companies participating in the tax consolidation arrangement:			
- on taxable income	-41	-92	51
- for refunds claimed	-	-23	23
Current tax liabilities (B)	**-41**	**-115**	**74**
Net current tax assets (A)+(B)	**5**	**101**	**-96**

The decrease in net current tax assets, amounting to €96 million, is primarily due to:

- the recognition of current tax liabilities of €81 million, primarily on the taxable gain on the sale of ASPI under the participation exemption regime;
- recognition of the tax benefit relating to the use of tax losses from previous years (€56 million, including €53 million recognised in profit or loss and €3 million recognised in other comprehensive income), recoverable in full under the tax consolidation arrangement;
- the collection of the refund on the balance of tax due for 2021 accruing under the tax consolidation arrangement (€83 million).

Finally, in 2022, the tax authority proceeded to pay €23 million in refunds of Corporate income tax (IRES on deductible IRAP) pursuant to Law Decree 201/2011 claimed by the Company for the years from 2008 to 2011, as the consolidating entity and primarily attributable to the companies consolidated at that time. The amount collected was then transferred to the beneficiary companies.

5.7 Discontinued operations

As of 31 December 2021, this item essentially included the carrying amount of the investment in ASPI, amounting to €5,338 million, and sold in 2022, as described in note 4.2.

5.8 Equity

Mundys SpA's issued capital as of 31 December 2022 is fully subscribed and paid-in and consists of 825,783,990 ordinary shares, which are no-par. The issued capital did not undergo any changes in 2022.

As of 31 December 2022, the Company holds 6,598,210 treasury shares, a reduction of 361,483 shares following the early allotment of shares to beneficiaries of the 2021-2023 Stock Grant Plan. Details are provided in note 8.3.

Equity is up €2,050 million compared with 31 December 2021, primarily reflecting:

a) the comprehensive income for the year of €2,649 million, which includes:
   - profit for the year (€2,862 million);
   - fair value losses on the investment in Hochtief (€220 million), linked to the reduction in the value of the investee's shares from €71.00 as of 31 December 2021 to the sale price of €51.43;

b) the decision to pay a dividend of €0.74 per share to the Company's shareholders, making a total amount of €606 million.

It should also be noted that following the sale of the investment in Hochtief, described in note 4.3, the "Reserve for the fair value measurement of equity instruments", amounting to a negative €1,029 million, was accounted for as a reduction in retained earnings.

The table below shows an analysis of issued capital and equity reserves as at 31 December 2022, showing their permitted uses and distributable amounts.

Description	Balance as of 31 December 2022 (€M)		Permitted uses	Available portion (€M)
Issued capital (a)	**826**	(1)	B	-
Treasury shares (b)	**-142**			**-142**
Legal reserve	261	(2)	A, B, C	96
Extraordinary reserve	5,041		A, B, C	5,041
Merger reserve	2,987	(3)	A, B, C	2,987
Cash flow hedge reserve	-38		B	-
Other reserves	64	(4)	A, B, C	64
Retained earnings	1,751		A, B, C	1,751
Reserves and retained earnings (c)	**10,066**			**9,939**
Total (a)+(b)+(c)	**10,750**			**9,797**
of which distributable				*9,797*

* Key: A: capital increases - B: to cover losses - C: shareholders distributions

(1) Of which €731 million related to capital increases resulting from mergers of companies with and into the Company:

- a) €567 million relating to the merger of former Autostrade-Concessioni e Costruzioni Autostrade SpA with and into the former NewCo28 SpA (now Mundys) in 2003. With reference to art. 172, paragraph 5 of the Consolidated Income Tax Act, this capital increase is restricted to the following reserves taxable on distribution: revaluation reserves pursuant to Law 72/1983, 413/1991 and 342/2000, amounting to €567 million;
- b) to €164 million relating to the merger of Gemina SpA with and into Atlantia (now Mundys) in 2013.

(2) Of which €96 million, being the excess over one fifth of issued capital, is available and distributable.

(3) With reference to art. 172, paragraph 5 of the Consolidated Income Tax Act, the merger surplus of €449 million 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) the reserve for capital contributions, amounting to €8 million;
- b) revaluation reserves pursuant to Law 72/1983, Law 413/1991 and Law 342/2000, amounting to €441 million.

(4) Of which €64 million recognised in equity following the sale of treasury shares in the market in 2015.

Following agreement of the upstream loan to the parent, Schemaquarantadue SpA, in January 2023, described in note 4.1, an undistributable equity reserve was formed pursuant to article 2358 of the Italian Civil Code. This reserve amounts to €8,225 million, the maximum amount disbursable under the loan. This undistributable reserve will continue to be accounted for until the earlier of (i) repayment of the upstream loan; and (ii) completion of the reverse merger, after which the upstream loan will be extinguished as a result of the merger pursuant to article 1253 of the Italian Civil Code.

5.9 Provisions

Provisions, totalling €104 million (€79 million as of 31 December 2021), are up €26 million with respect to the comparative period. These have been made to cover expenses that the Company expects to incur to settle contractual and legal obligations resulting from past events, where it is probable that an outflow of resources will be required to settle the obligation.

5.10 Financial liabilites

Bond issues and bank borrowings

The following tables provide an analysis of outstanding bond issues and bank borrowings, showing:

a) the composition of the carrying amount, the corresponding nominal and fair values, the related terms to maturity and the type of interest rate applied:

€M	Maturity	31 December 2022 Face value	Fair Value (3)	Carrying amount	Between 13 and 60 months	Term after 60 months	31 December 2021 Face value	Fair Value (3)	Carrying amount
EMTN Euronext Dublin 2017	2025	750	701	749	*749*	-	750	763	749
EMTN Euronext Dublin 2017	2027	1,000	850	992	*992*	-	1,000	1,034	991
Euronext Global Exchange Market 2021	2028	1,000	834	990	-	*990*	1,000	1,028	988
Bond issues (fixed rate)		**2,750**	**2,385**	**2,731**	*1,741*	*990*	**2,750**	**2,825**	**2,728**
Term Loan 2022	2024	750	769	749	*749*	-	-	-	-
Term Loan 2018 (2)	2023	-	-	-	-	-	750	762	749
Bank borrowings (floating rate)		**750**	**769**	**749**	***749***	**-**	**750**	**762**	**749**
Total (1)		**3,500**	**3,154**	**3,480**	*2,490*	*990*	**3,500**	**3,587**	**3,477**

(1) These financial instruments are classified as financial liabilities measured at amortised cost in accordance with IFRS 9

(2) This loan was repaid in full in October 2022

(3) Bonds issued and term loans are classified in level 1 and level 2 of the fair value hierarchy, respectively

b) a comparison of the nominal value of the liabilities and the related carrying amount, showing the currency of issue and the corresponding average and effective interest rates:

€M	31 December 2022 Face value	Carrying amount (1)	Average contractual interest rate	Average effective interest rate (1)	31 December 2021 Face value	Carrying amount (1)	Average contractual interest rate	Average effective interest rate (1)
Bond issues (€)	2,750	2,731	1.81%	2.30%	2,750	2,728	1.80%	2.25%
Bank borrowings (€)	750	749	1.72%	3.08%	750	749	1.40%	3.91%

(1) Includes ancillary costs and the cost of differentials realised on Forward-Starting Interest Rate Swap

The average cost of medium/long-term bonds and borrowings in 2022, including differentials on derivatives, was 2.46% (2.21% excluding differentials on derivatives).

c) Movements during the period in the carrying amounts of outstanding bond issues and bank borrowings:

€M	31 December 2021	Additions	Repayments	Amortisation of ancillary costs	31 December 2022
Bond issues	2,728	-	-	3	2,731
Bank borrowings	749	749	-750	1	749

On 5 October 2022, the Company agreed a new bank facility amounting to €1,500 million (of which €750 million has been disbursed), expiring in October 2024 but renewable through to April 2026. This was used to effect early repayment of the Term Loan 2018 and for general corporate purposes. The facility agreement contains an option to convert into a Sustainability-linked Facility, which was exercised on 17 March 2023 and is expected to be approved by the lending banks by April 2023.

Details of the covenants in the related loan agreements, and compliance with them, are provided in note 7.2.

Derivatives and other financial liabilities

€M	31 December 2022	Of which current portion	Of which non-current portion	Term between 13 and 60 months	Term after 60 months	31 December 2021	Of which current portion	Of which non-current portion
Derivatives	13	13	-	-	-	111	-	111
Lease liabilities [1]	16	1	15	*7*	*8*	16	1	15
Accrued expenses [1]	44	44	-	-	-	53	53	-
Other medium/long-term financial liabilities (A)	**73**	**58**	**15**	*7*	*8*	**180**	**54**	**126**
Other current financial liabilities [1] (B)	9	9	-	-	-	-	-	-
Other financial liabilities (A+B)	**82**	**67**	**15**	***7***	***8***	**180**	**54**	**126**

[1] Classified as financial liabilities measured at amortised cost in accordance with IFRS 9

The change in "derivatives" during the year is essentially due to the unwinding, in April 2022, of a portfolio of Forward-Starting Interest Rate Swaps with a notional value of €1,850 million (fair value losses of €110 million as of 31 December 2021). This resulted in the recognition of fair value gains of €19 million.

Net debt in compliance with ESMA Recommendation of 4 March 2021

An analysis of total net debt as of 31 December 2022 and 2021 is shown below, in accordance with European Securities and Markets Authority - ESMA guidance on disclosure requirements under Regulation (EU) 2017/1129 (the "Prospectus Regulation").

€M	31 December 2022	31 December 2021	Change
Cash and cash equivalents	8,457	806	7,651
Derivative assets – current portion	45	1	44
Cash and cash equivalents (A)	**8,502**	**807**	**7,695**
Derivative liabilities	13	-	13
Other financial liabilities	54	54	-
Current financial liabilities (B)	**67**	**54**	**13**
Current net debt (C=A-B)	**8,435**	**753**	**7,682**
Bond issues	2,731	2,728	3
Bank borrowings	749	749	-
Derivative liabilities	-	111	-111
Other financial liabilities	15	15	-
Non-current financial liabilities (D)	**3,495**	**3,603**	**-108**
Net debt as defined by ESMA (E=D-C)	**-4,940**	**2,850**	**-7,790**

5.11 Other liabilities

€M	31 December 2022	31 December 2021	Change
Amounts payable to staff	23	25	-2
Sundry taxes other than current income tax	7	3	4
Social security contributions payable	3	3	-
Other payables	1	2	-1
Other liabilities	**34**	**33**	**1**

Other liabilities, totalling €34 million, are broadly in line with the comparative period.

6. Notes to the income statement

6.1 Service costs

€M	2022	2021	Change
Professional services	-12	-28	16
Insurance	-3	-1	-2
Other services	-9	-5	-4
Service costs	**-24**	**-34**	**10**

This item is down mainly due to the success fees (€11 million) paid in 2021 to the advisors who assisted the Company in the sale of the 49% stake in Telepass.

6.2 Staff costs

€M	2022	2021	Change
Wages and salaries	-14	-11	-3
Social security contributions	-4	-4	-
Directors' remuneration	-3	-3	-
Post-employment benefits	-1	-1	-
Other staff costs	-2	-1	-1
Ordinary staff costs	**-24**	**-20**	**-4**
Staff incentive plans	-18	-11	-7
Staff costs	**-42**	**-31**	**-11**

The increase in staff costs is primarily due to the increased cost of management incentives, partly reflecting the termination agreements reached with the Chief Executive Officer (in office until 31 December 2022) and other managers.

Details of equity-settled and cash-settled share-based incentive plans are provided in note 8.3, "Disclosures regarding share-based payments".

Ordinary staff costs are up €3 million due to the greater number of personnel employed in 2022.

The following table presents the average workforce by category.

Units	2022	2021	Change
Senior managers	46	31	15
Middle managers and administrative staff	63	68	-5
Average workforce	**109**	**99**	**10**

6.3 Change in provisions

No provisions were made for continuing operations in 2022. In the comparative period, this item primarily regarded provisions totalling €77 million for risks related to the Company's contractual and legal obligations.

6.4 Profit/(loss) from investments

€M	2022	2021	Change
Dividends from investees	**363**	**419**	**-56**
Abertis HoldCo	297	297	-
Telepass	28	53	-25
Hochtief	22	44	-22
Stalexport Autostrady	8	21	-13
Aero 1 Global	8	4	4
Gains on the sale of investments	**-**	**1,044**	**-1,044**
Telepass (49%)	-	1.042	-1.042
Fiumicino Energia	-	2	-2
Impairment losses on investments	**-222**	**-104**	**-118**
Yunex Traffic	-211	-	-211
Aeroporto Guglielmo Marconi di Bologna	-11	-17	6
Azzurra Aeroporti	-	-87	87
Profit/(Loss) from investments	**141**	**1,359**	**-1,218**

The profit from investments, amounting to €141 million (€1,359 million in 2021), is down €1,218 million. This is primarily due to the gains recognised in 2021 on the sales of a 49% stake in Telepass and of Fiumicino Energia, the increase in impairment losses described in Note 5.1 and a reduction in dividends from investees.

The 2022 capital gain from the disposal of the equity investment in ASPI, accounted for as a discontinued operation since 2021, is disclosed in Note 6.7.

6.5 Financial income/(expenses)

€M	2022	2021	Change
Income from derivative financial instruments	172	121	51
Financial income accounted for as an increase in financial assets	-	3	-3
Interest and other financial income	36	6	30
Financial income (A)	**208**	**130**	**78**
Losses on derivative financial instruments	-46	-126	80
Cost of bond issues	-53	-51	-2
Cost on bank borrowings	-20	-49	29
Other financial expenses	-8	-3	-5
Financial expenses (B)	**-127**	**-229**	**102**
Financial income/(expenses) (A+B)	**81**	**-99**	**180**

The balance of "Financial income/(expenses)" has improved by €180 million, essentially reflecting:

a) an increase in net income from derivative financial instruments (€131 million), primarily due to:
   - the positive impact of rising interest rates in 2022 on the fair value of Forward-Starting Interest Rate Swaps (€52 million); and
   - a reduction in the amount reclassified to profit or loss from the cash flow hedge reserve (€57 million), which in 2021 was influenced by the lack of bond issues;
   - lower differentials exchanged following the unwinding, in 2022, of all the Company's Forward-Starting IRSs (€22 million);

b) increased income on the short-term investment of available liquidity (a net change of €30 million), due to liquidity available after the sale of ASPI (€8,199 million) and rising interest rates in the second half of 2022;

c) a reduction in the cost of bank borrowings (€29 million), primarily following voluntary early extinguishment of the collar financing in 2021 (€25 million).

6.6 Income tax (expense)/benefits

€M		2022	2021	Change
Current tax benefit	**(A)**	**60**	**68**	**-8**
Differences on income tax for the previous years	**(B)**	**3**	**-2**	**5**
Provisions		-	19	-19
Releases		-56	-30	-26
Change in estimates for previous years		-6	5	-11
Deferred tax income	**(C)**	**-62**	**-6**	**-56**
Income tax (expense)/benefits	**(A+B+C)**	**1**	**60**	**-59**

The following table shows the tax reconciliation based on statutory rates of taxation and the effective charge for the year.

€M	2022			2021		
	Taxable income	Tax	Tax rate	Taxable income	Tax	Tax rate
Profit/(Loss) before tax from continuing operations	**145**			**1.110**		
Corporate income tax (IRES) at the statutory rate		**-35**	**24.00%**		**-266**	**24.00%**
Temporary differences deductible in future years	-14	3	2,07%	65	-16	-1.44%
Tax free dividends	-345	83	57.24%	-398	96	8.65%
Non-taxable gains on investments	-	-	-	-1.021	245	22.07%
Impairment losses on investments not deducted	222	-53	-36.55%	104	-25	-2.25%
Other permanent differences	-36	9	6.21%	-19	5	0.45%
Sub-total	**-28**	**7**	**4.83%**	**-159**	**38**	**3.42%**
Tax losses from previous years	-220	53	36.55%	-124	30	2.70%
Current Corporate income tax (IRES) charge	**-248**	**60**	**41.38%**	**-283**	**68**	**6.13%**
Differences on income tax for the previous years		3	-		-2	-
Deferred tax income/(expense)		-62	-		-6	-
Income tax (expense)/benefits		**1**	**0.69%**		**60**	**5.41%**

Tax benefits amount to €60 million and reflect (i) €53 million resulting from the release of deferred tax assets on tax losses accruing in previous years, given that the Group had sufficient taxable income under the tax consolidation arrangement, and (ii) €7 million relating to the tax loss from continuing operations for the year, after taking into account the limited impact on taxation of dividends and impairment losses.

6.7 Net profit from discontinued operations

The net profit from discontinued operations primarily regards the net gain resulting from the sale of the investment in Autostrade per l'Italia, described above in note 4.2, classified as a discontinued operation. As required by IFRS 5, an analysis of the post-tax profit or loss of discontinued operations is provided below:

€M	2022
Net gain on the sale of ASPI	2,809
Tax on the net gain	-87
Other costs	-6
Net profit from discontinued operations	**2,716**

The gain results from the difference between the consideration received from the sale of ASPI, amounting to €8,199 million (including the ticking fee and price adjustments finalised at the date of closing) and the carrying amount of the investment, amounting to €5,338 million, after transaction costs totalling €51 million, including success fees of €26 million paid to the advisors retained by the Company.

Tax expense of €87 million reflects Corporate Income Tax (IRES) applicable to the taxable gain in ASPI (so called "participation exception").

7. Other financial information

7.1 Notes to the statement of cash flows

Cash flows during 2022 resulted in an increase in cash flow and cash equivalents of €7,651 million (a reduction of €1,455 million in 2021).

Cash generated from operating activities amounts to €411 million, up €58 million on 2021 (€353 million). This primarily reflects:

- an increase in amounts collected in connection with the settlement of positions associated with the tax consolidation arrangement (€76 million);
- increased interest income collected on the short-term investment of available liquidity (€17 million);
- a reduction in dividends collected from investees (€56 million).

Net cash from investing activities, amounting to €7,948 million, essentially reflects the effect of:

- the proceeds from the sales of ASPI (€8,199 million) and Hochtief (€578 million);
- a reduction of €123 million in cash collaterals, primarily due to fair value gains on the Forward-Starting Interest Rate Swaps unwound in 2022, which had been secured by cash collaterals guaranteeing the credit exposure of financial counterparties;
- collection (€50 million) of the loan granted to Autostrade dell'Atlantico; partially offset by
- outflows linked to acquisition of the investments in Yunex (€945 million) and Volocopter (€9 million).

Net cash from investing activities in 2021, amounting to €1,947 million, primarily included the proceeds from the sales of a 49% stake in Telepass (€1,056 million), Pavimental (€11 million) and Fiumicino Energia (€10 million), the unwinding of the funded collar and the sale of an 8% stake in Hochtief, totalling €774 million, in addition to partial collection (€79 million) of the loan granted to Autostrade dell'Atlantico.

Net cash for financing activities, amounting to €708 million, includes:

- the payment of dividends to shareholders, totalling €603 million;
- partial use of the new bank facility obtained in October 2022 for use to fund early refinancing of a bank loan, amounting to €750 million.

Net cash for financing activities in 2021, amounting to €3,754 million, essentially reflected voluntary early repayment of medium/long-term borrowings totalling €4,502 million, partially offset by the issue of bonds maturing in 2028, totalling €1,000 million.

7.2 Financial risk management

Financial risk management objectives and policies

The management of financial risks plays a central role in Mundys's Group decision-making and risk management process, with a view to enabling the creation of value for the organisation and for its stakeholders by achieving a correct balance between the assumption of risk and the profitability of the business.

In keeping with Mundys's role as a strategic investment holding company, the financial risk management process is closely linked with the manner in which Mundys and consolidated companies manage their finances, as this can directly and indirectly impact Mundys.

For this reason, Mundys aims to ensure the adoption within the Group of principles, criteria and tools for identifying, measuring, monitoring and managing the financial risks that can directly and indirectly impact Mundys, based on best practices in financial risk management. At the same time, the Company aims to foster an independent, responsible approach to risk management within subsidiaries.

The Company is exposed to the following financial risks regarding:

- financial planning risk;
- financial market risk;
- liquidity risk;
- guarantee risk;

- financial contract risk;
- rating risk;
- liquid investment risk;
- interest rate risk;
- currency risk.

This section provides details of the financial risks to which Mundys is exposed and the related strategies and hedged instruments.

Financial planning risk

Financial planning risk regards the risk arising from the failure to plan for and define, or to plan and define in an adequate and timely manner, an entity's financial needs and balance between debt and equity, with a potential impact on the entity's operating results, financial position and cash flows and on the sustainability of its business.

The management of financial planning risk aims to ensure that the planning process is fit for purpose and timely, that financing activities are appropriately planned, and a balanced capital structure maintained in order to safeguard profitability and compliance with the minimum ratings included in financial covenants.

Financial market and liquidity risk

Financial market risk regards the risk arising from failure to assess, or to assess in an adequate and timely manner, financial market trends (including in relation to sustainability requirements) with an impact during the issuance of bonds or the arrangement of bank borrowings.

The main aim in managing financial market risk is to minimise the execution risk associated with new bond issues and new bank borrowings, by monitoring the capital and banking markets.

Liquidity risk regards the risk arising from failed, inadequate or untimely planning for financial needs, such as, for example, those resulting from day-to-day operations, new investment, the early repayment of debt or the refinancing of debt, adding to pressure on available liquidity.

The main aim in managing liquidity risk is to ensure the entity's ability to meet its financial needs through the correct sizing, timing and allocation (cash and cash equivalents, committed credit facilities, etc.) of cash reserves.

With regard to Mundys's financial needs, the Company has no debt falling due before October 2024 (€750 million in Term Loans, the term of which may be extended until April 2026).

With regard to available financial resources, described above in note 5.5, the Company believes that it has access to sufficient sources of finance to meet its projected financial needs, given the expected dividend flow from subsidiaries, the ample diversification of its sources of funding (€2,750 million in bond issues and €750 million in Term Loans) and the availability of committed credit facilities.

Guarantee risk

Guarantee risk relates to the failure to manage, or to manage in an adequate and timely manner, guarantees, with a potential impact on the financial position and the risk of enforcement of guarantees provided to third parties. The main aim in managing guarantee risk is to monitor the process of issuing guarantees and mitigate the risk of enforcement of the guarantees provided.

Information on guarantees provided is given in note 8.1, "Guarantees", in which the underlying transactions and the steps taken to monitor and manage the various positions are described.

Financial contract risk

Financial contract risk regards the risk of failure to assess, or to assess in an adequate and timely manner, the ability to comply with covenants and other contractual undertakings when assuming commitments or when managing them. This could result in the inability to draw down credit lines, early repayment obligations and/or limitations on operations.

The main aims in managing financial contract risk are i) to prevent the risk of the inability to draw down credit lines, the risk of early repayment and/or limitations on operations; and ii) to prevent potential negative effects of the failure to comply with covenants.

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.

In line with internationally recognised practice, Mundys's loan agreements and bond issues include provisions requiring early repayment in the following cases:

- *cross acceleration* when the debt of Mundys or a significant subsidiary becomes immediately repayable, unless this occurs due to the loss of a concession;
- *cross-default* if Mundys or one of its significant subsidiaries fail to repay debt at maturity or within the applicable grace period;
- legal, regulatory or administrative proceedings that might reasonably have a material adverse effect on Mundys;
- *insolvenza*, if Mundys or a significant subsidiary were to become insolvent, and not be able to meet its repayment obligations or suspend such repayments (in all the loan agreements explicit exception is made in the event of an insolvency procedure following the loss of the concession);
- *material asset sale*, in the event of the sale of a Principal Subsidiary and when, as a result of implementation of the transaction, there is a downgrade of the credit rating within a pre-established timeframe defined in the term and conditions of the borrowing;
- further restrictions: in the event of evocation, 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;
- *financial covenant* (as described below).

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 financing. The above agreements also require compliance with certain financial covenants.

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 Term Loans outstanding as of 31 December 2022 require compliance, at consolidated level, with certain covenants, above all with a minimum threshold:

- the ratio of Funds from Operations (FFO) to Net Debt;
- the debt service coverage ratio;
- equity.

With regard to the covenants involving default provisions in the Company's loan agreements, as of the date of these separate financial statements there is no risk of a breach of the relevant default thresholds.

The following tables show the time distributions of bond issues and medium/long-term borrowings by term to maturity as of 31 December 2022 and comparable figures as of 31 December 2021, excluding accrued expenses at these dates.

€M	Carrying amount	Total contractual flows	Within one year	Between 1 and 2 years	Between 3 and 5 years	Over 5 years
EMTN Euronext Dublin 2017-2025	749	-786	-12	-12	-762	-
EMTN Euronext Dublin 2017-2027	992	-1,094	-19	-19	-1,056	-
Euronext Global Exchange Market 2021-2028	990	-1,113	-19	-19	-56	-1,019
Bond issues	**2,731**	**-2,993**	**-50**	**-50**	**-1,874**	**-1,019**
Borrowing (Term Loan) (disbursed 2023)	749	-780	-24	-756	-	-
Bank borrowings	**749**	**- 780**	**-24**	**-756**	**-**	**-**
Total as of 31 December 2022	**3,480**	**-3,773**	**-74**	**-806**	**-1,874**	**-1,019**
EMTN Euronext Dublin 2017-2025	749	-798	-12	-12	-774	-
EMTN Euronext Dublin 2017-2027	991	-1,113	-19	-19	-56	-1,019
Euronext Global Exchange Market 2021-2028	988	-1,132	-19	-19	-56	-1,038
Bond issues	**2,728**	**-3,043**	**-50**	**-50**	**-886**	**-2,057**
Borrowing (Term Loan 2) (disbursed 2018)	749	-764	-6	-758	-	-
Bank borrowings	**749**	**- 764**	**-6**	**-758**	**-**	**-**
Total as of 31 December 2021	**3,477**	**-3,807**	**-56**	**-808**	**-886**	**-2,057**

The amounts in the above tables include interest payments up to maturity.

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.

Rating risk

Rating risk regards the risk of a downgrade of an entity's credit ratings, with possible difficulties in accessing the capital market and/or bank financing and/or facing an increase in the costs of debt. The rating agencies current ratings of Mundys are as follows:

	Issuer rating – rating and outlook	Rating of bonds issued by Mundys and outlook
Fitch Rating	BB+ (1)	BB Stable outlook
Moody's	Ba1 (2) Stable outlook	Ba2 Stable outlook
Standard & Poor's	BB+ Stable outlook	BB+

(1) "Consolidated rating" for the Mundys Group

(2) "Corporate family rating" for the Mundys Group

Liquid investment risk

The risk associated with the investment of liquidity regards the failure to assess, or to assess in an adequate and timely manner, the risk of a counterparty default and the risk of movements in the value of liquid investments. The Company manages liquid investment 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 main aims in managing such risk are to mitigate the risk that a counterparty will be unable to meet their obligations and the exposure of liquid investments to movements in market prices, and to achieve an optimal risk/return mix for the investment products in which liquidity is invested.

Interest rate risk

Interest rate risk regards the failure to manage, or to manage in an adequate and timely manner, movements in interest rates, with an impact on the level of borrowing costs, profitability and on the value of financial assets and liabilities.

Interest rate risk, as defined above, generally takes two forms:

- cash flow risk: linked to financial assets and liabilities with cash flows indexed to a market interest rate;
- fair value risk: the risk of losses deriving from an unexpected change in the value of fixed rate financial assets and liabilities following an unfavourable shift in the market yield curve.

In 2022, the Company carried out the early unwinding of a package of Interest Rate Swaps with a notional value of €1,850 million, which had been classified as not qualifying for hedge accounting.

As of 31 December 2022, fixed rate debt represents 78.6% of the total, in line with the guidelines for the management of financial risk (fixed rate debt >70%).

In order to hedge against interest rate risk, the Company primarily engages with counterparties

with high credit ratings and continuously monitors the situation to ensure that there are no significant concentrations of counterparty risk.

Currency risk

Currency risk regards 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 denominated in currency.

The Company's prime objective in managing currency risk is to minimise cash flow volatility over the short and medium/long term through the use of appropriate hedges and to limit any negative effects of exchange rate movements linked to the acquisition or assumption of financial assets or liabilities.

Mundys's debt is denominated entirely in euro.

As of 31 December 2022, fair value gains on Cross Currency Swaps (CCSs) amount to €31 million (notional value amounting to €543 million). These were unwound in February 2023 with net proceeds amounting to €30 million.

In order to hedge against currency risk, the Company primarily engages with counterparties with high credit ratings and continuously monitors the situation to ensure that there are no significant concentrations of counterparty risk.

Derivative financial instruments

The following table summarises outstanding derivative financial instruments as of 31 December 2022 (compared with 31 December 2021), showing the corresponding fair and notional values.

€M		31 December 2022		31 December 2021	
Type	Hedged risk	Fair value [1]	Notional value	Fair value [1]	Notional value
Cross Currency Swap	Currency rate and interest rate risks	44	287	34	287
Cross Currency Swap Offset	Currency rate and interest rate risks	-13	256	-1	256
Interest Rate Swap	Interest rate risk	-	-	-110	1.850
Total derivatives		**31**	**543**	**-77**	**2,392**
	of which fair value assets	*44*		*34*	
	of which fair value liabilities	*-13*		*-111*	

(1) After the related accruals at the reporting date

Sensitivity analysis

Sensitivity analysis describes the impact on the income statement for 2022 and on equity as of 31 December 2022 resulting from the effect of interest rate and foreign exchange movements on the financial instruments held by the Company. The following outcomes resulted from the analysis carried out:

a) given the significant liquidity available in 2022 as a result of the sale of ASPI (exceeding EUR 8 billion as of May 2022), a 1% fall in interest rates would have resulted in a negative impact on profit or loss of €51 million, in terms of reduced interest income on weighted average liquidity during the year (€59 million) and reduced interest expense payable on debt (€8 million);

b) an unfavourable 10% shift in the exchange rate would have had no impact on profit or loss or on other comprehensive income.

8. Other information

8.1 Guarantees

The Company has certain personal guarantees in place. As of 31 December 2022, these include, in terms of importance:

- €158 million relating to Parent Company Guarantees provided on behalf of the Yunex group for the direct benefit of customers or, indirectly, as a counter guarantee provided to banks;
- €54 million (€32 million at the end of March 2023) in first demand bank guarantees counter guaranteed by Mundys for the benefit of Siemens, maturing on 30 June 2023, under the share purchase agreement governing the acquisition of Yunex;
- €24 million relating to a counter guarantee provided by Mundys (released at the end of February 2023) backing a bank guarantee on behalf of Pune Solapur Expressways Private Limited.

In addition, the Company has also pledged:

- all the shares (52.69%) in Azzurra Aeroporti held by Mundys to bondholders and the banks who are counterparties in derivative transactions;
- a portion (25.5%) of Mundys's holding of shares in Pune Solapur Expressways to banks.

Finally, following effectiveness of the sale of the investment in ASPI, guarantees provided by the Company, amounting to €4,478 million, securing bonds issued by ASPI and its borrowings from the European Investment bank were released in 2022.

8.2 Related party transactions

The principal related party transactions between the Company and its related parties are described below. Related party transactions, conducted on an arm's length basis, are identified in accordance with IAS 24.

In 2021, as in 2020, 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.

€M

Trading and other transactions	Trading and other assets	Trading and other liabilities	Current tax assets	Current tax liabilities	Other operating revenue	Service and other costs	Staff costs
Autostrade dell'Atlantico	-	-	1	-	-	-	-
Azzurra Aeroporti	-	-	-	7	-	-	-
Aeroporti di Roma Group	-	-	3	26	-	-	-
Spea Engineering	2	-	-	7	-	-	-
Telepass Group	-	-	13	1	-	-	-
Total subsidiaries	**2**	**-**	**17**	**41**	**-**	**-**	**-**
CAPIDI pension fund	**-**	**1**	**-**	**-**	**-**	**-**	**2**
Key management personnel [(1)]	**-**	**5**	**-**	**-**	**-**	**-**	**16**
TOTAL as of 31 December 2022	**2**	**6**	**17**	**41**	**-**	**-**	**18**

€M

Trading and other transactions	Trading and other assets	Trading and other liabilities	Current tax assets	Current tax liabilities	Other operating revenue	Service and other costs	Staff costs
AB Concessões	1	-	-	-	-	-	-
Autostrade dell'Atlantico	-	-	-	2	-	-	-
Azzurra Aeroporti	-	-	-	7	-	-	-
Aeroporti di Roma Group	-	-	2	77	-	-	-
Autostrade per l'Italia Group	1	3	138	23	1	3	-
Telepass Group	1	-	11	1	1	-	-
Spea Engineering	-	-	-	4	-	-	-
Altre imprese controllate	-	-	1	1	-	-	-
Total subsidiaries	**3**	**3**	**152**	**115**	**2**	**3**	**-**
CAPIDI pension fund	**-**	**-**	**-**	**-**	**-**	**-**	**1**
Key management personnel [(1)]	**-**	**4**	**-**	**-**	**-**	**-**	**8**
TOTAL as of 31 December 2021	**3**	**7**	**152**	**115**	**2**	**3**	**9**

(1) Mundys's "key management personnel" means the Company's Directors, Auditors and other key management personnel (namely the Manager responsible for Financial Reporting, Strategy & Corporate development manager, Toll roads and airports investor managers) 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)

With regard to tax management, tax assets and liabilities as of 31 December 2022 include amounts receivable from and payable to Mundys Group companies included in the tax consolidation arrangement. These amounts are recognised by the Company in order to mirror matching amounts due to and from the tax authorities.

€M

Financial transactions	Cash equivalents	Financial assets	Financial income
Autostrade dell'Atlantico	-	-	1
Spea Engineering	-	4	-
Yunex	-	34	-
Total subsidiaries	**-**	**38**	**1**
TOTAL AS OF 31 DECEMBER 2022	**-**	**38**	**1**
Autostrade dell'Atlantico	-	50	3
Autostrade per l'Italia	-	1	4
Telepass Group	120	-	-
Spea Engineering	-	4	-
Total subsidiaries	**120**	**55**	**7**
TOTAL AS OF 31 DECEMBER 2021	**120**	**55**	**7**

Financial transactions with the Company's subsidiaries primarily regard a loan to Yunex, totalling €34 million, following the assumption of loans to the investee from Siemens, as part of the acquisition of the investment. The loan granted to Autostrade dell'Atlantico in 2017, amounting to residual €50 million, was also repaid in 2022 and the term deposit of €120 million transferred to Telepass in 2021 was collected.

As of 31 December 2022, 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

As of 31 December 2022, there are no equity-settled or cash-settled incentive plans based on Mundys's shares and linked to the achievement of pre-set business objectives.

Costs for €6 million was recognised in profit or loss, in connection to the incentive plans used by the Company in previous years and exercised or terminated in 2022.

Plan (n. of options)	31 December 2021	Awarded	Lapsed	Exercised	31 December 2022
STOCK GRANT 2021-2023	276,448	276,091	-191,056	-361,483	-
PHANTOM STOCK OPTION 2014	507,464	-	-232,147	-275,317	-
PHANTOM STOCK OPTION 2017	489,385	-	-489,385	-	-
PHANTOM STOCK GRANT 2017	50,126	-	-50,126	-	-
PHANTOM STOCK OPTION 2017 - ADITIONAL	1,789,493	-	-	-1,789,493	-

Stock Grant Plan 2021 - 2023

On 24 November 2022, in implementation of the Plan terms and conditions and the Board of Directors' resolution to accelerate the Plan's first and second cycle if the Offeror acquired at least 90% of the Company's issued capital in the context of the Public Tender Offer (see note 4.1 for further details), 361,483 shares were granted free of charge to 56 beneficiaries. Plan beneficiaries received shares based on their achievement of the target performance indicators provided for under the Plan, after prorating on the basis of the portion of the performance period that had passed through to the agreed date of 31 December 2022 (or, in the case of beneficiaries whose employment was terminated before the share grant date, at the date of termination of their employment relationship or directorship, unless alternative arrangements were made under specific termination agreements with Plan beneficiaries). The shares were granted via the use of the treasury shares, which were then settled to the beneficiaries as part of the takeover bid.

2014 Phantom Stock Option Plan

The exercise period for the third cycle of this plan expired on 10 June 2022. 275,317 phantom options relating to the third grant cycle were exercised in the first half of 2022, whilst the remaining 232,147 lapsed. As of 31 December 2022, all the options relating to this plan have therefore been cancelled. The General Meeting of shareholders held on 10 October 2022 amended the Plan, deciding not to apply the investment obligation provision in the event of the Company's delisting or the minimum holding provision included in the Plan terms and conditions.

2017 Phantom Stock Option and Stock Grant Plans

With regard to the third cycle of these two plans, for which the vesting period expired on 15 June 2022, 489,385 and 50,126 options respectively lapsed in 2022, as the hurdle had not been met. As of 31 December 2022, all the options relating to this plan have therefore been cancelled.

Supplementary Incentive Plan 2017 – Phantom Stock Options

Following the amendment of the Plan by the General Meeting of shareholders held on 10 October 2022, which decided not to apply the investment obligation provision in the event of the Company's delisting or the minimum holding provision included in the Plan terms and conditions, in the fourth quarter of 2022, 1,789,493 phantom options were exercised at an average unit price of €22.45. As of 31 December 2022, all the options relating to this Plan have therefore been cancelled.

Finally, having noted the Public Tender Offer launched by Schema Alfa, the General Meeting of shareholders held on 10 October 2022 revoked the resolution adopted by the Annual General Meeting held on 29 April 2022 approving an employee share ownership scheme based on the Company's ordinary shares, named the "*2022-2027 Employee Share Ownership Plan*", subject to the Company's delisting, which took place on 9 December 2022.

8.4 Significant legal events

Litigation connected with the share purchase agreement governing the sale of Autostrade per l'Italia

Updates on the principal litigation (criminal, civil or administrative) that may be of significance and/or have an impact under the Agreement are described below.

Criminal action following the collapse of a section of the Polcevera Road Bridge

With regard to the criminal action before the Court of Genoa relaying to the tragic events caused by the collapse of a section of the Polcevera road bridge on the A10 Genoa–Ventimiglia motorway. The investigation involves employees and former employees of Autostrade per l'Italia and SPEA Engineering ("SPEA"). The trial continued from November 2022 with the examination of certain procedural issues raised by the defendants and the admission of evidence. The witness then began to give evidence, still ongoing.

Following the ruling handed down by the Court of Genoa on 19 September 2022, excluding ASPI and SPEA from the civil liabilities, and the earlier ruling in favour of the request for a settlement from ASPI and SPEA on 7 April 2022, both companies have now been definitively excluded from the criminal trial.

The final number of civil claimants whose claims have been admitted is 224. In addition to the above civil claims, please note that a number of civil claims for indirect damages have also been brought against ASPI alone. These are estimated to amount to approximately €40 million.

The Purchaser has brought a number of claims against the Company relating to the consequences of the above event, primarily to cover the cost of compensation paid by ASPI to injured parties and defendants' legal expenses.

Investigation regarding the installation of integrated safety and noise barriers on the A12

In December 2019, the Guardia di Finanza (Finance Police) of Genoa made several visits to the offices of Autostrade per l'Italia and Spea 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 Public Prosecutor's Office in Genoa has combined this investigation with two other investigations: i) the criminal investigation launched following the accident in the Bertè Tunnel on the A26 on 30 December 2019 (the "Bertè Tunnel Proceeding") and ii) a criminal investigation into the forgery of reports on certain viaducts on the network (the "Forged Reports Proceeding") (jointly, the "Satellite Proceedings"). All the above proceedings involve the investigation of employees and former employees of ASPI and Spea.

In October 2022, the Public Prosecutor's Office in Genoa notified the natural persons under investigation that the investigation was now closed in accordance with art. 415-bis of the code of criminal procedure. A decision on whether to commit all or some of the persons under investigation for trial or drop the charges is expected for the first half of 2023.

It should be noted that the charges against ASPI and SPEA relating to breaches of Legislative Decree 231/2001 have been dropped and they have been excluded from the related proceeding following the preliminary investigating magistrate's ruling that accepted the settlement agreement on 26 September 2022. However, both companies may still be cited as defendants in any potential civil claims.

On 4 August 2022, the Purchaser sent the Company a notice of claim stating that, following the combination of the three legal proceedings described above, all three are covered by the indemnities provided under the Agreement.

On 9 September 2022, the Company sent the Purchaser a notice of disagreement, in which the Company argued that the Forged Reports and Bertè Tunnel proceedings were not covered by the indemnities provided under the Agreement. This was because, according to the Company, the proceedings covered by the Special Indemnities are expressly indicated in the Agreement and thus constitute a closed list, even if the parties were aware of both investigations when signing the Agreement.

There have been further exchanges of correspondence between the Purchaser and the Seller, which both parties have reiterated their opposing views.

Criminal action brought before the court of ancona regarding the collpase of the sp10 flyover above the A14 Bologna – Taranto

This relates to the action resulting from 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 against a number of employees of ASPI, SPEA and Pavimental regarding the offences of "accessory to culpable collapse" and "accessory to multiple negligent homicide". The above companies are also 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"). SPEA's role was to drawing up a new design, manage the project and coordinate safety during construction.

At the hearing of 7 June 2022, ASPI, Pavimental and SPEA filed a joint motion making available the sum of €123,000, as quantified by the expert appointed by the Public Prosecutor's Office as ASPI's proceeds from the crime. The defendants also declared that ASPI had implemented all the necessary remedial measures in response to the event.

The trial is proceeding with the admission of evidence and the examination of witnesses by the Public Prosecutor. The next hearing is scheduled for 18 April 2023.

In a letter dated 15 July 2022, the Purchaser reserved the right to file a claim with regard to this litigation, without so far actually filing any such claim.

Claim for damages in relation to alleged breaches of environmental laws during work on the variante di valico

In the judgement handed down by the Court of Florence on 30 October 2017, the court acquitted Autostrade per l'Italia's Joint General Manager for Network Development and the Project Manager of all charges, ruling that there was no case to answer in relation to alleged breaches of environmental laws during work on 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).

The Public Prosecutor's office in Florence filed a per saltum appeal before the Supreme Court. The Supreme Court, partially upholding the per saltum appeal, cancelled the above judgement, returning the case to the Florence Court of Appeal for a new trial, which is still in progress.

The Ministry of the Environment has filed an appearance as a civil claimant.

Proceeding before the court of appeal in Rome – Autostrade per l'Italia and Movyon (Formerly Autostrade Tech) against Alessandro Patanè

This regards the appeal filed by Autostrade per l'Italia and Movyon before the Court of Appeal in Rome against judgement 120/2019, in which the court of first instance had (i) rejected ASPI's request for a ruling in its favour on ownership of the intellectual property represented by the information system used in conducting speed checks (SICVe) and the related claim for damages due to lack of evidence, and (ii) declared inadmissible Mr Patanè's counterclaim regarding certain outstanding orders from ASPI to purchase products relating to the SICVe system.

In judgement 7942 dated 7 December 2022, the Court of Appeal in Rome ruled that neither ASPI nor the companies controlled by Mr Patanè had provided proof of ownership of the software used in the information system for conducting speed checks ("SICVe"). The Court upheld ASPI's motion rejecting the claim based on the Memorandum of Understanding signed in 2013, considering that ASPI had never requested initiation of a project, and rejected the claim for libel damages brought by ASPI following the article "Tutor: the amazing battle of Alessandro Patanè (MPA Group)" published on the website www.automobilista.it on 27 July 2013.

ASPI and Movyon have lodged an appeal before the Supreme Court.

Patanè/Anas, Ministry of Internal Affairs, Autostrade per l'Italia and Movyon

This regards legal action brought by Mr Patanè against ANAS and the Ministry of Internal Affairs for improper use of the SICVe (Vergilius) system and the related software.

ANAS appeared to implead Autostrade per l'Italia and Movyon in order to be relieved of liability and held harmless. ANAS, Autostrade per l'Italia and Movyon have all requested the case to be suspended in accordance with art. 295 of the code of civil procedure, in view of the pending litigation regarding the ownership of the software.

At the hearing on 15 September 2021, the court upheld the requests from Autostrade per l'Italia and Movyon and halted the case whilst awaiting the outcome of the action brought by Mr Patanè before the Supreme Court.

Class Action

The class action was brought before the Court of Rome by two Liguria Regional councillors against ASPI and regards a claim for the alleged pecuniary and non pecuniary damages on behalf of all the residents of the Liguria region. The plaintiffs claim that ASPI's failure to meet its maintenance and safety obligations prior to 2018 led not only to the collapse of the bridge, but also to the subsequent concentration of extraordinary maintenance work on roads in the Liguria region.

On 22 November 2022, the Court ruled that the class action in question was inadmissible, due to the inapplicability of the legislation that introduced class actions into Italian law (Law 31/2019), as the conduct resulting in the claim took place prior to 18 May 2021, the date of the entry into force of the new procedure for class actions. The above judgement became final following the plaintiffs' failure to appeal.

On 29 November 2022, ASPI sent the Company an Information note referring to a class action launched by Altroconsumo (a consumers' association) representing 16 claimants/motorway users pursuant to art. 140-bis of the Consumer Code. The action regards alleged breaches by ASPI (prior to 18 May 2021) in relation to disruption suffered by motorway users as a result of a lack of maintenance. As a result, the plaintiffs are claiming a refund of a portion of the tolls paid. On 28 January 2023, ASPI filed an appearance. No date for an initial hearing has so far been scheduled.

In terms of indemnities to be provided under the Agreement, on 4 August 2022, the Purchaser sent the Company a Notice of Claim regarding the class action launched by Altroconsumo, even though, as things stand, the action is not pending. On 9 September 2022, the Company responded to the Purchaser with a Notice of Disagreement, contesting the grounds for the Notice of Claim as the class action is not covered by the Special Indemnities.

Notice of Claim from holding Reti Autostradali – Lazio Regional Administrative Court – referral to the European Court of Justice

On 28 July 2022, the Company received a notice of claim from the Purchaser regarding representations made in the Agreement regarding effectiveness of the conditions and documents required for the Settlement Agreement and Addendum to ASPI's Single Concession Arrangement to be effective. The Company, supported by external legal opinion, has contested the grounds for any such claim. The above documents are being challenged at Lazio Regional Administrative Court by a number of consumer associations ("the Plaintiffs").

Following the hearing on the merits held on 11 October 2022, on 19 October the Court handed down a non-final ruling (no. 13434/2022) in which it ruled that only one plaintiff and two associations appearing ad adiuvandum had the legal interest and standing to bring the action. The Court also referred the case to the European Court of Justice for a ruling on certain preliminary matters. The Court thus adjourned the case whilst awaiting a ruling from the Court of Justice.

On 26 October 2022, the Attorney General – acting on behalf of the public administrations involved - notified an appeal before the Council of State requesting cancellation, with prior injunctive relief, of the above non-final ruling and contesting the part in which Lazio Regional Administrative Court ruled that one plaintiff and two associations appearing ad adiuvandum had the legal interest and standing to bring the action. The associations whose legal standing was ruled against by the Court also appealed the decision of Lazio Regional Administrative Court.

The Company, as a counter-interested party, has filed a cross-appeal with the Council of State, challenging Lazio Regional Administrative Court's non-final ruling.

Following the hearing held on 17 November 2022, the Council of State scheduled a hearing for 27 April 2023, without upholding or rejecting the request for injunctive relief from the authorities.

Antitrust Authority Investigation

On 25 November 2022, HRA sent the Company a Notice of Claim regarding the investigation of AISCAT (the Italian association of toll road and tunnel operators) and ASPI launched by the Italian Antitrust Authority (the "AGCM") on 18 October 2022 for alleged abuse of a dominant position. The investigation follows a complaint from Unipol Tech, alleging that ASPI, through AISCAT, had prevented new providers from accessing the national electronic tolling system – in which only Telepass operates – redirecting these providers to the European Electronic Toll Service (EETS) and the Interoperable System of Electronic Tolling for Heavy Vehicles (SIT-MP).

On 12 December 2022, the Company sent a Notice of Disagreement, rejecting the claim as groundless and noting that no breach of the warranties referred to by the Purchaser could be inferred from the investigation underway and that, in any event, the Company is not in any way responsible for ASPI's conduct post-closing.

Notices of claim – Appia Investments Srl and Silk Road Fund

On 3 and 5 May 2021, the Company received two notices of claim, one from Appia Investments Srl ("Appia") and another from Silk Road Fund (Autostrade per l'Italia's non-controlling shareholders). The claims allege breaches of the representations and undertakings given at the time of Company's sale of a 11.94% stake in Autostrade per l'Italia in accordance with the respective share purchase agreements (SPAs) signed by the parties in May 2017. The attempt to reach an amicable settlement of the dispute between the parties, in accordance with the SPAs, has failed so far. The minority shareholders of ASPI have not initiated arbitration proceedings.

8.5 Other events after 31 december 2022

New by-laws and upstream loan

On 16 January 2023, the General Meeting resolved to adopt a new by-laws, and to appoint, until the approval of the financial statements for the 2025 fiscal year, the new Board of Directors and the new Board of Statutory Auditors. Additionally, pursuant to art. 2358, paragraph 2, of the Italian Civil Code, a subsequent extraordinary General Meeting held on the same date, approved provision of an upstream credit facility of up to €8,225 million to Schemaquarantadue SpA, as described in the paragraph "New ownership structure".

Merger of Schemaquarantadue and Schema Alfa in Mundys

On 15 February 2023, the Mundys's Board of Directors and General Meeting approved the plan for a trilateral reverse merger of the two parent companies Schemaquarantadue SpA and Schema Alfa SpA into Mundys. For further details on this corporate transaction please refer to paragraph "New ownership structure".

Furthermore, as of the effectiveness of the merger, the Company will adopt new by-laws, annexed to the merger plan.

Change of company name

On 14 March 2023, the extraordinary General Meeting resolved to change the Company's name from Atlantia SpA to Mundys SpA. Mundys's strategic goal is to continue the Group's growth and modernisation, investing in sustainable infrastructure (primarily airports and motorway networks) and in technological innovation, supporting people at all stages in their journey, whether across town or long-distance, by providing quality services designed with a view to caring for the environment.

Andrea Mangoni First Mundys' Ceo

Having noted the resignation of Andrea Pezzangora as a Director, the Board of Directors also called a General Meeting of shareholders to be held on 28 April to elect a new member of the Board of Directors, enabling the Board, due to meet on the same date, to appoint Andrea Mangoni as CEO.

9. Proposals for Mundys 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 2022, which report a profit for the year of €2,862,086,963, having taken note of the accompanying documents;

b) to return the legal reserve to the threshold of a fifth of the issued capital provided for in article 2430 of the Italian Civil Code (€165,156,798), taking the surplus (€96,253,560) to retained earnings;

c) to appropriate profit for 2022 amounting to €2,862,086,963 to retained earnings, without prejudice to the Board of Directors optionality to reconsider the proposed allocation of profit to be submitted to the shareholders' meeting with effectiveness of the distribution after the completion of the trilateral merger of Schemaquarantadue S.p.A. and Schema Alfa S.p.A. into Mundys S.p.A. expected to occur by the end of April 2023.

For the Board of Directors

The Chairman

Amb. Giampiero Massolo

Annexes to the financial statements

Annex 1 – Details of investments

Name	Registered office	Number of shares/units	Currency	Nominal value	Issued capital	% Interest	Number of shares/units held	Profit/ (Loss) for the year (1) (€000)	Equity (1) (€000)	Carrying amount (€000)
Abertis HoldCo S.A.	Spain	33,353,330	Euro	3.00	100,059,990	50,00 +1 az.	16,676,666	12,247	3,827,086	2,951,750
Aeroporti di Roma S.p.A.	Fiumicino	62,224,743	Euro	1.00	62,224,743	99,39	61,842,535	30,741	1,070,916	2,915,077
Aero 1 Global & International S. à r.l.	Luxembourg	667,086,173	Euro	0.01	6,670,862	100,00	667,086,173	8,310	674,885	1,000,378
Autostrade dell'Atlantico S.r.l.	Rome	1,000,000	Euro	1.00	1,000,000	100,00	1,000,000	95,973	437,321	754,584
Azzurra Aeroporti S.p.A.	Rome	3,221,234	Euro	1.00	3,221,234	52,69	1,697,408	-7,415	171,325	62,059
Yunex GMBH	Germany	3,000,000	Euro	1.00	3,000,000	100,00	3,000,000	-982 (2)	70,997 (2)	733,579
Stalexport Autostrady S.A.	Poland	247,262,023	Zloty	0.75	185,446,517	61,20	151,323,463	10,452	64,943	104,843
Telepass S.p.A.	Rome	26,000,000	Euro	1.00	26,000,000	51,00	13,260,000	46,788	95,257	13,824
Spea Engineering S.p.A.	Rome	1,350,000	Euro	5.16	6,966,000	60,00	810,000	-6,820 (3)	33,809 (3)	4,269
Autostrade Indian Infrastructure Development Private Ltd	India	10,000	Rupes	50.00	500,000	99,99	9,999	-77 (3)	1,266 (3)	486
Investments in subsidiaries										**8,540,849**
Aeroporto Guglielmo Marconi di Bologna S.p.A.	Bologna	36,125,665	Euro	2.50	90,314,162	29,38	10,613,628	-7,542 (3)	152,355 (3)	82,786
Investments in associates										**82,786**
Pune Solapur Expressways Private Ltd.	India	10,000,000	Rupes	10.00	100,000,000	50,00	5,000,000	2,936 (3)	6,821 (3)	16,407
Investments in joint ventures										**16,407**
Volocopter GMBH	Germany	261,340	Euro	1.00	278,520	1,81	4,728	-118,578 (4)	111,799 (4)	23,506
Compagnia Aerea Italiana S.p.A.	Fiumicino	82,769,810,125	Euro	-	3,526,846	6,52	5,396,768,051	483 (3)	10,812 (3)	-
Investments in other companies										**23,506**
Investments										**8,663,549**

(1) The figures refer to the latest financial statements to be approved by the board of directors of each company

(2) The figures refer to the latest approved financial statements (30 September 2022)

(3) The figures refer to the latest approved financial statements (31 March 2022)

(4) The figures refer to the latest approved financial statements (31 December 2021)

Annex 2 – Movements in investments

€M	Cost	Accumulated Impairments	Carrying amount as of 31 December 2021	Acquisitions and capital contributions	Disposals and liquidations	Translation differences	Impairment losses	Cost	Accu-mulated impairments	Carrying amount as of 31 December 2022
Abertis HoldCo S.A.	2,951,750	-	2,951,750	-	-	-	-	2,951,750	-	2,951,750
Aeroporti di Roma S.p.A.	2,915,010	-	2,915,010	67	-	-	-	2,915,077	-	2,915,077
Aero 1 Global & International S.à r.l.	1,000,378	-	1,000,378	-	-	-	-	1,000,378	-	1,000,378
Autostrade dell'Atlantico S.r.l.	754,584	-	754,584	-	-	-	-	754,584	-	754,584
Yunex GMBH	-	-	-	945,010	-	-	-211,430	945,010	-211,430	733,579
Stalexport Autostrady S.A.	104,843	-	104,843	-	-	-	-	104,843	-	104,843
Azzurra Aeroporti S.p.A.	353,063	-291,004	62,059	-	-	-	-	353,063	-291,004	62,059
Telepass S.p.A.	13,824	-	13,824	-	-	-	-	13,824	-	13,824
Spea Engineering S.p.A.	4,269	-	4,269	-	-	-	-	4,269	-	4,269
Autostrade Indian Infrastructure Development Private Limited	486	-	486	-	-	-	-	486	-	486
Investments in subsidiaries	**8,098,207**	**-291,004**	**7,807,203**	**945,077**	**-**	**-**	**-211,430**	**9,043,284**	**-502,434**	**8,540,849**
Aeroporto Guglielmo Marconi di Bologna S.p.A.	164,516	-71,116	93,400	-	-	-	-10,614	164,516	-81,730	82,786
Investments in associates	**164,516**	**-71,116**	**93,400**	**-**	**-**	**-**	**-10,614**	**164,516**	**-81,730**	**82,786**
Pune Solapur Expressways Private Ltd (1)	16,398	-	16,398	-	-	9	-	16,407	-	16,407
Investments in joint ventures	**16,398**	**-**	**16,398**	**-**	**-**	**9**	**-**	**16,407**	**-**	**16,407**
Hochtief Aktien-gesellschaft	1,607,101	-809,393	797,708	-	-577,833	-	-219,875	-	-	-
Volocopter GMBH	14,997	-	14,997	8,509	-	-	-	23,506	-	23,506
Compagnia Aerea Italiana S.p.A.	175,867	-175,867	-	-	-	-	-	175,867	-175,867	-
Investments in other companies	**1,797,965**	**-985,260**	**812,705**	**8,509**	**-577,833**	**-**	**-219,875**	**199,373**	**-175,867**	**23,506**
Investments (operating)	**10,077,086**	**-1,347,380**	**8,729,706**	**953,586**	**-577,833**	**9**	**-441,919**	**9,423,580**	**-760,031**	**8,663,549**
Autostrade per l'Italia S.p.A.	5,338,491	-	5,338,491	-	-5,338,491	-	-	-	-	-
Investments classified in discontinued operations	**5,338,491**	**-**	**5,338,491**	**-**	**-5,338,491**	**-**	**-**	**-**	**-**	**-**
Total investments	**15,415,577**	**-1,347,380**	**14,068,197**	**953,586**	**-5,916,324**	**9**	**-441,919**	**9,423,580**	**-760,031**	**8,663,549**

(1) Carrying amount net of unpaid, called-up capital

11. ATTESTATIONS

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, Giampiero Massolo and Tiziano Ceccarani, as Chairman and as the manager responsible for Mundys SpA's financial reporting, having taken into account of the provisions of 154-bis, paragraphs 3 and 4 of legislative Decree 58 of February 1998, attest to:
   - the adequacy with regard to the nature of the Company, and
   - effective application of the administrative and accounting procedures adopted in preparation of the consolidated financial statements during 2022.
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 2022 were drawn up, and their adequacy assessed, on the basis of the regulations and methods drawn up by Mundys 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 the 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 issue.
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.

   3.2 The report on operations contains a reliable analysis of the operating performance and results, and of 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.

4 April 2023

Giampiero Massolo
Chairman

Tiziano Ceccarani
Manager responsible for Financial Reporting

Attestation of the financial statements pursuant to art. 81-ter of CONSOB Regulation 11971 of 14 May 1999, as amended

1. We, the undersigned, Giampiero Massolo and Tiziano Ceccarani, as Chairman and as the manager responsible for Mundys SpA's financial reporting, having taken into account of the provisions of 154-bis, paragraphs 3 and 4 of legislative Decree 58 of February 1998, attest to:
   - the adequacy with regard to the nature of the Company, and
   - effective application of the administrative and accounting procedures adopted in preparation of the financial statements during 2022.
2. In this regard, we declare that:
   - the administrative and accounting procedures adopted in preparation of the financial statements as at and for the year ended 31 December 2022 were drawn up, and their adequacy assessed, on the basis of the regulations and methods drawn up by Mundys 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 the 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 issue.
3. We also attest that:

   3.1 The financial statements:

   d) 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;

   e) are consistent with the underlying accounting books and records;

   f) present a true and fair view of the financial position and results of operations of the issuer.

   3.2 The report on operations contains a reliable analysis of the operating performance and results, and of the state of affairs of the issuer, together with a description of the principal risks and uncertainties to which it is exposed.

4 April 2023

Giampiero Massolo
Chairman

Tiziano Ceccarani
Manager responsible for Financial Reporting

12. REPORTS

REPORT OF THE BOARD OF STATUTORY AUDITORS TO THE ANNUAL GENERAL MEETING

Dear Shareholders,
The Board of Statutory Auditors of Mundys SpA (formerly "Atlantia SpA", hereinafter also "Mundys" or the "Company"), pursuant to art. 2429 of the Italian Civil Code, hereby reports on its audit activities, which were conducted in accordance with the law and the by-laws.
This report regards the activities of the Board of Statutory Auditors of Mundys during the year ended 31 December 2022.

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 General Meeting of shareholders held on 16 January 2023 and its members are Riccardo Michelutti (Chairman), Benedetta Navarra (standing Auditor) and Graziano Visentin (standing Auditor).
The members of the Board of Statutory Auditors in office in 2022 and until 16 January 2023 were Roberto Ruggero Capone (Chairman), Angelo Rocco Bonissoni, Maura Campra, Sonia Ferrero and Lelio Fornabaio (standing Auditors).
With regard to the audit activities carried out during the year, the Board of Statutory Auditors has viewed the minutes of the meetings of the previous Board:

- containing summaries of the audit activities carried out during the year ended 31 December 2022 as required by law (and, in particular by art. 149 of the Consolidated Finance Act – "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 (through to the date of the Company's delisting on 9 December 2022);
- which did not contain evidence of any negligence, omissions or irregularities that would require a report to be made to regulatory bodies or mention during the Annual General Meeting.

Given the above and on this basis, in view of the fact that all oversight activities during 2022 were conducted by the previous members of the Board, and taking into account the rules of conduct for the boards of statutory auditors of unlisted companies recommended by the Italian accounting profession (point 1.7), this report is based on the information contained in the above documents. This does not affect the current Board's responsibilities for the activities conducted after 16 January 2023, regarding, among other things, the separate and consolidated financial statements as of and for the year ended 31 December 2022 included in 2022 Integrated Annual Report (IAR).

The separate financial statements as of and for the year ended 31 December 2022, prepared on a going concern basis, were prepared in accordance with Legislative Decree 38/2005, 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, hereinafter referred to as "IFRS").
The financial statements consist of the following accounts, with amounts shown in euros:

- the statement of financial position based on the format that separately disclose current and non-current assets and liabilities;

- the income statement, in which costs are classified by nature of expense;
- the statement of comprehensive income;
- the statement of changes in equity;
- the statement of cash flows prepared in application of the indirect method;
- the notes.

The Board of Statutory Auditors wishes to highlight the fact that, in the notes to the financial statements, the Directors have described the accounting policies applied to the various items. They have provided the disclosures required by legislation concerning the statement of financial position and the income statement, also providing the other disclosures deemed necessary to provide a full understanding of the financial statements.
In this regard, we wish to specify that, during the year, the public tender offer for Atlantia, launched in April by Edizione and Blackstone, came to a successful conclusion. As already mentioned, this was then followed by Atlantia's delisting from the Italian Stock Exchange in December.
The Extraordinary general Meeting of the Company's shareholders held on 14 March 2023 approved the change in the Company's name from "Atlantia SpA" to "Mundys SpA".

Audit activities carried out

The Board of Statutory Auditors oversaw:

- compliance with the law and by-laws;
- 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, as required by law.

<u>Audit of compliance with the law and by-laws</u>

The Board of Statutory Auditors in office until 16 January 2023 conducted its audit activities during 21 Board meetings, by taking part in 18 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, the Nominations, Remuneration and Human Capital Committee, the Sustainability Committee and the Committee of Independent Directors with responsibility for Related Party Transactions. The Board of Statutory Auditors also attended the Ordinary General Meetings of shareholders held on 29 April 2022 and 10 October 2022.
In addition, as a result of the audit procedures carried out by the Board of Statutory Auditors in office until 16 January 2023 and on the basis of the information obtained by the current Board of Statutory Auditors as a result of contacts with the Independent Auditor, we are not aware of any omissions, negligence, irregularities or any other material events that would require a report to be made to regulatory bodies.
Moreover, pursuant to the law, the Board of Statutory Auditors in office until 16 January 2023:

- 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;
- held meetings with representatives of the Independent Auditor and no significant information that should be included in this report has come to light;
- exchanged information with the boards of statutory auditors of Mundys's direct subsidiaries, being Aeroporti di Roma SpA ("Aeroporti di Roma" or "AdR"), Telepass SpA ("Telepass"), Autostrade dell'Atlantico Srl and Azzurra Aeroporti SpA, 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 evidence of any problems or significant cases of negligence;
- 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 in office until 16 January 2023 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:

- 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 Auditor; in this regard we have no particular observations to make.

<u>Oversight of effective implementation of corporate governance rules</u>

The Board of Statutory Auditors in office at the date of this report verified that the Board of Statutory Auditors in office until 16 January 2023oversaw the implementation of corporate governance rules until the date of Mundys delisting, in particular with reference to the financial information.

The Board of Statutory Auditors in office at the date of this report has taken note on April 4, 2023 that the Integrated Annual Report for 2022 contains the information required by art. 123-*bis*, paragraph 2.b of the CFA on the main characteristics of existing risk management and internal control systems in respect of the financial reporting process, including at consolidated level, noting that the Company has exercised the option, available to companies that do not issue shares admitted to trading on regulated markets, of omitting publication of the disclosures referred to in paragraph 1 and 2, except for those referred to in paragraph 2.b of art. 123-*bis* of the CFA.

<u>Audit of relations with subsidiaries and parents and related party transactions</u>

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:

- as described in the notes to the financial statements, 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 10.4 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 Mundys Group and related parties, including Mundys's Directors, Statutory Auditors and key management personnel. Related party transactions did not include exceptional and/or unusual transactions;
- with reference to Mundys'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 Mundys and related parties, including the Company's Directors, Statutory Auditors and key management personnel;
- in 2022, the Board of Statutory Auditors in office until 16 January 2023 provided the Board of Directors with an opinion on proposed remuneration for the Chairman of the Board of Directors and the Chief Executive Officer (elected by the Annual General Meeting of 29 April 2022), pursuant to art. 2389, paragraph 3 of the Italian Civil Code. For the purposes of the opinion, the Board of Statutory Auditors held joint meetings with the Nominations, Remuneration and Human Capital Committee and the Related Party Transactions Committee on 11 and 17 May 2022;
- in 2022, the Board of Statutory Auditors in office until 16 January 2023 attended 9 meetings of the Related Party Transactions Committee, during which the Committee: i) verified the correct application of exemptions provided for in the Procedure for Related Party Transactions (art. 9.2); ii) examined the related party transactions submitted to the Committee under the above Procedure; iii) examined the following matters in joint session with the Nominations, Remuneration and Human Capital Committee: the proposed MBO incentive scheme for 2022; the proposed Employee Share Ownership Plan for the period 2022-2027; analysis and assessment of the Share Grant Plan 2021-2023; settlement agreements linked to key management personnel leaving the Group; the transfer of treasury shares within the context of the voluntary public tender offer for Atlantia's ordinary shares launched by Schema Alfa SpA.

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 Legislative Decree 39/2010 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) overseeing 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.

* * *

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 of Statutory Auditors states that the Independent Auditor, KPMG SpA ("KPMG") issued the additional report required by art. 11 of the European Regulation on 6 April 2023, 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.

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 methods used in monitoring the risk management and internal control system in respect of financial reporting are consistent with the provisions of article 154-*bis* of the CFA and are structured on the basis set out in the Internal Control - Integrated Framework ("COSO Report") published by the Committee of Sponsoring Organizations of the Treadway Commission. The process described in the "Guidelines for the internal control system over financial reporting" approved by the Board of Directors on 14 February 2020 was repeated every six months. The report on operations contains a specific section entitled "Description of the main characteristics of existing risk management and internal control systems in respect of the financial reporting process", which describes (i) the phases of the existing risk management and internal control system in respect of financial reporting and (ii) the roles and departments involved.

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 were revised in 2022. 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 independent external experts.
On 4 April 2023, the Chairman 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 structure, adequacy and efficiency of the internal control and risk management systems.
In particular, during our periodic meetings with the Head of Internal Audit, with the Chief Financial Officer and Manager Responsible for Financial Reporting and with the Chief Risk Officer, the Board of Statutory Auditors was, among other things, kept fully informed regarding internal auditing activities (with a view to assessing the adequacy and functionality of the internal control and risk management system, and compliance with the law and with internal procedures and regulations), the activities provided for in Legislative Decree 262/2005 and enterprise risk management activities.
To ensure the ever more effective management of risk, Mundys and the main Group companies have adopted, and periodically update, the Risk Appetite Statement (RAS). The RAS is a key element in enabling an organisation to prioritise risks and supports the organisation's decision-making process. In this regard, at its meeting on 24 February 2022, the Board of Directors approved the RAS for 2022.
In 2022, the Internal Audit department conducted the audits provided for in the audit plan and the further spot audits requested during the year. The procedures carried out did not reveal evidence of significant issues but did identify areas for improvement. This led to the identification of corrective actions, a number of which were implemented in 2022, whilst others are due to be implemented in 2023. These actions are monitored by the Internal Audit department.
The Board of Statutory Auditors has examined the audit reports issued and the periodic reports produced by the Head of Internal Audit and has no observations to make in this regard.
It should also be noted that, on 6 March 2020, the Board of Directors approved the Tax Compliance Model, a document containing a set of rules, organisational structures and procedures designed to identify, manage and control tax risk (the "Tax Control Framework" or "TCF"), represented by the risk of violating tax laws or abusing the principles and purposes of tax legislation (tax abuse).
The Tax Control Framework enables entities to take part in the Cooperative Compliance programme introduced by Legislative Decree 128/2015, to which Mundys was admitted with effect from the 2018 tax year. The Cooperative Compliance programme provides for a preventive approach to consulting the tax authority on uncertain or controversial tax matters, with the aim of providing certainty before filing the tax declaration for the relevant tax year.
As part of the above programme, the Tax Risk Officer is responsible for the monitoring activities designed to assess the adequacy and effectiveness of the control system and for checks on so-called first-level controls, reporting periodically to the Company's Board of

Directors on the results of these activities (the Tax Control Framework Report).
The Tax Control Framework Report for the 2021 tax year was presented to the Board of Directors on 4 April 2023, following prior examination and acknowledgement by the Audit, Risk and Sustainability Committee (the "ARSC") at the joint meeting with the Board of Statutory Auditors held on 31 March 2023. The Tax Control Framework Report did not contain evidence of any significant risks relating to the relevant period.
After noting the conclusions of the analysis by the ARSC of the information provided to it and the assessments conducted by the various actors in the internal control and risk management system, and the Committee's positive assessment of the system, at its meeting of 4 April 2023, the Board of Directors concluded that Mundys's internal control and risk management system in 2022 can be deemed effective and adequate overall with respect to the nature of the business and the Company's risk appetite.
In addition, the Board of Statutory Auditors also notes that, during 2022, Atlantia's Supervisory Board, set up in compliance with Legislative Decree 231/2001 and one of whose members was also a member of the Board of Statutory Auditors in office until 16 January 2023, i) continued, in part through the checks conducted by the Internal Audit department, to oversee the functioning and observance of the organisational, management and control model ("OMCM") adopted by Atlantia pursuant to Legislative Decree 231/2001; ii) identified the need to begin the process of revising the OMCM to keep pace with changes in legislation and in the Company's organisational and governance structure during the year (e.g., the delisting).
The Board of Statutory Auditors has examined the Supervisory Board's reports on their activities in the first and second halves of 2022 and we do not have anything to mention in this regard in this report.
Finally, the Board of Statutory Auditors has examined the reports produced by the Head of the Anti-corruption unit for the first and second halves of 2022, containing a summary of the activities carried out (from 2023, the Risk & Compliance department oversees compliance for the purposes of preventing corruption) and we do not have any observations to make in this regard.

D) <u>Oversight of the statutory audit of the separate and consolidated financial statements</u>
The Board of Statutory Auditors declares that:

- the accounts have been subjected to the required controls by the Independent Auditor, KPMG, appointed by the Annual General Meeting of 29 May 2020 for the annual reporting periods 2021-2029. During their periodic meetings with the Board of Statutory Auditors, the Independent Auditor had nothing to report on this matter;
- we 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;
- discussed issues relating to the Company's risks with the Independent Auditor;
- on 6 April 2023, KPMG issued the additional report required by art. 11 of the above European Regulation;
- on 6 April 2023, KPMG issued their audit reports on the separate and consolidated financial statements as of and for the year ended 31 December 2022. In this regard, the Board of Statutory Auditors wishes to note that the report states that "*the separate financial statements provide a true and fair of the financial position of Mundys SpA as of 31 December 2022, 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 38/05*". The above report also states that "*the above report on operations* and *certain specific disclosures contained in the report on corporate governance and the ownership structure are consistent with the separate financial statements of Mundys SpA as of and*

for the year ended 31 December 2022 and have been prepared in compliance with statutory requirements". As result, the report does not contain qualifications or emphases of matter.

With regard to the consolidated financial statements, in its report, KPMG states that "*the consolidated financial statements provide a true and fair of the financial position of the Mundys Group as of 31 December 2022, 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 38/05*".

The above report also states that "*the above report on operations and certain specific disclosures contained in the report on corporate governance and the ownership structure are consistent with the consolidated financial statements of the Mundys Group as of and for the year ended 31 December 2022 and have been prepared in compliance with statutory requirements*". As result, the report does not contain qualifications or emphases of matter.

E) Independence of the Independent Auditor, above all with regard to non-audit services

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, KPMG, checking the nature and entity of any non-audit services provided to Mundys, its subsidiaries and entities under common control by the auditors and by their associates. The fees paid by the Mundys Group to the Independent Auditor, KPMG SpA or the KPMG network, are as follows:

	€000
Audit	3,994
Other services	1,232
Total	**5,226**

It should be noted that the category "Other services" (those other than audit) includes: (i) €295 thousand relating to services provided by the Parent Company's auditor, KPMG SpA to Mundys and Mundys's Italian subsidiaries (the limited review of the consolidated non-financial statements published by Mundys and AdR, a review of regulatory accounts, comfort letters for bond issues, checks on financial covenants and checks relating to the signature of tax declarations); (ii) €937 thousand relating to services provided by the KPMG network to overseas subsidiaries (the limited review of the consolidated non-financial statement, comfort letters for bond issues, checks on financial covenants, agreed-upon procedures on accounting data and information and financial due diligence).

"Other Services" accounted for 30.8% of the total fees paid for "Audit" services, including certain services required by law that account for 11.6%. After excluding these latter services, the percentage is 19.2%.

In the light of the above, the Board of Statutory Auditors believes that the Independent Auditor, KPMG, meets the requirements for independence. KPMG provided their annual confirmation of independence on 6 April 2023.

Opinions provided

The Board of Statutory Auditors in office until 16 January 2023 has stated that it issued a favourable opinion, pursuant to art. 2389, paragraph 3 of the Italian Civil Code, regarding the remuneration of executive Directors.

The above Board also examined the document containing the structure of the MBO incentive scheme for 2022 approved by the Board of Directors on 10 March 2022, issuing insofar as necessary a favourable opinion on the remuneration of the Chief Executive Officer.

Complaints lodged under art. 2408 of the Italian Civil Code

No evidence of any negligence, omissions or irregularities has come to light requiring a report to be made to regulatory bodies or mention during the Annual General Meeting.

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 the Company embarked on the process of integrating the Group's financial and non-financial reporting.
The Integrated Annual Report for 2022 also includes certain information on governance and remuneration.
Mundys'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 (containing a framework showing links enabling the ready identification, within the Integrated Annual Report, of non-financial disclosures.
The Non-financial Statement was subject to limited assurance by KPMG SpA in accordance with the criteria set out in ISAE 3000 Revised.
The notes to separate and consolidated financial statements state that the financial statements as of and for the year ended 31 December 2022 have been prepared on a going concern basis.
With specific regard to our examination of the financial statements as of and for the year ended 31 December 2022, 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;
- we have checked the reasonableness of the valuation procedures applied and their compliance with the requirements of IFRS; Mundys'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 5 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;
- with regard to material risks connected with climate change, the direct and indirect impact of the conflict between Russia and Ukraine and the macroeconomic

environment, in line with recommendations from ESMA and the CONSOB regarding the impact on financial disclosures, Mundys's Directors have provided information on the related impacts in the sections on the accounting estimates used and on material risks and in the outlook.

Consolidated Non-financial Statement

Mundys's Board of Directors has approved the Consolidated Non-financial Statement for 2022, prepared pursuant to Legislative Decree 254/2016 and included in the Integrated Annual Report.

On 6 April 2023, 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.

Proposals to the Annual General Meeting

In the light of the above and with regard to the aspects falling within our purview, given the explanations provided by the Directors in their report and also considering the content of the Independent Auditor's report, the Board of Statutory Auditors does not see any reason that would prevent approval of the financial statements as of and for the year ended 31 December 2022, as prepared and approved by the Board of Directors. Nor do we see any reason that would prevent approval of the proposed appropriation of profit for the year, amounting to €2,862,086,963, to retained earnings.

* * *

Rome, 20 April 2023

For the Board of Statutory Auditors
The Chairman
Riccardo Michelutti

KPMG

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

Independent auditors' report on the consolidated non-financial statement pursuant to article 3.10 of Legislative decree no. 254 of 30 December 2016 and article 5 of the Consob Regulation adopted with Resolution no. 20267 of 18 January 2018

To the board of directors of
Mundys S.p.A.

Pursuant to article 3.10 of Legislative decree no. 254 of 30 December 2016 (the "decree") and article 5.1.g) of the Consob (the Italian Commission for listed companies and the stock exchange) Regulation adopted with Resolution no. 20267 of 18 January 2018, we have been engaged to perform a limited assurance engagement on the 2022 consolidated non-financial statement of the Mundys Group (the "group") prepared in accordance with article 4 of the decree and approved by the board of directors on 4 April 2023 (the "NFS").

Our procedures did not cover the information set out in section 7.4 "Taxonomy" of the NFS required by article 8 of Regulation (EU) 852 of 18 June 2020.

Responsibilities of the directors and board of statutory auditors ("Collegio Sindacale") of Mundys S.p.A. (the "parent") for the NFS

The directors are responsible for the preparation of an NFS in accordance with articles 3 and 4 of the decree and the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative (the "GRI Standards"), which they have identified as the reporting standards.

The directors are also responsible, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of an NFS that is free from material misstatement, whether due to fraud or error.

Moreover, the directors are responsible for the identification of the content of the NFS, considering the aspects indicated in article 3.1 of the decree and the group's business and characteristics, to the extent necessary to enable an understanding of the group's business, performance, results and the impacts it generates.

The directors' responsibility also includes the design of an internal model for the management and organisation of the group's activities, as well as, with reference to the aspects identified and disclosed in the NFS, the group's policies and the identification and management of the risks generated or borne.

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The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, compliance with the decree's provisions.

Auditors' independence and quality control

We are independent in compliance with the independence and all other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards, the IESBA Code) 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 company applies International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains a system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditors' responsibility

Our responsibility is to express a conclusion, based on the procedures performed, about the compliance of the NFS with the requirements of the decree and the GRI Standards. We carried out our work in accordance with the criteria established by "International Standard on Assurance Engagements 3000 (revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000 revised"), issued by the International Auditing and Assurance Standards Board applicable to limited assurance engagements. This standard requires that we plan and perform the engagement to obtain limited assurance about whether the NFS is free from material misstatement. A limited assurance engagement is less in scope than a reasonable assurance engagement carried out in accordance with ISAE 3000 revised, and consequently does 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 we performed on the NFS are based on our professional judgement and include inquiries, primarily of the parent's personnel responsible for the preparation of the information presented in the NFS, documental analyses, recalculations and other evidence gathering procedures, as appropriate.

Specifically, we performed the following procedures:

1. Analysing the material aspects based on the group's business and characteristics disclosed in the NFS, in order to assess the reasonableness of the identification process adopted on the basis of the provisions of article 3 of the decree and taking into account the reporting standards applied.
2. Analysing and assessing the identification criteria for the reporting scope, in order to check their compliance with the decree.
3. Comparing the financial disclosures presented in the NFS with those included in the group's consolidated financial statements.
4. Gaining an understanding of the following:
   - the group's business management and organisational model, with reference to the management of the aspects set out in article 3 of the decree;
   - the entity's policies in connection with the aspects set out in article 3 of the decree, the achieved results and the related key performance indicators;
   - the main risks generated or borne in connection with the aspects set out in article 3 of the decree.

   Moreover, we checked the above against the disclosures presented in the NFS and carried out the procedures described in point 5.a).

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5. Understanding the processes underlying the generation, recording and management of the significant qualitative and quantitative information disclosed in the NFS.

   Specifically, we held interviews and discussions with the parent's management personnel and personnel of AB Concessoes S.A., Grupo Costanera S.A., ACA holding S.A.S., Aeroporti di Roma S.p.A. and Abertis Holdco S.A.. We also performed selected procedures on documentation to gather information on the processes and procedures used to gather, combine, process and transmit non-financial data and information to the office that prepares the NFS.

   Furthermore, with respect to significant information, considering the group's business and characteristics:

   - at group level,
     a) we held interviews and obtained supporting documentation to check the qualitative information presented in the NFS and, specifically, the business model, the policies applied and main risks for consistency with available evidence,
     b) we carried out analytical and limited procedures to check, on a sample basis, the correct aggregation of data in the quantitative information;
   - we visited, including remotely, AB Concessoes S.A., Grupo Costanera S.A., ACA holding S.A.S., Aeroporti di Roma S.p.A. and Abertis Holdco S.A., which we have selected on the basis of their business, contribution to the key performance indicators at consolidated level and location, to meet their management and obtain documentary evidence supporting the correct application of the procedures and methods used to calculate the indicators.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the 2022 consolidated non-financial statement of the Mundys Group has not been prepared, in all material respects, in accordance with the requirements of articles 3 and 4 of the decree and the GRI Standards.

Our conclusion does not extend to the information set out in section 7.4 "Taxonomy" of the NFS required by article 8 of Regulation (EU) 852 of 18 June 2020.

Rome, 6 April 2023

KPMG S.p.A.

(signed on the original)

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Director of Audit

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Independent auditors' report on the Sustainability Linked Financing Framework - Progress Report

To the board of directors of
Mundys S.p.A.

We have been engaged to perform a limited assurance engagement on the 2022 Sustainability Linked Financing Framework - Progress Report (the "SLFF Progress Report") included in paragraph 7.3 of the integrated annual report. The SLFF Progress Report is prepared to provide an update on the progress and achievement of the five key performance indicators ("KPIs") included in the Sustainability Linked Financing Framework (the "SLFF") of Mundys S.p.A. (the "parent") and its subsidiaries (together, the "group"). The directors prepared the SLFF Progress Report in accordance with the basis of preparation described in the SLFF, which, in turn, is based on the Sustainability-Linked Bond Principles ("SLBP") 2020 issued by the International Market Association and the Sustainability-Linked Loan Principles ("SLLP") 2022 issued by the Loan Market Association.

Responsibilities of the parent's directors for the SLFF Progress Report

The directors are responsible for the preparation of the 2022 SLFF Progress Report in accordance with the criteria defined for the calculation of the KPIs, their progress and the achievement of the sustainability performance targets (SPTs) included in the SLFF.

They are also responsible for such internal control as they determine is necessary to enable the preparation of a SLFF Progress Report that is free from material misstatement, whether due to fraud or error.

Moreover, the directors are responsible for identifying the content of the SLFF Progress Report, selecting and applying policies and making judgements and estimates that are reasonable in the circumstances.

Auditors' independence and quality control

We are independent in compliance with the independence and all other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards, the IESBA Code) 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 company applies International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains a system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditors' responsibility

Our responsibility is to express a conclusion, based on the procedures performed, about the progress of the five KPIs presented in the 2022 SLFF Progress Report included in paragraph 7.3 of the group's integrated annual report.

We carried out our work in accordance with the criteria established by "International Standard on Assurance Engagements 3000 (revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000 revised"), issued by the International Auditing and Assurance Standards Board applicable to limited assurance engagements. This standard requires that we plan and perform the engagement to obtain limited assurance about whether the SLFF Progress Report is free from material misstatement.

A limited assurance engagement is less in scope than a reasonable assurance engagement carried out in accordance with ISAE 3000 revised, and consequently does 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 we performed on the report are based on our professional judgement and include inquiries, primarily of the group's personnel responsible for the preparation of the information presented in the SLFF Progress Report, documental analyses, recalculations and other evidence gathering procedures, as appropriate.

Specifically, we performed the following procedures:

1 obtaining the Sustainability Linked Financing Framework published in November 2022;

2 obtaining and reading the second party opinion;

3 holding interviews with personnel responsible for the preparation of the SLFF Progress Report in order to gain an understanding of the existing processes, systems and controls;

4 obtaining the schedule showing the 2022 scope 1 and 2 CO2 emissions (market-based);

5 understanding the processes underlying the generation, recording and management of the information on the 2022 scope 1 and 2 CO2 emissions (market-based);

6 performing selected procedures on documentation to gather information on the processes and procedures used to gather, combine and process the information on the 2022 scope 1 and 2 CO2 emissions (market-based);

7 performing selected procedures, on a sample basis, to check the correct combination of the data used to process the information on the 2022 scope 1 and 2 CO2 emissions (market-based);

8 visiting ACA holding S.A.S. and Aeroporti di Roma S.p.A. and, remotely, Grupo Costanera S.A to gather documentary evidence, on a sample basis, supporting the correct application of the procedures and methods used to calculate the 2022 scope 1 and 2 CO2 emissions (market-based);

9 obtaining a breakdown by gender of junior managers and managers in force at 31 December 2022;

10 performing selected procedures on documentation to gather information on the processes and procedures used to gather, combine and process the information on the female junior managers and managers in force at 31 December 2022;

11 performing selected procedures on documentation, on a sample basis, to check the correct combination of the data used to process the information on the female junior managers and managers in force at 31 December 2022;

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12 visiting Aeroporti di Roma S.p.A. and holding remote meetings with personnel of Albertis Group S.A. to gather documentary evidence, on a sample basis, supporting the correct application of the procedures and methods used to calculate the female junior managers and managers in force at 31 December 2022;

13 obtaining the schedule showing the 2022 total electricity consumption, with separate indication of the percentage of electricity consumption from renewable sources;

14 understanding the processes underlying the generation, recording and management of the information on the 2022 electricity consumption from renewable sources;

15 performing selected procedures on documentation to gather information on the processes and procedures used to gather, combine and process the information on the 2022 electricity consumption from renewable sources;

16 performing selected procedures, on a sample basis, to check the correct combination of the data used to process the information on the 2022 electricity consumption from renewable sources;

17 holding remote meetings with the personnel responsible for the preparation of the SLFF Progress Report to gather documentary evidence, on a sample basis, supporting the correct application of the procedures and methods used to calculate the 2022 electricity consumption from renewable sources;

18 checking the progress of the five KPIs at 31 December 2022 compared to the 2019 baseline.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the 2022 SLFF Progress Report of the Mundys Group included in paragraph 7.3 of the integrated annual report and prepared to provide an update on the progress and achievement of the five KPIs included in the SLFF has not been prepared, in all material respects, in accordance with the basis of preparation described in the SLFF.

Restriction on use

This report has been prepared solely for the purposes described in the first paragraph. As such, it cannot be used for any other purposes as it may not be suitable for such other purposes.

Rome, 6 April 2023

KPMG S.p.A.

(signed on the original)

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Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) no. 537 of 16 April 2014

To the shareholders of
Mundys S.p.A.

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of the Mundys Group (formerly the Atlantia Group, the "group"), which comprise the statement of financial position as at 31 December 2022, the income statement and the statements of comprehensive income, changes in equity and cash flows for the year then ended and notes thereto, which include a summary of the significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Mundys Group as at 31 December 2022 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of 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 "*Auditors' responsibilities for the audit of the consolidated financial statements*" section of our report. We are independent of Mundys S.p.A. (the "parent") in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated financial statements of the current year. 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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Recoverability of Abertis goodwill

Notes to the consolidated financial statements: paragraph 7.3 "Goodwill and trademarks"

Key audit matter	Audit procedures addressing the key audit matter
The consolidated financial statements at 31 December 2022 include the caption "Goodwill and trademarks" of €8,978 million, which comprises goodwill of €8,469 million allocated to the Abertis cash-generating unit ("CGU"). The directors tested the carrying amount of the CGU to which goodwill is allocated for impairment, in order to identify any impairment losses compared to the CGU's recoverable amount. The estimated recoverable amount is based on value in use, that is the present value of the future expected cash flows (discounted cash flow model). The model is very complex and entails the use of estimates which, by their very nature, are uncertain and subjective, about: • the expected cash flows, calculated by taking into account the general economic performance and that of the group's sector, the actual cash flows for recent years and the projected growth rates; • the financial parameters used to calculate the discount rate. For the above reasons, we believe that the recoverability of goodwill is a key audit matter.	Our audit procedures included: • understanding the process for preparing the business plan; • understanding the impairment testing procedure approved by the company's board of directors; • analysing the reasonableness of the key assumptions used by the directors to prepare the business plan; • analysing the criteria used to identify the Albertis CGU and tracing the carrying amounts of the assets and liabilities allocated thereto to the consolidated financial statements; • comparing the cash flows used for impairment testing to the cash flows forecast in the business plan; • analysing the most significant discrepancies between the previous year business plans' figures and actual figures, in order to check the accuracy of the measurement process adopted; • involving experts of the KPMG network in the assessment of the reasonableness of the impairment testing and related assumptions, including by means of a comparison with external data and information; • checking the sensitivity analysis presented in the notes in relation to the main assumptions used for impairment testing; • assessing the appropriateness of the disclosures provided in the notes about goodwill and the related impairment tests.

Responsibilities of the parent's directors and board of statutory auditors ("Collegio Sindacale") 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 the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05 and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- identify and assess the risks of material misstatement of the 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 the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 auditors' 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 auditors' 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 the appropriate level required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the ethics and independence rules and standards applicable in Italy and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the measures taken to eliminate those threats or the safeguards applied.

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 year and are, therefore, the key audit matters. We describe these matters in our auditors' report.

Other information required by article 10 of Regulation (EU) no. 537/14

On 29 May 2020, the parent's shareholders appointed us to perform the statutory audit of its separate and consolidated financial statements as at and for the years ending from 31 December 2021 to 31 December 2029.

We declare that we did not provide the prohibited non-audit services referred to in article 5.1 of Regulation (EU) no. 537/14 and that we remained independent of the parent in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed herein is consistent with the additional report to the *Collegio Sindacale*, in its capacity as audit committee, prepared in accordance with article 11 of the Regulation mentioned above.

Report on other legal and regulatory requirements

Opinion pursuant to article 14.2.e) of Legislative decree no. 39/10 and article 123-bis.2.b) of Legislative decree no. 58/98

The parent's directors are responsible for the preparation of the group's directors' report and report on corporate governance and ownership structure at 31 December 2022 and for the consistency of such reports with the related consolidated financial statements and their compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to express an opinion on the consistency of the directors' report and the specific information presented in the report on corporate governance and ownership structure indicated by article 123-bis.2.b) of Legislative decree no. 58/98 with the group's consolidated financial statements at 31 December 2022 and their compliance with the applicable law and to state whether we have identified material misstatements.

In our opinion, the directors' report and the specific information presented in the report on corporate governance and ownership structure referred to above are consistent with the group's consolidated financial statements at 31 December 2022 and have been prepared in compliance with the applicable law.

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

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Statement pursuant to article 4 of the Consob regulation implementing Legislative decree no. 254/16

The directors of Mundys S.p.A. are responsible for the preparation of a non-financial statement pursuant to Legislative decree no. 254/16. We have checked that the directors had approved such non-financial statement. In accordance with article 3.10 of Legislative decree no. 254/16, we attested the compliance of the non-financial statement separately.

Rome, 6 April 2023

KPMG S.p.A.

(signed on the original)

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Director of Audit

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Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) no. 537 of 16 April 2014

To the shareholders of
Mundys S.p.A.

Report on the audit of the financial statements

Opinion

We have audited the separate financial statements of Mundys S.p.A. (formerly Atlantia S.p.A., the "company"), which comprise the statement of financial position as at 31 December 2022, the income statement and the statements of comprehensive income, changes in equity and cash flows for the year then ended and notes thereto, which include a summary of the significant accounting policies.

In our opinion, the separate financial statements give a true and fair view of the financial position of Mundys S.p.A. as at 31 December 2022 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of 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 "*Auditors' responsibilities for the audit of the separate financial statements*" section of our report. We are independent of the company in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the separate financial statements of the current year. These matters were addressed in the context of our audit of the separate 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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31 December 2022

Recoverability of the investment in Abertis HoldCo S.A.

Notes to the separate financial statements: paragraph 5.1 "Investments"

Key audit matter	Audit procedures addressing the key audit matter
The separate financial statements at 31 December 2022 include the investment in the subsidiary Abertis HoldCo S.A. under non-current assets, which is measured at cost (€2,952 million). The directors tested the carrying amount of the investment in the subsidiary Abertis HoldCo S.A. in order to identify any impairment losses compared to its recoverable amount. The estimated recoverable amount is based on value in use, that is the present value of the future expected cash flows (discounted cash flow model). The model is very complex and entails the use of estimates which, by their very nature, are uncertain and subjective, about: • the expected cash flows, calculated by taking into account the general economic performance and that of the subsidiary's sector, the actual cash flows for recent years and the projected growth rates; • the financial parameters used to calculate the discount rate. For the above reasons, we believe that recoverability of the investment in the subsidiary Abertis HoldCo S.A. is a key audit matter.	Our audit procedures included: • understanding the process for preparing the business plan; • understanding the impairment testing procedure approved by the company's board of directors; • analysing the reasonableness of the key assumptions used by the directors to prepare the business plan; • comparing the cash flows used for impairment testing to the cash flows forecast in the business plan; • analysing the most significant discrepancies between the previous year business plans' figures and actual figures, in order to check the accuracy of the measurement process adopted; • involving experts of the KPMG network in the assessment of the reasonableness of the impairment testing and related assumptions, including by means of a comparison with external data and information; • checking the sensitivity analysis presented in the notes in relation to the main assumptions used for impairment testing; • assessing the appropriateness of the presentation and the adequacy of disclosures provided about the recoverability of the equity investment and the related impairment test.

Responsibilities of the company's directors and board of statutory auditors ("Collegio Sindacale") for the separate financial statements

The directors are responsible for the preparation of separate financial statements that give a true and fair view in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05 and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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Auditors' responsibilities for the audit of the separate financial statements

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

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

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

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

We also provide those charged with governance with a statement that we have complied with the ethics and independence rules and standards applicable in Italy and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the measures taken to eliminate those threats or the safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current year and are, therefore, the key audit matters. We describe these matters in our auditors' report.

KPMG

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Other information required by article 10 of Regulation (EU) no. 537/14

On 29 May 2020, the company's shareholders appointed us to perform the statutory audit of its separate and consolidated financial statements as at and for the years ending from 31 December 2021 to 31 December 2029.

We declare that we did not provide the prohibited non-audit services referred to in article 5.1 of Regulation (EU) no. 537/14 and that we remained independent of the company in conducting the statutory audit.

We confirm that the opinion on the separate financial statements expressed herein is consistent with the additional report to the *Collegio Sindacale*, in its capacity as audit committee, prepared in accordance with article 11 of the Regulation mentioned above.

Report on other legal and regulatory requirements

Opinion pursuant to article 14.2.e) of Legislative decree no. 39/10 and article 123-bis.2.b) of Legislative decree no. 58/98

The company's directors are responsible for the preparation of a directors' report and a report on corporate governance and ownership structure at 31 December 2022 and for the consistency of such reports with the related separate financial statements and their compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to express an opinion on the consistency of the directors' report and the specific information presented in the report on corporate governance and ownership structure indicated by article 123-bis.2.b) of Legislative decree no. 58/98 with the company's separate financial statements at 31 December 2022 and their compliance with the applicable law and to state whether we have identified material misstatements.

In our opinion, the directors' report and the specific information presented in the report on corporate governance and ownership structure referred to above are consistent with the company's separate financial statements at 31 December 2022 and have been prepared in compliance with the applicable law.

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

Rome, 6 April 2023

KPMG S.p.A.

(signed on the original)

Marcella Balistreri
Director of Audit

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Mundys SpA – Joint stock company
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Mundys SpA is a strategic investment holding company.
The Mundys Group is an operator of motorways and airports
and a provider of mobility and payment services.